RAMSDENS

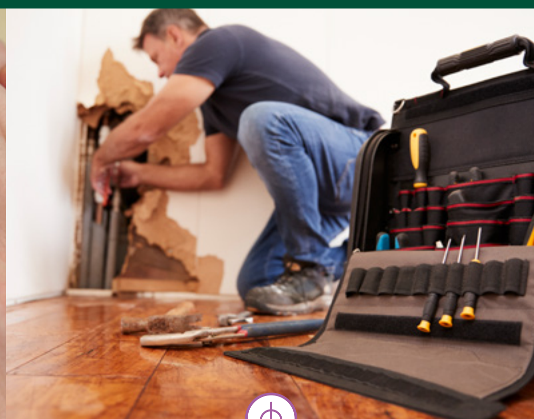
Annual Report and Accounts

18 months ended 30 September 2020

HELPING YOU WITH
EVERYDAY LIFE

Serving all your travel money needs

Treat yourself or a loved one to new or pre-owned jewellery



Use your jewellery to get cash when you need it

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain information contained in this document, including any information as to the Group's strategy, plans or future financial or operating performance, constitutes "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "projects", "expects", "intends", "aims", "plans", "predicts", "may", "will", "seeks", "could", "targets", "assumes", "positioned" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors concerning, among other things, the Group's results of operations, financial condition, prospects, growth, strategies and the industries in which the Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future or are beyond the Group's control. Forward-looking statements are not guarantees of future performance. Even if the Group's actual results of operations, financial condition and the development of the industries in which the Group operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Accordingly, undue reliance should not be placed on these statements. The forward-looking statements contained in this document speak only as of the date of this document. The Group and its Directors expressly disclaim any obligation or undertaking to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable law, the AIM Rules for Companies or the Disclosure and Transparency Rules. Note: The financial information contained in this document, including the financial information presented in a number of tables in this document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figures given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Our business

Ramsdens is a diversified financial services provider and retailer operating in the following core segments:

- Foreign Currency
- Pawnbroking
- Purchase of Precious Metals
- Retail of new and second-hand jewellery

The first Ramsdens store opened in Stockton-on-Tees in May 1987 and the Group retains its Teesside roots with its Head Office located in Middlesbrough.

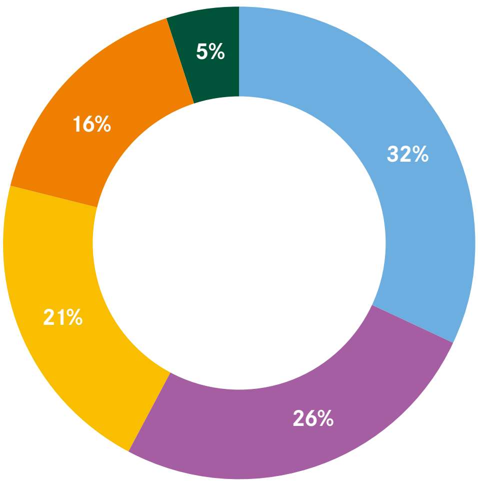
Today, Ramsdens' services are delivered from its 157 stores (including four franchised outlets) across the UK, supported by a growing online offering for Foreign Currency and Jewellery Retail.

Our mission is to provide a great customer offering coupled with such fantastic service that our customers become ambassadors for Ramsdens. Our strong customer proposition and reputation for service is reflected in our high levels of repeat business and excellent ratings on Trustpilot.

Ramsdens is an increasingly trusted and recognised brand in each of our four key business segments. The continued investment in our staff, IT systems, marketing and store estate remain an important factor in supporting the Group's long-term growth ambitions.

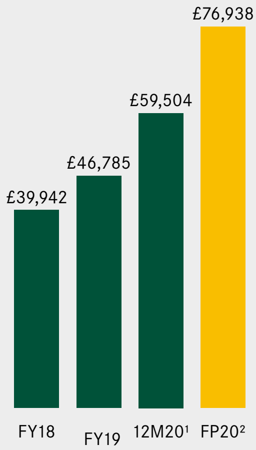
GROSS PROFIT PERCENTAGES RE CORE SEGMENTS

taken from financial statements in £000's

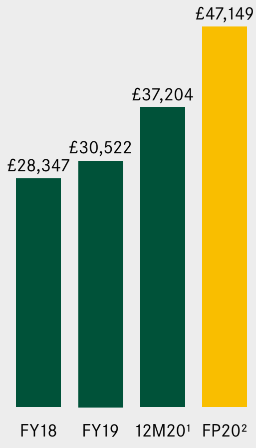


FINANCIAL HIGHLIGHTS £000's

Revenue



Gross Profit



Profit Before Tax

Net Assets

Net Cash

EPS

[1] (12 months unaudited)
[2] (18 months audited)

Strategic Report

Serving all your travel money needs

Chairman's statement

The Group is publishing its Annual Report to cover the 18 month period from 1 April 2019 to 30 September 2020, at a time when there is still uncertainty over the ongoing impact of the COVID-19 pandemic. Since the outbreak of the virus, our priority has been the safety and wellbeing of Ramsdens' staff, customers and wider stakeholders.

I always knew that a big strength of the business was its people and culture. The hard work, flexibility and extraordinary commitment of our teams in dealing with the unprecedented challenges presented in 2020 only reinforces that belief. I would like to personally thank each and every one of my colleagues at Ramsdens for their dedication during this period.

"The Group's diversified business model has again shown its strength in these unprecedented times.

The Group has continued to make good progress over the 18 months. Profit before tax for the 18 months is £9.2m (FY19: £6.5m) which indicates relatively linear growth on a time basis but the reality of the 18 month period is far from linear. The reporting period has two distinct time periods with contrasting trading conditions. We have the pre COVID-19 trading period through to March 2020 and the subsequent 6 months through to the end of the reporting period:

PRE COVID-19 – TRADING TO 23 MARCH 2020 WAS AHEAD OF THE BOARD'S EXPECTATIONS

We achieved tremendous progress in the first 12 months of the 18 month period through to March 2020. The business performed ahead of the Board's expectation over that time and achieved record levels of profitability. Furthermore, we were maintaining momentum by maximising the opportunity that the Money Shop acquisition from March 2019 presented and continuing to roll out new stores in line with our growth strategy.

COVID-19 IMPACT TO 30 SEPTEMBER 2020 – TRADING SHOWED STRENGTH IN DIVERSIFICATION

March 2020 brought a slowdown in activity following the onset of COVID-19, resulting in all stores closing on 23 March 2020 in line with government guidelines. Since that time, the Group's diversified business model has again shown its strength, enabling the Group to trade profitably through to the end of the financial period.

As a result of the COVID-19 disruption, we announced on 27 March 2020 that Ramsdens would change its accounting reference date from 31 March to 30 September. This decision was made by the Board in consultation with the Group's auditors. This then created a one off 18 month reporting period. Going forward, the Company's year-end will remain 30 September.

In April to June 2020 our stores were predominantly closed. While there was some customer demand online for our retail products, the vast majority of those products were located in stores and the sales were only fulfilled following store re-openings as government restrictions were eased.

During the period of the stores being closed, a significant proportion of staff were furloughed under the Coronavirus Job Retention Scheme. During this time Ramsdens topped up employees' pay to 100% of their normal salaries.

By the end of July 2020, 152 stores had re-opened and by August 2020, the significant majority of staff across the Group's store estate had returned to work. We traded through to September safely, always prioritising the protection of our staff and customers.

Following the re-opening of the Group's stores, foreign currency commission through to the end of the reporting period was approximately 30% of the comparable prior year period, due to ongoing restrictions on international travel as a result of the pandemic. However, the performance of the Group's jewellery retail segment enhanced by online sales was encouraging and the purchase of precious metals segment benefited from the strong gold price. During lockdown, the Group's pawnbroking customer base had a reduced need for borrowing while at the same time continuing to repay their loans, improving the Group's cash position. The Group completed two loan book acquisitions at the end of the Period, which added a combined £0.25m to the in-date loan book.

Six of the Group's stores did not reopen after the period of enforced closure in the Spring as we took the opportunity to take advantage of flexible leases and merged these branches into nearby Ramsdens stores.

FINANCIAL YEAR STARTING OCTOBER 2020 – POSITIONED FOR LONG TERM GROWTH

The beginning of the new financial year has brought further challenges with the introductions and expected continuation of both national and local lockdowns across the UK. While Ramsdens is a provider of certain services which the government has categorised as essential and therefore has been able to remain open during the latest lockdowns, consumer sentiment and footfall have inevitably been impacted.

In addition, UK businesses continue to face macroeconomic uncertainty with the scheduled end on 31 December 2020 of the Brexit transition period and, as yet, no clear idea of what will happen next.

Looking beyond the near term, the Group has a strong cash position, diversified income streams, a strong management team and a trusted brand, all of which position it well to deliver on the strategic ambitions of sustainable long-term growth as a sense of normality resumes.

FINANCIAL RESULTS & DIVIDEND

As stated above, the Financial Statements cover an 18 month reporting period. The results show that revenue increased to £76.9m and PBT increased to £9.2m.

The Board believes that comparing performance to the prior year, especially with a six-month period severely impacted by COVID-19, does not represent the achievements and progress made.

£000's	**FY19** (12 months) (audited)	**12M 20** (12 months) (unaudited)	**FP20** (18 months) (audited)
Revenue	£46,785	£59,504	£76,938
Gross Profit	£30,522	£37,204	£47,149
Profit Before Tax	£6,492	£8,452	£9,221
Net Assets	£30,908	£34,961	£35,555
Net Cash	£8,236	£11,051	£15,873
EPS	16.7p	21.4p	23.1p

The table above illustrates that the unaudited 12 month period to March 2020, (12M 20) as reported in our Second Interim Report on 27 May, compares very favourably to the financial year ended 31 March 2019 (FY19) and also that the Group traded profitably in the final 6 month period.

The Strategic Report and Financial Review that follow provide a more in-depth analysis of the trading performance and financial results of the Group.

The Board did not recommend a second interim dividend, as announced in May 2020, owing to the significant uncertainty at the time. Against the backdrop of ongoing considerable levels of uncertainty, continuing to receive government support to protect jobs and challenging trading conditions, the Board believes it is both prudent and in the long-term interest of shareholders to retain its cash resources to trade through this uncertainty. This will position the Group to maximise the opportunity when the 'new normal' returns. As a result, the Board is not recommending a final dividend for the full reporting period. Aligned with this decision, no salary increases have been awarded to directors and senior executives and both Peter Kenyon, CEO and Martin Clyburn, CFO, have voluntarily foregone part of their bonus entitlement as outlined in the Remuneration Committee report. It is the Board's intention to return to its previous progressive dividend policy as soon as it is prudent to do so.

ANDREW MEEHAN
Non-Executive Chairman

18 December 2020

Section 172 statement

When making decisions of strategic importance, the Board is mindful of all stakeholders, whose engagement is important to the future success of the Group.

The Board appreciates that different stakeholders have different requirements and preferences, and our stakeholder engagement processes enable the Board to understand these and take them into account. The Board considers all the relevant factors and long-term consequences of decisions in selecting the best course of action of how to take the business forward.

The Board considers its key stakeholders to be: employees, customers, shareholders, the communities in which it operates, the environment, its regulators, suppliers and franchisees.

In accordance with Section 172(1) of the Companies Act 2006, a Director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard, amongst other matters, to:

a. the likely consequences of any decision in the long-term
b. the interests of the Company's employees
c. the need to foster the Company's business relationships with customers
d. the impact of the Company's operations on the community and the environment
e. the desirability of the Company maintaining a reputation for high standards of business conduct
f. the need to act fairly between members of the Company.

The following disclosure describes how the Directors of the Group have taken account of the matters set out in section 172(1) (a) to (f) and forms the Directors' statement required under section 172 of the Companies Act 2006.

STAKEHOLDER	ENGAGEMENT EXAMPLES
Employees	• Comprehensive face to face induction training • Company-wide digital learning and development platform • A staff forum has been formed to consider and discuss general matters within the business, environmental issues and best use of IT • Weekly staff newsletter • Annual staff engagement survey • Regional roadshow involving all managerial grade employees • Annual meeting of all key influencers within the business as part of a staff development program **Further information is included in the Governance section, Principle 3 of the QCA Corporate Governance Code**
Customers	• Interaction with customers in store, online and by telephone • Customer Service support function assists with customer queries • Social media and Trustpilot feedback reviewed and customers engaged to resolve any queries and areas of dissatisfaction **Further information is included in the Governance section, Principle 3 of the QCA Corporate Governance Code**
Shareholder	• Individual meetings with institutional shareholders throughout the period and particularly following interim and full year results • Shareholders are invited to submit questions to the Board at the Group's Annual General Meeting • Information for investors is published on the Group's website www.Ramsdensplc.com **Further information is included in the Governance section, Principle 2 of the QCA Corporate Governance Code**
Communities and Environment	• The Group contributes to local and national charities which are important to both the communities where our stores are located and our staff • The Group's Staff Forum has been challenged with reviewing the Company's efforts to improve its environmental footprint. **Further information is included in the Governance section, Principle 3 of the QCA Corporate Governance Code**
Suppliers and Franchisees	• The Group has established long term key suppliers and enjoy good close working relationships. All supplier payments were made in accordance with normal payment terms despite the impact COVID-19 has had on the business. • Each Supplier relationship is reviewed on a six monthly basis to meet the Group's strict responsible supplier policy. • The Group engaged with its landlords during the store closure period to pay its rent on a monthly basis as opposed to not paying its rental liabilities • Each franchisee is audited on a quarterly basis **Further information is included in the Governance section, Principle 3 of the QCA Corporate Governance Code**
Regulators	• The Group has processes in place and uses its retained advisers and lawyers to keep it up to date with legislative changes and compliance requirements that may impact the business, for example, the forthcoming 6th Money Laundering Directive and the Guidance issued by the FCA for the treatment of customers experiencing payment difficulties as a result of COVID-19. • The Group's management regularly engages with trade bodies including The National Pawnbrokers Association and the Consumer Credit Trade Association **Further information is included in the Principal Risks and Uncertainties section of the Strategic Report and the Governance section, Principle 3 of the QCA Corporate Governance Code**

Key Board Decisions in the Reporting period

BOARD DECISION	CONSIDERATIONS
The Board reviewed the Business's response to the impact of COVID-19 on key stakeholders and approved the following actions: **Staff welfare.** Those Head Office functions that could operate remotely were facilitated prior to the national lockdown on 23 March. On 23 March, we closed our stores in line with government guidance. The pay of furloughed staff was topped up to 100% from March through to July. By August, the majority of staff had returned in some capacity. A network of communication was created using mobile messaging and emails to personal email addresses so staff were informed of the Company's plans to reopen, keep staff safe and to assist in supporting the health and well-being of the individuals. **Customers.** Within a week an online facility was made available for customers to manage their pawnbroking loans and provide access to a loan if required. There was increased customer communication via social media, website and text with a primary message that customers would not be disadvantaged by the store closures. All retail jewellery sales return timescales were extended. On re-opening, the stores were operated in a COVID secure way, which protected customers and staff. **Suppliers.** All suppliers were paid as their invoices fell due **Landlords.** Landlords. Rents continued to be paid, albeit for a short time, on a monthly basis as opposed to quarterly.	The requirement to prioritise the welfare and health & safety of all staff. Despite subsequently having an exemption to stay open to provide essential services, little was known in the early days about how to protect customers and staff and the stores remained closed until more detailed guidance was given by the UK Government. Stores were then opened in a phased way to test and review the processes implemented. Flexible working arrangements were made available to facilitate staff who had childcare issues with schools closed or to care for those shielding. The requirement to support suppliers and landlords by paying all invoices and rent. Many suppliers and landlords are small businesses that have supported the ongoing development of Ramsdens.
The Board with its auditor, Ernst & Young, discussed the practicalities of completing the audit for the year to March 20 given the implications of COVID-19.	Consideration was given to the auditor's ability to undertake year end stock takes safely, across a 'locked down' store estate, and the auditor's ability to undertake the subsequent audit work in a timely manner. Consideration was given to the material uncertainties that existed with limited knowledge of the timing and impact of the Government's decision re lockdown. In selecting a new date, consideration was given to keeping the reporting relatable to prior periods and a change to 30 September was approved by the Board.
The Board took the decision not to apply for additional bank funding or a Coronavirus Large Business Interruption Loan (CLBIL).	Consideration was given to increasing the cash resources available to the Company but this was considered unnecessary as the Group had a strong balance sheet and opportunities to improve cash liquidity from its jewellery stock and conversion of its foreign currency holdings back into sterling.
The Board took the decision not to approve a second interim dividend or recommend a final dividend for the 18 month period.	Consideration was given to rewarding shareholders for the record 12 months trading to March 20 but the Board decided to preserve cash given the material uncertainties that existed at that time. Consideration was given to issuing a scrip issue dividend but the Board decided against this on the basis that it soon hoped to return to delivering on its progressive dividend policy. Consideration was given to recommending a final dividend but in the light of the ongoing uncertainties and the guidance given in the government's support schemes, the Board has decided not to issue a dividend and instead enable the Group to utilise the government's job support scheme to support our staff and retain jobs over the long-term.
The Board stopped all new greenfield store openings but continued to relocate stores where opportunities existed.	Consideration was given to the longer term growth of the Group but it was decided to preserve cash by not opening new greenfield stores given the material uncertainties to future trading. Where trading in a town was known and a relocation of a store would benefit the business, the relocation was undertaken.
Purchase of loan book and assets from Beauly Financial Limited.	The Board agreed to purchase the business assets following careful consideration due to the long-term value of the transaction and the return on the capital employed.
The Board reviewed the results of the Employee Engagement survey and agreed a number of initiatives to be implemented.	Consideration of the feedback by employees who completed the survey. Taking appropriate engagement action is critical to engage employees in the process and for positive changes to be implemented.
Extend the time qualifying criteria for the Admission Long Term Incentive Plan.	Consideration was given to rewarding the seven beneficiaries of the scheme at a time when all stores were closed and staff furloughed while balancing the fact that performance criteria had been exceeded and the performance in the 12 months to March 20 was a record year. The Board agreed that the Admission LTIP scheme would vest on production of this Annual Report. The beneficiaries would then be able to exercise at their discretion subject to Group's standard share dealing code.

Chief Executive's review

Still moving forward

The 18 month reporting period has included the high of delivering an unaudited record 12 month performance through to March 2020 reflecting the investments made in our staff, brand, IT systems, store locations, retail jewellery proposition and digital operations. This was unfortunately followed by the low of having to close all Ramsdens stores between March and the end of May 2020, resulting in a deceleration of online operations owing to stock being held in closed stores and the pausing of our planned store roll-out strategy.

PETER KENYON
Chief Executive Officer

INTRODUCTION

Excellent trading through to March had positioned the business well for growth with good liquidity and growing diversified income streams. We then entered a period, which I relate to the Ramsdens ship getting caught in the eye of a storm. The storm was not of our making, we could not navigate around it, and we had – and continue to have – no control over its severity or duration. We have however navigated through the first six months of the storm reasonably successfully and are grateful for the UK Government's support, which has helped us to protect the jobs of our colleagues. Pleasingly we have also remained profitable during this period, but at materially lower levels than we would have expected under normal trading conditions. The waters are still choppy, but I am pleased to say that the Ramsdens ship is still moving forward. We are still able to make progress notwithstanding the continuing stormy outlook.

As I look forward and see the storm calming – as it inevitably will at some point – either when a vaccine is developed and widely rolled out or we further adapt to living with the virus – I believe that Ramsdens will be in a great position to maximise the opportunities for continued, long term growth.

COVID-19 IMPACT AND ACTIONS

The pandemic has had a huge impact on the lives of many who work for, engage with, or supply Ramsdens. We have seen periods of national lockdown and regional restrictions, which have affected the high street unlike anything contemplated prior to the onset of the pandemic. More broadly, we have seen a significant reduction in demand for international travel and the movement of people.

Faced with this, the strength of the Ramsdens team spirit has never been more evident. Our staff have been flexible, considerate and collaborative, and did whatever it took to re-open our stores in the summer and trade in a COVID secure way. I have immense pride in being able to lead such a committed and talented group of people and would like to thank them all for their response to the unprecedented challenges faced during the period.

THE SAFETY OF OUR STAFF, CUSTOMERS AND COMMUNITY

Our first priority throughout the pandemic has been the health, safety and wellbeing of our staff, customers and the community at large.

During March 2020, we facilitated more staff being able to work from home and securely connect to our centralised IT systems. We then closed our stores in line with the UK Government guidance. In the early weeks of the first national lockdown, we planned our reopening and how we could operate in a safe way. The layout of our stores supported this as they already feature segregated financial services tills with private spaces for our customers and glass screens offering additional safety. While Ramsdens became eligible to open for our essential services, mainly pawnbroking, within a week of lockdown we implemented an online portal for customers which enabled them to manage their existing in store loans and apply for new loans by posting their goods to our ecommerce team. Our message to customers was that we would not disadvantage them because of the stores being closed. We ensured we did this when we re-opened and waived interest where customers were disadvantaged.

Our stores started to reopen at the end of May, initially trialling three stores. This re-opening gathered pace through England in June, with Wales and Scotland in July. Our head office staff slowly returned to the workplace, adhering to additional social distancing rules and with screens introduced to aid staff segregation.

Once our stores were open, we strived to continue to provide the services, for which our loyal customers visit Ramsdens, in our usual friendly way. We were also able to fulfil the many pending online orders we had received for jewellery items during the lockdown period where the items had been securely stored in our closed stores.

During the two week 'firebreak' lockdown in Wales in October and the national lockdown in England in November, our stores remained open following government advice and the exemption for essential services. This decision was made with the knowledge that we could keep our stores as safe as possible for our customers and staff and adhere to COVID secure guidelines.

LIQUIDITY

The Group was in a good position with its liquidity at the start of lockdown. We also had opportunities to generate cash from the intrinsic value of the gold in our jewellery stock if required. This position has been improved in recent months following:

- profitable trading during the final 6 months of the reporting period;
- postponing the opening of new greenfield stores and saving the associated capital expenditure;
- accelerating the merger of four stores and closure of two stores, releasing working capital;
- customers repaying their pawnbroking loans during the period at the same time as new lending being impacted from store closures and reduced customer need. This will, however, have an impact on future income generation while the loan book rebuilds over the coming months; and
- the reduction of foreign currency cash, which improves sterling cash held but not the overall net cash figure.

At 30 September 2020, the Group's cash position was £15.9m and the revolving credit facility of £10m remained undrawn.

Business review

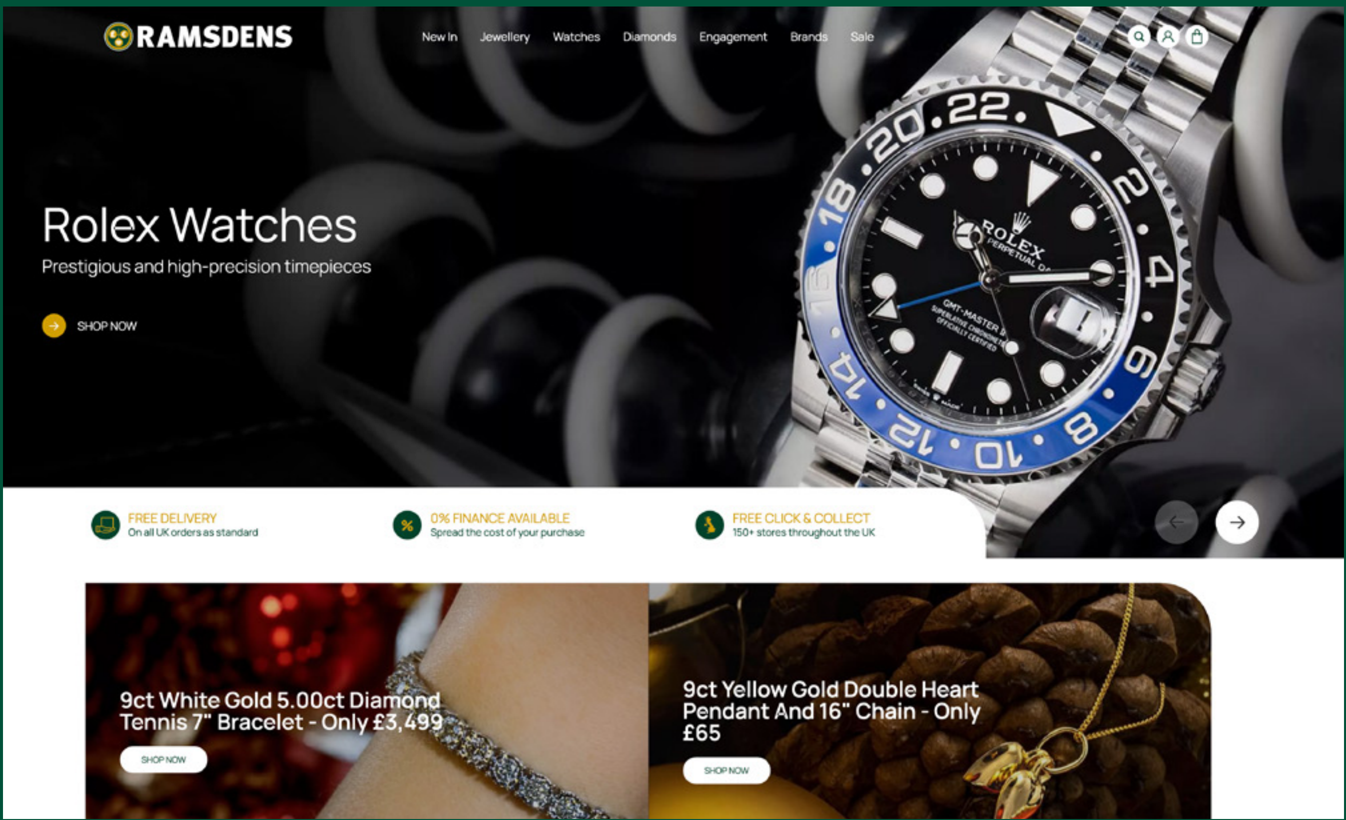
The 18 month period encompassed the ongoing development of: the core estate of branches; our ecommerce activities; the young stores which opened in 2018 and 2019; and the stores acquired in March 2019 which previously traded as The Money Shop.

This resulted in Profit Before Tax for the full 18 month period increasing to £9.2m (FY19: £6.5m). The majority of the profit was generated during the first 12 months of the 18 month reporting period when the Group traded in what is best described now as normal trading conditions delivering a 27% increase in revenue and a 30% increase in Profit Before Tax to £8.5m (FY19: £6.5m).

The generation of £0.8m Profit Before Tax during the six months to September 2020 is considered to be a strong performance by the Board, given the period of store closures and significant reduction in international travel.

Each of the key income streams is discussed in greater detail below showing the results for the last two and a half years to enable comparisons.

The Group's retail estate grew to 158 stores as at March 2020 but has now reduced to 153 stores. The reduction is the result of one new store opening in Boston post-lockdown and the merger of six stores with other nearby Ramsdens stores. We have continued to achieve growth in our online jewellery retail sales as we move forward with our strategy to become a truly multi-channel business.



Our diversified business model: Product offering

Ramsdens operates in the four core business segments of: foreign currency exchange; pawnbroking; jewellery retail; and purchase of precious metals.

The following tables have references to;

H1 being the 6 months to 30 September 2019. These numbers are unaudited

H2 being the 6 months to 31 March 2020. These numbers are unaudited

12M20 being the 12 months to 31 March 2020. These numbers are unaudited

H3 being the 6 months to 30 September 2020. These numbers are unaudited.

The FP20 represented the 18 month financial period to 30 September 2020 which is audited.

FOREIGN CURRENCY EXCHANGE

The foreign currency exchange (FX) segment primarily comprises of the sale and purchase of foreign currency notes to holidaymakers. Ramsdens also offers prepaid travel cards and international bank-to-bank payments.

Approximately 784,000 customers used the foreign currency service during the year to March 2020 up 11% on the previous 12 months of approximately 705,000 customers. The significant impact of COVID-19 on the reduction of international travel and consequently on the Group's foreign currency volumes is highlighted by the number of customers falling from approximately 570,000 in the six months to September 2019 to approximately 69,000 in the six months to September 2020, an 88% fall.

The improvement in the rate of commission, or gross profit from the product has been driven by a focused effort by the Group to widen margins in line with our competitors and the volume of higher margin purchases of currency representing a greater percentage of the total currency exchanged.

In line with our multi-channel strategy, the Group intended to refresh its currency travel card proposition in 2020 but given the impact of COVID-19 this has been delayed to 2021.

As we look forward, we see the income from this service growing in line with the easing of restrictions and as international travel returns. We strongly believe that customers' desire to go on holiday abroad remains high. While we have seen more people use card payments in the UK, we believe the need for foreign currency cash will remain high given the popular holiday destinations and known spending patterns while abroad.

The table demonstrates the strong growth for the 12 months to March 2020.

000's	FY19 (audited)	H1 20 (unaudited)	H2 20 (unaudited)	12M 20 (unaudited)	12M20 v FY19	H3 20 (unaudited)	FP20 (audited)
Total Currency exchanged	£496m	£340m	£181m	£521m	5%	£38m	£559m
Income	£11.6m	£8.4m	£4.7m	£13.1m	13%	£1.8m	£14.9m
Online C&C orders	£32m	£23.9m	£18.5m	£42.4m	32%	£3.0m	£45.4m
% of online FX	6%	7%	10%	8%	33%	8%	8%
Percentage of GP	38%	41%	28%	35%	(3%)	18%	32%

PAWNBROKING

Pawnbroking is a small subset of the consumer credit market in the UK and a simple form of asset backed lending dating back to the foundations of banking. In a pawnbroking transaction an item of value, known as a pledge, (in Ramsdens' case, jewellery and watches), is held by the pawnbroker as security against a six-month loan. Customers who repay the capital sum borrowed plus interest receive their pledged item back. If a customer fails to repay the loan, the pawnbroker sells the pledged item to repay the amount owed and returns any surplus funds to the customer. Pawnbroking is regulated by the FCA in the UK and Ramsdens is fully FCA authorised.

The growth in pawnbroking income to March 2020 was primarily due to the contribution from the Money Shop loan books that we acquired in March 2019.

As our stores closed in March 2020, we quickly leveraged our strengths as a multi-channel business and made a full service online pawnbroking facility available. Whilst the volume of loans being requested through the portal has been low, reinforcing the view that customers prefer a face to face service, the portal did enable a significant number of customers to repay their loans during the lockdown period and collect their goods when stores re-opened.

The impact of the national lockdown was that our customer base had a reduced borrowing need. The restrictions on normal life expenditure within the customer base and the significant UK Government support – in particular the Coronavirus Job Retention Scheme – led to a greater number of customers repaying their loans over the normal redemption patterns.

The average loan value as at 30 September 2020 was £248, up from £229 as at 31 March 2020 and £224 as at 31 March 2019. The loan book is considered of high quality with a low loan to value ratio of approximately 60% on the gold price alone at the period end. Where loans are not repaid, the current high gold price enables an improved recovery of interest where goods are scrapped as opposed to being appropriate for retailing.

As we look forward, the Board is confident that the loan book will rebuild over time. The typical pawnbroking customer is cautious. They know that the item pledged is their store of wealth and that this enables them to borrow when needed.

000's	FY19 (audited)	H1 20 (unaudited)	H2 20 (unaudited)	12M 20 (unaudited)	12M20 v FY19	H3 20 (unaudited)	FP20 (audited)
Gross profit	£7,520	£4,261	£4,706	£8,967	19%	£3,281	£12,248
Total loan book	£7,643	£7,739	£7,747	£7,747	1.4%	£6,548	£6,548
Past Due	£1,032	£763	£1,115	£1,115	8%	£1,559	£1,559
In date loan book	£6,611	£6,976	£6,632	£6,632	0.3%	£4,989	£4,989
Percentage of GP	25%	21%	28%	24%	(1%)	33%	26%

JEWELLERY RETAIL

The Group offers new and second-hand jewellery for sale. The Board believes there is significant growth potential in this segment by leveraging Ramsdens' retail store estate and ecommerce operations. The Group aims to cross-sell its retail proposition to existing customers of the Group's other services as well as attracting new customers.

Retailing of new jewellery products complements the Group's second hand offering to give our customers greater choice in breadth of products and price points. In addition, the retailing of new jewellery enables the Group to attract some customers who prefer not to buy second hand. New jewellery items now account for 31% of the retail revenue.

Whilst many retailers had been recording falling sales, the performance to March 2020 was very robust. The ongoing development of the premium watch sales generates a higher cash margin per product sold but at a lower percentage margin. Watch sales are seen as incremental revenue for the Group. This is the primary reason that the gross margin percentage for jewellery retail fell during the period.

The total jewellery sold through our ecommerce activities totalled £1.9m for the 18 month period and represents 9% of all jewellery items sold. Sales of £846k were delivered in the last 6 months to September 20 and £1,101k in the 12 months to March 20 representing 94% growth over FY19 at £568k.

With the website recently developed to improve the customer experience it is hoped that conversion rates will improve and further growth will follow. 40% of our online sales are now to customers living outside the natural catchment of our branch network.

We believe there is an ongoing opportunity for improving and growing our jewellery retail business. Following a restructure of internal resources, we have placed greater focus on improving the sales of each product category, diamonds, watches, second hand and new jewellery through the store estate and online. We have been investing in the website to improve the customer experience and conversion rates. We have increased the ecommerce team headcount so that we can list more individual second hand items and fulfil the increased sales. We believe these investments will help deliver ongoing growth in our retail jewellery segment in the coming years.

The table demonstrates the strong growth for the 12 months to March 2020.

000's	FY19 (audited)	H1 20 (unaudited)	H2 20 (unaudited)	12M 20 (unaudited)	12M20 v FY19	H3 20 (unaudited)	FP20 (audited)
Revenue	£9,771	£5,499	£7,054	£12,553	28%	£4,556	£17,109
Gross Profit	£5,039	£2,598	£3,113	£5,711	13%	£1,990	£7,701
Margin %	52%	47%	44%	45%	(7%)	44%	45%
Jewellery retail stock	£9,085	£8,111	£8,919	£8,919	(2%)	£9,496	£9,496
Online sales[1]	£568	£322	£779	£1,101	94%	£846	£1,947
% of sales online[1]	5%	5%	9%	7%	2%	14%	9%
Percentage of GP	17%	13%	19%	15%	(2%)	20%	16%

[1] this is based on total jewellery sold which includes ex pledge items

PURCHASES OF PRECIOUS METALS

Through its precious metals buying and selling service, Ramsdens buys unwanted jewellery, gold and other precious metals from customers. Typically, a customer brings unwanted jewellery into a Ramsdens store and a price is agreed with the customer depending upon the retail potential, weight or carat of the jewellery. Ramsdens has various second-hand dealer licences and other permissions and adheres to the Police approved “gold standard” for buying precious metals.

Once jewellery has been bought from the customer, the Group’s dedicated jewellery department decides whether or not to retail the item through the store network or online. Income derived from jewellery, which is purchased and then retailed, is reflected in jewellery retail income and profits. The residual items are smelted and sold to a bullion dealer for their intrinsic value and the proceeds are reflected in the accounts as precious metals buying income.

The sterling gold price increased by 50% during the 18 month period, reaching an all time record high. The current gold price is considered to be higher than where we would expect it to be on a medium-term basis.

In the 12 months to March 2020, an additional non-recurring gross profit of £0.8m was generated from the sale of older stock.

The weight of gold purchased has reduced since the re-opening of our stores after the national lockdown. This is attributed to people still not undertaking normal activities, the reduced need for additional cash and a reduction in the number of foreign currency customers to whom we have traditionally cross-sold this service. We do anticipate the weight purchased increasing as we move back to more normal trading conditions. Until then we believe the gold price will remain high, assisting margins.

000’s	FY19 (audited)	H1 20 (unaudited)	H2 20 (unaudited)	12M 20 (unaudited)	12M20 v FY19	H3 20 (unaudited)	FP20 (audited)
Revenue	£12,343	£10,080	£7,499	£17,579	42%	£5,445	£23,024
Gross Profit	£4,801	£4,122	£3,214	£7,336	53%	£2,520	£9,856
Percentage of GP	16%	20%	19%	20%	4%	25%	21%

OTHER SERVICES

In addition to the four core business segments, the Group also provides additional services in cheque cashing, Western Union money transfer, credit broking and receives franchise fees.

Whilst this has been a steady source of gross profit, we believe that the impact of COVID has switched some Western Union customers online rather than using a store network. Cheque cashing was and continues to be a service in decline.

000’s	FY19 (audited)	H1 20 (unaudited)	H2 20 (unaudited)	12M 20 (unaudited)	12M20 v FY19	H3 20 (unaudited)	FP20 (audited)
Revenue[3]	£2,542	£1,594	£1,029	£2,623	3%	£412	£3,035
Gross Profit[3]	£1,577	£1,138	£937	£2,075	32%	£410	£2,485
Percentage of GP	5%	6%	6%	6%	1%	4%	5%

Our people

It has been clearly demonstrated since the outbreak of the pandemic earlier in 2020, that one of Ramsdens' greatest strengths is its people. Our aim is to nurture, train and develop the best talent in our industry, and to that end during the period the senior management team have been collectively undertaking a leadership development programme.

This is assisting with an ongoing desire to enhance and demonstrate our three core values of being trusted, open and passionate.

The pride and enthusiasm shown by all of our employees continues to create a working environment of infectious enthusiasm to deliver the Group's mission statement, namely to provide a great customer offering and give such fantastic service that our customers become ambassadors for Ramsdens.

As well as doing the 'day job' and seeking a never ending higher bar of achievement during the 18 month reporting period, the team have successfully embedded the acquired Money Shop stores from March 2019, trained the 89 staff members who transferred to Ramsdens in the Ramsdens values and ways, maintained high levels of repeat business from loyal customers, and faced the challenges of COVID-19 head on. We have only been able to do this thanks to the team's dedication, commitment, willingness to strive for continuous improvement and its focus on delivering fantastic service to our customers.

Reflecting the vital role of our staff and their contribution, in the period from March to July 2020 the Group topped up all furloughed employees' pay to 100% of their normal salaries. We are grateful to the UK Government for providing the Coronavirus Job Retention (Furlough) Scheme and its extension to March 2021 which has enabled the Group to protect the jobs of the Group's skilled employees whose training and development we have already invested in.

THE RAMSDENS BRAND

The high levels of repeat purchasing of foreign currency exchange and pawnbroking loans demonstrates the trust our customers have in Ramsdens.

Where our branches are located, we enjoy strong brand recognition. However there is scope to improve this recognition across the full range of diversified services we offer, which remains a key focus for the Group. In addition, improving our online capabilities and the associated awareness of Ramsdens' great products and value will enable the brand to increase recognition beyond the branch network catchment areas.

IT AND INFRASTRUCTURE

The Group has continued to invest in and develop its bespoke customer-centric IT operating system. Underpinning this system is a scalable infrastructure, which undergoes regular capacity planning to ensure that the growth of the Group can not only accommodate its core business strategy but also readily take advantage of business acquisition opportunities. The system infrastructure is maintained with resiliency in all areas.

The Group maintains a continual focus on cyber security and the associated threat landscape. The IT team regularly review the cyber defences of the Group and have recently installed additional network security software to raise the barriers and reduce cyber risk.

The longstanding and layered approach we have to protecting our systems and the data held allowed a seamless transition to remote working for more of our staff in the last six months.

The Group's internal IT Team provide a highly effective and efficient service ensuring the support requirements of the Group are fulfilled. The IT Team are also integral to the Group's business expansion strategy provisioning new store locations, relocations and acquisitions of single and multiple stores.

Strategy

We have a consistent and established strategy for the long-term development and growth of Ramsdens. Underpinned by the development of our people, I am confident that the four pillars of the Group's previously proven strategy remain relevant and appropriate in the long-term.

We continue to concentrate on:

01 Improving the performance of our existing store estate

02 Expanding the Ramsdens branch footprint in the UK

03 Developing our online proposition

04 Continuing to appraise market opportunities presented by operating in a challenging market

WE REMAIN FOCUSED ON DELIVERING OUR CORE MISSION, WHICH HAS THREE COMPONENT PARTS:

1. TO HAVE A GREAT CUSTOMER OFFERING…

- We offer very competitive exchange rates for currency
- We offer a simple and trusted pawnbroking service
- We have invested in the quantity and quality of our jewellery stock and how it is presented to the customer
- We keep the store estate modern and bright and where appropriate continue to relocate stores to higher footfall locations

2. …AND GIVE SUCH FANTASTIC CUSTOMER SERVICE…

- We have a team of fully trained and motivated staff who are passionate about the business and their customers, including cross-selling to meet customer needs
- We have a first-class, customer-centric IT system that allows staff to have a full appreciation of a customer's history with Ramsdens, thereby facilitating efficient processing times

3. …THAT OUR CUSTOMERS BECOME OUR AMBASSADORS.

- Recommendations from family and friends remains our biggest source of new customers

Excellent service from Marie, very helpful and took the time to look at a number of items.

OCTOBER 2020

Trustpilot

Second purchase from Ramsdens Jewellers. Excellent service. Quality purchases. No problems at all. I would highly recommend. Thank you guys.

SEPTEMBER 2020

Trustpilot

Improving performance of the existing store estate

Our strategic focus is on attracting more customers, cross-selling our diversified services and driving higher spend from those acquired customers. By doing this and controlling costs, the profit contribution will increase.

The growth in the four key income segments across the core estate during the first 12 months of the reporting period demonstrate the effectiveness of this strategy. We are not resting on past results and believe we have significant capacity for further improvement. We will do this by continuing to engage with our customers and provide standout products and service.

We aim to improve the performance of our key income streams:

- **Foreign currency:** by having competitive exchange rates to attract new and retain existing customers. Margins will continue to be managed closely with due regard to local circumstances. We will develop a market-leading multi-currency travel card to capture more of the customer's holiday spend while abroad. We have relocated stores to higher footfall locations to improve the convenience we offer our existing customers and to attract those customers who may have been unaware of our secondary location within a town.
- **Pawnbroking:** by doing what we believe is the right thing for the long term. This has included proactively supporting our customers through the challenges that COVID-19 has brought by waiving interest, reducing interest rates and offering long-term repayment plans. Where customers default, we will continue to obtain the best price possible for them by selling by private treaty and not using an auction process which we believe disadvantages customers. We will continue to give a great service and grow the customer base through recommendation. We have very prudent lending policies particularly given the high gold price. Whilst not losing our in-built prudent approach to business and management of cash, we are looking at improving our lending on items that are desirable to retail and offering a more attractive solution for borrowers with high value assets. The introduction of a jewellery offering in the March 2019 acquired Money Shop stores will also improve the pawnbroking results of those stores.
- **Jewellery retail:** by continuing to offer our customers greater product choice and depth of supply with improved stock replenishment systems and, where appropriate, greater levels of inventory. This will apply to jewellery and premium watches. We are continuing to work on the display of our products to create more customer appeal as well as continuing to invest in our retail website (see below) which also acts as a stock catalogue for our branches to facilitate further in store sales. By relocating stores to higher footfall locations we are often able to provide an improved jewellery offering with greater stock on display for similar rents. In addition, there is still the opportunity to convert stores acquired from The Money Shop in March 2019 to have a strong retail jewellery offering. An example is the recent conversion of our Altrincham store.
- **Purchase of precious metals:** by growing the awareness amongst our existing customer base, primarily foreign currency customers who are unaware of the service or the value held in damaged or simply unwanted or unworn jewellery.

Expanding the branch footprint in the UK

As at 30 September 2020, we had 157 stores including the four franchised stores. During the 18 month period, we;

- Opened seven greenfield sites
- Opened four stores that previously traded as the Money Shop
- Merged eight stores where we had two stores in a town, seven of which were in plan as part of the short-term strategy from The Money Shop acquisition in March 2019
- Closed two stores in towns which were marginal and relocated the pawnbroking loan book to a local Ramsdens branch

In February 2020, we had nine new greenfield sites in various stages of agreement. These were all paused when the March lockdown was implemented and will remain so as we continue to re-evaluate the impact of the pandemic in those locations.

Whilst we have paused new greenfield stores, the Group's medium-term strategy remains to open new stores and expand its geographic footprint, leveraging off the Head Office cost base which has been geared up to support our continued growth.

An example of the recent conversion of our Altrincham store.

Before

After

The Ramsdens branch footprint in the UK

SCOTLAND

- Aberdeen,
  - 132 Union Street
  - 27 Union Street
- Airdrie
- Alloa
- Arbroath
- Ayr
- Bellshill
- Braehead
- Clydebank
- Coatbridge
- Cumbernauld
- Dumbarton
- Dumfries
- Dundee
- Dunfermline
- East Kilbride
- Edinburgh,
  - Shandwick Place
- Elgin
- Falkirk
- Fraserburgh
- Glasgow,
  - Argyle Street
  - The Forge
  - Queens Park
- Glenrothes
- Grangemouth
- Greenock
- Hamilton
- Inverness,
  - High Street
  - Inglis Street
- Irvine
- Killingworth
- Kilmarnock
- Kirkcaldy
- Kirkintilloch
- Leith
- Livingston
- Motherwell
- Musselburgh
- Newton Mearns
- Paisley
- Partick
- Perth
- Peterhead
- Rutherglen
- Saltcoats
- Springburn
- Stirling
- Wishaw

ENGLAND

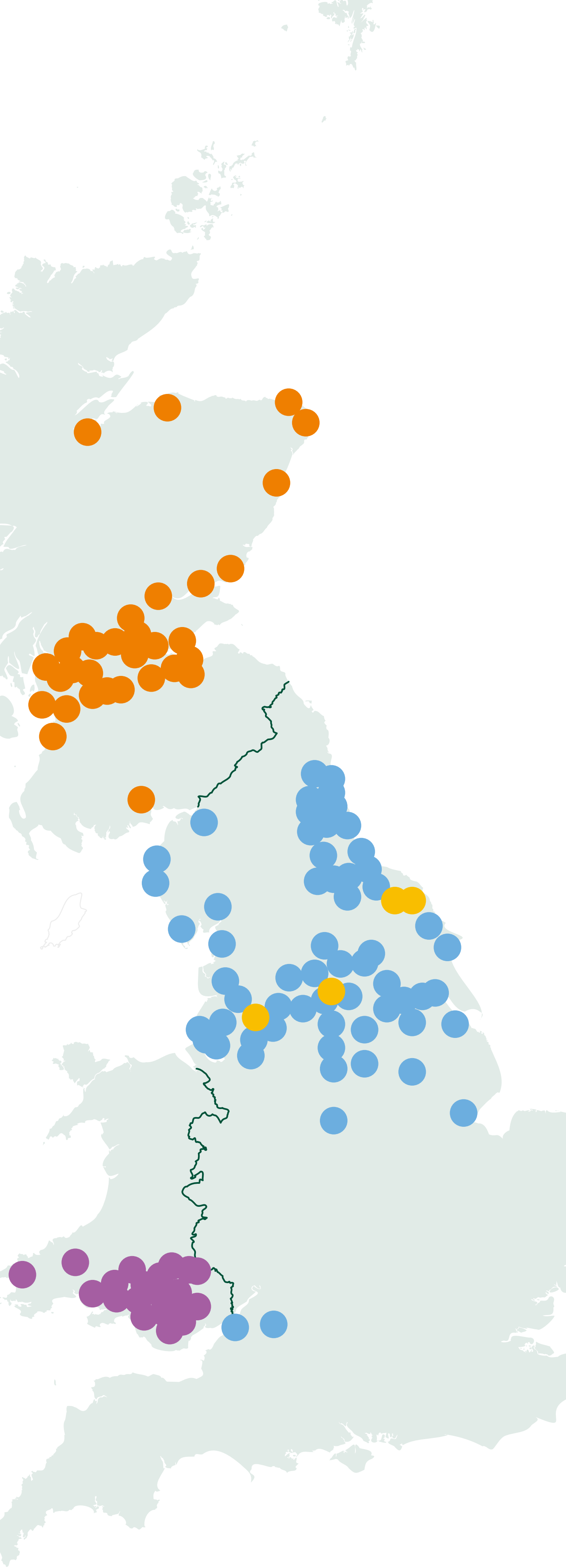
- Altrincham
- Ashington
- Barnsley
- Barrow
- Benwell Newcastle
- Berwick
- Billingham
- Bishop Auckland
- Blyth
- Boston
- Bradford
- Bridlington
- Bristol, The Galleries
- Byker
- Carlisle
- Castleford
- Chester Le Street
- Chesterfield
- Chippenham
- Chorley
- Consett
- Coulby Newham
- Cramlington
- Darlington
- Derby
- Doncaster
- Durham
- Eston
- Gateshead
- Goole
- Grimsby
- Guisborough
- Halifax
- Harrogate
- Hartlepool
- Huddersfield
- Hull,
  - Hessle Road
  - Holderness Road
- Jarrow
- Keighley
- Kendal
- Killingworth
- Lancaster
- Leeds, Kirkgate
- Lincoln
- Liverpool,
  - Lord Street
  - Norris Green
  - Old Swan
  - Whitechapel
- Middlesborough,
  - Hillstreet Centre
  - Linthorpe Road
- Morley
- Newcastle,
  - Grainger Street
- Newton Aycliffe
- North Shields
- Northallerton
- Oldham
- Otley
- Peterlee
- Preston
- Redcar
- Ripon
- Rotherham
- Sale
- Scarborough
- Scunthorpe
- Sheffield,
  - Hillsborough
  - The Moor
- Skelmersdale
- South Shields,
  - King Street
  - Prince Edward Road
- Stockton
- Sunderland,
  - Chester Road
  - Southwick
  - The Bridges
- Teesside
  - International Airport
- Thornaby
- Wallasey
- Wallsend
- Washington
- Whitehaven
- Whitley Bay
- Workington
- Worksop
- York

WALES

- Aberdare
- Barry
- Blackwood
- Bridgend
- Caerphilly
- Carmarthen
- Cardiff,
  - Albany Road
  - Cowbridge Road
- Cwmbran
- Ebbw Vale
- Haverfordwest
- Llanelli
- Llanrumney
- Merthyr
- Neath
- Newport
- Pontypridd
- Port Talbot
- Swansea

FRANCHISES

- Bury
- Leeds, Harehills
- Whitby,
  - Baxtergate
  - Church Street



Developing our online proposition

Our journey to becoming truly multi-channel continues. Our ecommerce activities include our jewellery retail website www.ramsdensjewellery.co.uk and the use of ebay.

The total jewellery sold including ex pawnbroking items through our ecommerce activities totalled £1.9m for the 18 month period and represents 9% of all jewellery items sold. Sales of £846k were delivered in the last 6 months to September 20 and £1,101k in the 12 months to March 20 representing 94% growth over FY19 at £568k.

With this momentum we have recently developed and launched a new retail website in October 2020 to enhance the user experience and improve conversion rates by ensuring customers can find what they are looking for quickly and more efficiently than ever before. The development has remodelled the front end that the customer sees and also optimised the platform on which the website is built which we hope will achieve higher rankings in Google searches.

Offering a holistic set of payment options to our customers further underlines the commitment to improving conversion rate and the re-introduction of interest free finance as an additional online payment method is expected to help drive additional growth. We are looking at additional payment options for the customer early in 2021.

Additional investment to deliver website personalisation (the process of creating customised experiences for visitors to the website using AI) is also planned and is expected to further increase conversion rate.

The branch estate only covers approximately 25% of the UK population and a fast-improving online offering will allow those people outside of the Ramsdens network to have access to great jewellery at fantastic prices.

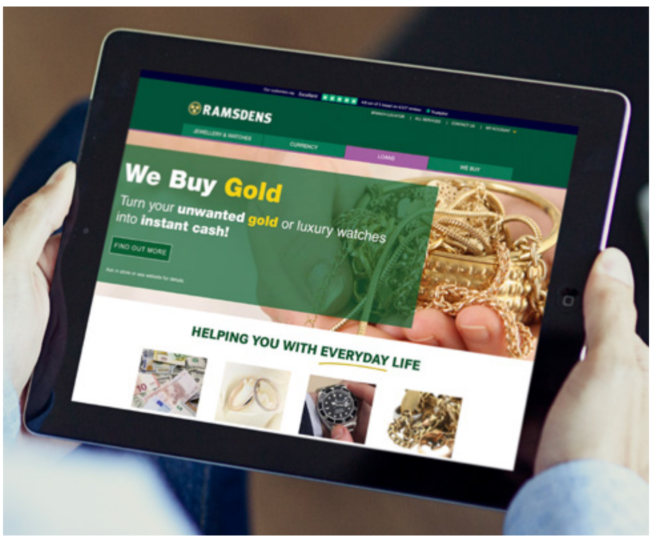
Our online retail offering will be further improved by additional investments in software to enhance product images and upload times, increased focus on organic search engine optimisation ('SEO') and online advertising. With more products being listed on the website than ever before, the customer has a greater choice and our branch network has the opportunity to sell more products from our website, which acts as a catalogue for our products.

The currency part of the Group's website has been developed to improve the customer journey throughout the 18 month period. The improvements made are demonstrated by the 32% growth in Click and Collect foreign currency volumes through www.ramsdensforcash.co.uk in the 12 months to March 2020 over the prior comparable year. Further developments are planned to improve the customer journey. While the website is mobile friendly, an app is being developed alongside the planned launch of a multi-currency travel card.

APPRAISING OPPORTUNITIES PRESENTED BY OPERATING IN A CHALLENGING MARKET

The retail landscape has been challenging for a number of years. The uncertainties of Brexit and general economic outlook created a headwind for most retailers but the COVID-19 pandemic seems to have been a challenge too far for some high street retail jewellery outlets, bureaux de change and travel agents with stores closing permanently in many towns. This changing and challenging backdrop will create an opportunity to acquire displaced customers that do not wish to shop online once we see a post-pandemic new normal. There is the caveat that certain high streets may have been damaged too badly to ever recover without large investment in towns or changes to the non-domestic rates system. Our property portfolio has been purposefully managed to be as flexible as possible to provide a defensive quality in case of one of our stores becomes isolated and performance deteriorates, or agile should the town nucleus shift.

The number of pawnbroking outlets in the UK continues to fall. Our estimation is that there are circa 130 pawnbroking businesses in the UK trading from circa 870 locations. The largest three National Pawnbroker Association members account for circa 610 locations. Within our existing geographic territories, the opportunity to acquire good pawnbrokers is limited but there may be the possibility to acquire and expand our geographic footprint in the future. In September 2020, the Group purchased two of the oldest pawnbroking names in Scotland , Robert Biggar Pawnbrokers in Glasgow and Duncanson & Edwards Pawnbrokers in Edinburgh. They were purchased from Beauly Financial Limited with the combined active loan books of £0.25m.



LOOKING AHEAD

The first half of FY21 will remain challenging, with pressure continuing on high street footfall through regional lockdowns and ongoing restrictions in line with the devolved governments' tiered systems. Added to this, we have the challenges of macroeconomic uncertainty with the scheduled end of the Brexit transition period at the beginning of 2021 and, as yet, no clarity with respect to future trading arrangements. Our foreign exchange service is dependent upon the return of international travel and we await a change to the UK Government's stance on quarantine and airport testing prior to the development and roll out of a vaccine.

While headwinds remain, we have operated and will continue to operate in a COVID secure way by ensuring that our customers continue to receive excellent, socially distanced service in our stores nationwide and by further developing our online capabilities to better reflect the well-publicised consumer shift to online. Driving this will be a greater focus on our retail jewellery proposition and staff development in this area.

The Group has a strong financial footing, the benefit of diversified income streams and a well-invested infrastructure. This gives the Board confidence that Ramsdens is well-placed to not only navigate this ongoing transitional period better than some of its competitors, but also to emerge strongly from this challenging period, with a growth strategy proven to deliver long term benefit for all our stakeholders and value for our shareholders.

PETER KENYON
Chief Executive Officer

"Ramsdens is well-placed to not only navigate this ongoing transitional period better than some of its competitors, but also to emerge strongly from this challenging period.

Financial Director's review

The Group changed its accounting reference date to 30 September following consultation with the Group's auditors.

To assist comparison, the previously announced second interim unaudited figures for the 12 months to 31 March 2020 have been included below.

£000's	FY19 (12 months) (audited)	12M 20 (12 months) (unaudited)	FP20 (18 months) (audited)
Revenue	£46,785	£59,504	£76,938
Gross Profit	£30,522	£37,204	£47,149
Profit Before Tax	£6,492	£8,452	£9,221
Net Assets	£30,908	£34,961	£35,555
Net Cash	£8,236	£11,051	£15,873
EPS	16.7p	21.4p	23.1p

Revenue increased to £76.9m for the full 18 month period with profit before tax increasing to £9.2m. As commented above the 18 month period covers two contrasting periods for trading conditions. The 12 months ended 31 March 2020 represented mainly normal trading conditions, with COVID-19 only impacting the final weeks of the year. The Group previously reported strong growth for the year to 31 March 2020 with Revenue increasing 27% and growth coming from across all segments. The final 6 months of FY20 were severely impacted by COVID-19.

In the 12 months ended 31 March 2020 profit before tax increased 30% to £8.5m (FY19: £6.5m) representing a record 12 months for the Group. In the final six months, the Group utilised government support to offset the store closure impact and was able to report a profit for the period. With store closures lasting almost three months and significantly reduced international travel impacting foreign currency volumes, these results demonstrate the strength of the Group's diversified business model.

The Group's administrative expenses for the 18 month period were £37.9m. This is after receiving the Coronavirus Job Support payments. For comparison purposes, the administrative expenses for the 12 months ended 31 March 2020 were £28.2m which was a 18% increase on FY19 reflecting an increase in staff costs to support the growth of the business and the costs associated with new stores.

In total the Group received £3.5m of Government support during the final 6 months of FP20, £0.7m has been shown as other income and £2.8m has been shown as a reduction to administrative expenses.

Finance costs from borrowing remain low reflecting the Group's strong cash position and the efficient seasonal use of the Group's revolving cash facility during peak holiday periods.

MARTIN CLYBURN
Chief Financial Officer

The statutory basic and diluted earnings per share for FP20 the year is 23.1p and 22.5p respectively up from 16.7p and 16.3p in FY19.

The Board has not recommended a final dividend (FY19: 4.8 pence per share) in respect of the reporting period ended 30 September 2020 owing to the impact of COVID-19 and the Group continuing to receive ongoing government support. The total dividend for the 18 month period ended 30 September 2020 is therefore 2.7 pence per share (FY19: 7.2 pence per share).

The Board intends to recommence its progressive dividend policy once new normal trading conditions return. Owing to the change in accounting reference date, future dividend dates are expected to be scheduled as September for interim payments and March for final payments, with the approximate proportion of one third and two thirds respectively, subject to the financial performance of the Group.

CAPITAL EXPENDITURE

During the reporting period, the Group invested in the store estate by opening new stores and relocating existing stores. Capital expenditure for tangible and intangible assets was £2.0m which mainly reflected the opening of a further 7 new stores and relocation of 4 stores during the period. Six pawnbroking loan books were acquired. Additionally we entered into new leases (or licences to occupy) in relation to four stores previously trading as The Money Shop.

CASH FLOW

The net cash flow from operating activities for the 18 month period was £15.8m which includes government support of £3.5m (FY19: £1.5m). Cash inflows have benefited from a reduction of approximately £1.8m in trade and receivables, which was mainly due to reduced pawnbroking lending during the final 6 months of the period impacted by COVID-19 restrictions. As a result of the implementation of IFRS16, property & vehicle lease payments of £3.6m are now shown as a financing cash outflow, whereas in the prior year lease payments were included in operating cash flows. The total increase in cash in the period was £2.5m after repaying £5.2m of debt.

The Group renewed its revolving credit facility in March 2020 for a further 3 years to March 2023. The Group has one covenant of 1.5x cash cover. At 30 September 2020, this facility was undrawn. The cash position and headroom on the bank facility provide the Group with the funds required to continue to deliver its current stated strategy.

Net cash at the period end was £15.9m (FY19: £8.2m).

FINANCIAL POSITION

At 30 September 2020, cash and cash equivalents amounted to £15.9m (FY19: £13.4m) and the Group had net assets of £35.6m (FY19: £30.9m).

IFRS16

The Group adopted IFRS16 'Leases' from the start of the period applying the modified retrospective approach with no restatement of the prior year. On transition at the end of FY19, qualifying lease commitments have been brought onto the balance sheet, as both a 'Right of use' asset and a corresponding lease liability. The adoption of IFRS 16 has resulted in a reduction in balance sheet retained earnings of £0.5m, primarily resulting from the Group recognising right-of-use assets of £9.1m offset by lease liabilities of £9.7m, with further adjustment for rental prepayments, rent incentive accruals and deferred tax. Further detail on the impact of IFRS16 is provided in the consolidated financial statements at Note 2.

TAXATION

The tax charge for the period was £2.1m (FY19: £1.3m) at an effective rate of 22% (FY19: 20.5%). The effective rate is higher than the standard UK rate of corporation tax of 19% (FY19: 19%) mainly due to the timing difference between depreciation charges and capital allowances and non-deductible expenses including the amortisation of certain customer lists. A full reconciliation of the tax charge is shown in note 10 of the financial statements.

SHARE BASED PAYMENTS

The share-based payment expense in the period was £398,000 (FY19: £221,000). This charge relates to the Long Term Incentive Plan (LTIP), which is a discretionary share incentive scheme under which the Remuneration Committee can grant options to purchase ordinary shares at a nominal 1p per share cost to Executive Directors and other senior management subject to certain performance and vesting conditions.

GOING CONCERN

The Group has prepared these financial statements with due consideration to the unprecedented impact of COVID-19 on the economy and society. The Board has considered the impact of COVID-19 on each balance sheet item and conducted a going concern review to ensure this basis remains appropriate. The Group has significant cash resources of £15.9m and access to an undrawn £10m revolving credit facility with an expiry date of March 2023.

The Board has conducted an extensive review of forecast earnings and cash over the next twelve months, considering various scenarios and sensitivities given the COVID-19 situation and uncertainty around the future economic environment, including extreme stress test scenarios that are detailed in note 3 of the financial statements.

The Board has been able to conclude the going concern basis is appropriate in preparing the financial statements.

M.A. Clyburn

MARTIN CLYBURN
Chief Financial Officer

Principal risks and uncertainties

The Corporate Governance Report includes an overview of the Group's approach to risk management and internal control systems and processes.

Set out below are the principal risks and uncertainties that the Directors consider could impact the business model, the strategy, future performance, solvency and/or liquidity of the Group. The Board continually reviews the potential risks facing the Group and the controls in place to mitigate those risks as well as reduce any potential adverse impacts.

The Board recognises that the nature and scope of risks can change and that there may be other risks to which the Group is exposed. This list is not intended to be exhaustive and excludes potential risks that the Board currently assess as not being material.

RISK AND IMPACT	MITIGATING FACTORS	IMPACT AND CHANGE IN RISK
Global / Regional Pandemic As the current global pandemic, COVID-19 has shown, the implications of such an event are extreme, sudden and challenging to mitigate. The impacts of a global or regional pandemic include; • Restriction in international travel, having an adverse impact on our foreign currency exchange revenues • Customer demand reduction having an adverse impact on our retail values, purchase of precious metals and pawnbroking loans • Supply chain disruption and delays could be experienced in the supply of new jewellery resulting in reduced revenue • The failure of key suppliers could impact the provision of key services • Employee health and well being with the impact that key individuals, branches or departments may be unable to undertake day to day operations	As evidenced by the Global response to COVID-19, a second wave and further lockdowns, the ability to mitigate the impact is challenging. To navigate the challenges and mitigate the potential adverse impacts on the Group, we have established the following • Business continuity plans with delegated decision making authorities to establish a rapid response to crisis situations • Well invested IT systems which enabled remote working quickly • Flexible leases across the store portfolio to adapt to any longer term shifts in customer behavior or local demand • Alternative supplier networks for key supplies	The Board considers this risk to be high and its impact significant. The risk manifested itself and has developed during the reporting period.
Economic Risk Almost all of the Group's revenue is generated in the UK from UK customers. A deterioration in the UK economy may adversely affect consumer confidence to travel abroad or buy luxury items. The UK is transitioning from membership of the European Union. The impact post January 2021 is unknown. Risks could be wide ranging from a general economic downturn to something more specific e.g. restrictions on travelling to / from the UK or people not holidaying abroad impacting foreign currency revenues. The ultimate outcome of any Brexit trading agreement may mean an increase in the cost of goods imported from Europe or an impact on the ability of EEA nationals to work for the group.	The Group mitigates this risk by having diversified income streams, which are counter cyclical and to a degree leave the business recession neutral. Where possible the Group has flexible property lease arrangements being the biggest fixed cost after staff. Jewellery made in Europe can be manufactured in the UK and there are approximately 40 individuals from the EEA who work for the Group, none of whom are in key management roles.	The Bank of England is forecasting that the UK economy will not get back to pre COVID-19 levels until late 2022. Excluding COVID-19, the Board considers that there has been no change in the risk.

RISK AND IMPACT	MITIGATING FACTORS	IMPACT AND CHANGE IN RISK
IT Security Non availability of the IT systems, including its e-commerce websites, if prolonged, could have an adverse impact on the Group leading to business interruption, lost revenue and reputational damage. Malicious attacks, data breaches or viruses could lead to business interruption and reputation damage. A malicious attack may cause a data breach or the IT system to fail and lead to business interruption and reputational damage.	The Group's internal IT team assesses daily any vulnerability to potential cyber threats and uses a suite of tools such as anti – virus, air – gapping, network management and email filtering to protect the system's integrity. The Group undertakes annual penetration testing and RedTeaming testing to test the infrastructure and data security. The Group has a comprehensive business continuity plan to minimise the impact to the business should the IT systems fail. This is regularly reviewed and tested. The Group also has cyber insurance cover, which the Board believes is appropriate for its risk profile. The Group was able to facilitate home working in a secure way in response to COVID-19. The Group has extensive training in cyber security for all staff including an annual mandatory refresher course. The IT Director reports to the Executive Compliance & Risk Committee on a monthly basis.	The Board considers that there has been no change in the risk.
Regulatory The risks are that the business may lose its regulatory approvals, breach other regulations or there are changes in regulation which impact the Group's ability to trade, increase administration costs, result in financial penalties and reputational damage. The Group must be FCA authorised to offer its pawnbroking and credit broking services and is a registered Money Service Business (MSB) with HMRC for foreign currency exchange and cheque cashing.	The Group has an experienced Board. The Directors receive expert legal and compliance advice from advisers and through various memberships of trade associations the Board are always made aware of regulatory changes. The Group has dedicated internal audit and compliance & risk teams that have overview and control of our developed IT systems, operational controls, comprehensive training and a rigorous compliance monitoring programme in order to maintain adherence to legislation. The Group has followed the government's COVID-secure guidance and the FCA's guidance on assisting customers through difficulties caused by COVID-19.	The Board considers that there has been no change in the risk.
Reputation A risk of adverse publicity, or customer comment through social media could have an adverse material impact on the Group's brand, reputation and customers using the stores and websites. The Group's financial performance is influenced by the image, reputation, perception and recognition of the Ramsdens brand. Many factors such as the image of its stores, its communication activities including marketing, public relations, sponsorship, commercial partnerships and its general corporate and market profile all contribute to maintain the reputation of a trusted brand. The Group is also well aware that customer recommendations are critical to growing the business and that poor service will not enhance that objective.	The Group invests heavily in its staff development including a face to face induction course which lasts one week. Offering a great customer service is part of the mission statement for the Group and as such, customer service levels are measured through customer surveys and internal audits. Complaints are reviewed with a root cause analysis approach so that processes and policies are changed if required. Staff incentive schemes are approved by Head of Compliance and Risk to ensure that all bonuses are aligned with long-term principles and do not promote poor short-term behaviour. The Group has mandatory annual courses, which all staff have to pass. These include anti money laundering and financial crime, treating the customer fairly, policies and procedures dealing with vulnerable customers The Group retains a PR consultancy to provide ongoing support and media engagement.	The Board considers that there has been no change in the risk.

RISK AND IMPACT	MITIGATING FACTORS	IMPACT AND CHANGE IN RISK
Exchange Rate Risk Whilst the Group trades almost exclusively in the UK, the foreign exchange cash held in store is exposed to the risks of currency fluctuations. The value exposed is mainly in Euro and US dollars. There is the daily risk of buying today, receiving the currency the next day, and subsequently selling it and being susceptible to movements in the exchange rate. There is a period end risk for the FX stock which remains in the branch tills.	The Group uses a mix of monthly and weekly derivative financial instruments to hedge against adverse exchange rate movements in its two key currencies, Euros and US dollars. The policy has been developed over time in conjunction with our hedging suppliers and reviewed by Manchester Business School.	Sterling has been less volatile in recent months but it has been at a depressed value in relation to € and US$. The Board considers the risk is unchanged as there remains uncertainty around Brexit and the impact of COVID-19.
Gold Price The Group's assets and profit are sensitive to movements in the gold price and the prices of other precious metals. A fall in the price of gold and silver and other precious metals may reduce the value of the Group's assets and adversely affect liquidity. A significant and sustained decline in the price of gold would adversely affect the value of jewellery pledged as collateral by pawnbroking customers and the stock held by the Group. This may also affect volume of jewellery sales and default rates on pawnbroking loans.	The Group closely monitors the gold price. Due to the systems, controls and staff training, the Group has the flexibility to amend its buying parameters at short notice to maintain margins in the purchase of its precious metals. With respect to pawnbroking the same systems, controls and staff training allows the lending values to be amended to reflect changes in the gold price. The best disposal route for unredeemed pledges remains retailing through the Group's stores or online rather than the intrinsic value of the precious metal held as security. The Board sensitises the gold price in its budget assumptions and keeps the possibility of hedging the gold price under review.	Sterling has been less volatile in recent months but it has been at a depressed value in relation to US$. The COVID-19 pandemic and general concerns over global macro factors including the US and China trade wars have resulted in a high gold price. The Board considers the risk is unchanged as there remains uncertainty around Brexit and the impact of COVID-19 but would expect the gold price to fall over the medium term.
Liquidity and forecasting risk The result of a risk to liquidity would be that the Group runs out of cash and would be unable to pay its creditors as they become due. This could be as a result of non performance reducing profitability and cash generation, expanding too quickly, or poor budgetary planning. There is the risk that a bank or merchant card supplier becomes insolvent and we would no longer have access to the credit funds or our card takings. A reduction in cash for investment will have a significant impact on the Group's ability to deliver its strategy of opening new stores and expanding.	The Group has a strong balance sheet with a healthy cash position. The Group has entered into a £10m, 3 year revolving credit finance facility, from March 2020, provided by Clydesdale Bank trading as Yorkshire Bank. The Group currently has credit bank balances held with Barclays Bank and Clydesdale Bank trading as Yorkshire Bank. The Group currently uses Barclaycard to process its merchant transactions. The Group uses a bespoke financial modelling tool to help predict future cash flows to ensure it has sufficient cash resources at all times.	The Board considers that there has been no change in the risk.
Credit Risk Assessment There is a risk that the pawned articles are overvalued increasing credit risk. The Group is wholly reliant on the article pledged should a customer default. A fall in the gold price also impacts the value of the intrinsic value of the security held.	The Group has invested in training programs and IT systems to help the customer facing store staff to accurately value customer assets. The store staff are supported by experienced and skilled Area Managers and product experts. Should loans not be repaid the Group can rely on the intrinsic value of the stones and metal pledged but can maximise returns by focusing on, and improving, its jewellery retail operations. It should be noted the risk is spread over approximately 17,000 customers and the average pawnbroking loan is £248 as at 30 September 20.	The Board considers that there has been no change in the risk.

RISK AND IMPACT	MITIGATING FACTORS	IMPACT AND CHANGE IN RISK
Financial crime The Group is at risk of staff acting independently or in collusion to defraud the Group. This could be the theft of cash, jewellery or other assets or data. The Group is at risk from various forms of criminal activity including theft, money laundering, cyber crime or fraud. This could expose the Group to financial losses as a result of the loss of assets, reimbursement to customers or other business partners, or to fines or other regulatory sanctions, which could also significantly damage the Group's reputation.	The Group mitigates risk by having policies and processes to identify and stop attempts to involve the business with financial crime activity. The Group has a robust compliance monitoring programme which involves every branch being randomly audited and a centralised team reviewing and investigating any abnormal patterns with transactions. Processes, systems and controls are continually evolving and being developed within the Group's bespoke IT system. The Group has high levels of physical security and sophisticated alarm systems for its stores and head office. The Group encrypts all customer data and retains it behind two firewalls. The Group maintains business insurance including cyber insurance cover for material losses.	The Board considers that there has been no change in the risk.

The Strategic Report, as set out on pages 4 to 25, has been approved by the Board.

By order of the Board

PETER KENYON
Chief Executive Officer

18 December 2020

Corporate Governance

Treat yourself or a loved one to new or pre-owned jewellery

Board of Directors

Executive directors

PETER EDWARD KENYON (55)
CHIEF EXECUTIVE OFFICER

Peter joined Ramsdens in November 2001 as Operations Director and was appointed Chief Executive Officer in January 2008. Peter led the MBO in 2014 and has been responsible for over 30 acquisitions for the Group. He is responsible for overseeing all operations of the business and for deciding the Group's strategy. Prior to joining Ramsdens, Peter's early career was with Yorkshire Bank for 17 years. He is a Council Member the National Pawnbrokers Association and became a director of the Company at the time of the MBO in September 2014.

External appointments
Peter is a director of The National Pawnbrokers Association.

MARTIN ANTHONY CLYBURN (39)
CHIEF FINANCE OFFICER

Martin joined Ramsdens in 2009 and is a Chartered Accountant having previously qualified with respected North East firm, Keith Robinson & Co. Martin joined the board of the Company as Chief Financial Officer in August 2016. Martin is responsible for the Finance, IT and Compliance & Risk functions within the Group. Martin lectured part time at the University of Teesside from 2006 – 2012. Martin holds a degree in MORSE from Warwick University.

External appointments
None

Non-Executive directors

ANDREW DAVID MEEHAN (65)
NON-EXECUTIVE CHAIRMAN

Andy is a highly experienced retail executive with over 30 years' experience including CEO and CFO in roles at the Co-Operative Retail Services, Storehouse plc and Sears plc. Since 2006, he has held a number of chairmanships and Non-Executive positions in several retail and consumer product businesses including Fortnum and Mason, GHD Group and American Golf. Andy is a Chartered Accountant and holds a degree in Politics and Economics from Oxford University and has been Chairman of the Company since September 2014.

External appointments
Andy is chairman of NEF Holdings Ltd, Polyco Healthline Group Ltd, Dr Morton's Ltd, University Hospitals Coventry and Warwickshire NHS Trust Charity, Shaw Education Trust, and Coventry Cathedral Council. He is Pro-chancellor and Governor at Coventry University and a director of Lanthorne Ltd, Coventry University Enterprises Limited, The FutureLets Limited, PeoplesFuture Limited, CU Services Limited and Cheviot Court (Luxborough Street) Ltd.

SIMON EDWARD HERRICK (57)
NON-EXECUTIVE DIRECTOR

Simon joined the board of the Company on 1 January 2017. Simon has significant experience in senior executive roles including positions as CFO of Debenhams plc, Northern Foods plc, Kesa Electricals plc and PA Consulting Limited and CEO of Northern Foods plc. Since leaving Debenhams, Simon has undertaken consultancy work in a number of sectors, most recently as Interim CEO of Blancco Technology Group plc. Simon is a Fellow of the Institute of Chartered Accountant in England and Wales and holds an MBA from Durham University.

External appointments
Simon is a director of FireAngel Safety Technology Group plc, Herrick Inc Ltd and Sports Punk Ltd.

STEPHEN JOHN SMITH (63)
NON-EXECUTIVE DIRECTOR

Steve joined the board of the Company on 1 January 2017. Stephen retired as CEO of Northgate plc in 2010 after a career with Northgate spanning over 20 years. Since leaving Northgate, Steve has served as a Non-Executive director on the boards of various family and private equity backed businesses, including four positions as Chairman. Steve is a Chartered Accountant and holds a degree in Economics from the London School of Economics.

External appointments
Steve is a Director and Chairman of Procomm Site Services Ltd and John Nixon Limited.

Corporate governance

Chairman's introduction

The Directors recognise the importance of sound corporate governance. The Company is a member of the Quoted Companies Alliance (QCA) and has adopted and complied with its Corporate Governance Code.

This statement describes how the company applies the ten principles of good corporate governance in the best interests of all stakeholders in the business.

ANDREW MEEHAN
Non-Executive Chairman

PRINCIPLE 1

Establish a strategy and business model which promote long term value for shareholders

Please see the Strategic Report from pages 4 to 25.

The Board is responsible for the strategic direction of the Group and the implementation of that strategy rests with the Chief Executive Officer and his senior management team.

The long term strategy of the business has not changed since it listed on AIM. The Group will continue to;

- improve the performance of our existing store estate,
- expand the branch footprint in the UK,
- develop our online proposition,
- appraise market opportunities presented by operating in a challenging market, and
- develop our people.

PRINCIPLE 2

Seek to understand and meet shareholder needs and expectations

The Executive Directors are keen to engage with shareholders and they intend to maintain communication with institutional shareholders through individual meetings, particularly following publication of the Group's interim and full year preliminary results.

Private shareholders have been encouraged to attend the AGM at which the Group's activities are considered and questions answered. In advance of the AGM in July 20, which was held behind closed doors due to COVID-19, all shareholders when issued with their notice of meeting were invited to email questions to the Board. At any other time an investor can email IR@ramsdensplc.com directly. Videos have been produced to explain the interim and period end results as well as to give a background and insight into the Group. These are available to watch on the Company's website www.ramsdensplc.com.

The Non-Executive Directors are available to discuss any matters shareholders might wish to raise, and the Chairman and Non-Executive Directors will, and have, attended meetings with institutional investors during the year.

PRINCIPLE 3

Take into account wider stakeholder and social responsibilities and their implications for long term success

The Group has always prided itself on acting responsibly in every aspect of the business. We operate with three core values, of being trusted, open and passionate about our business. We believe that engaging with our stakeholders, be that, employees, customers, shareholders, regulators, suppliers, franchisees or the wider local communities we operate in, and living our values, are the best ways to develop long term relationships for mutual benefit.

Employees

The success the Group has had to date, is down to its people. Implementing a continuous improvement ethos can only be achieved because of the hard work, dedication and enthusiasm of the people within the business. In return we are committed to create a working environment in which the employee can grow and develop, be well rewarded and well respected for what they contribute.

During the COVID-19 lockdown period we have focused on supporting our staff both emotionally and financially. A communication network was created in March 2020 to check on the wellbeing of each of the almost 700 individual employees who were furloughed. Through social media messenger channel group's and weekly emails all staff were kept up to date with the Group's response to the pandemic. To help support financially the Group topped up the pay of all furloughed employees to 100% from March through to July inclusive. By August the majority of the staff had returned to work.

We have been working hard to build on the progress made by recruiting, retaining and developing the best people. Great progress had been made in reducing staff turnover from April 2019 to March 2020 prior to the pandemic. Following this period there has been minimal turnover as a result of furlough and the unusual situation created by COVID-19.

The Group has comprehensive training programmes. These start with a week long, classroom-based induction into the business, and supplemented by instore mentoring, e-learning courses and area face to face training sessions. Every staff member has one to one development discussions with their Line Manager and training courses are provided as required. Certain training courses are mandatory and must be completed on an annual basis e.g. health and safety, data protection, cyber risks

Marina Dunn 20 years' service.

Andrea Bramley 20 years' service.

Margaret Bazeley 20 years' service.

and anti-money laundering, while other courses focus on the development of an individual's skills. We have continued to invest in jewellery and watch knowledge and selling skills, which have helped drive the great jewellery retail results.

The Group is an equal opportunities employer and we believe in appointing the best person based purely on merit to any role within the business. The Group is committed to ensure that people undertaking the same or similar work are paid equally and have an equal opportunity to progress. The Business encourages flexible working arrangements for people to continue to develop their careers whilst choosing how to maintain their balance between work and home life.

At Ramsdens we believe that being a diverse organisation allows us to grow and become the business we aspire to be. The executive committee of the trading company has been extended from six to eight members. The team consider the monthly reports of all department heads, signing off project initiatives in line with the Group's strategy. The executive committee consists of 6 male and 2 female members, with different specialist skills, aged from 31 to 55. The committee continues to have great constructive and diverse input to how we move forward.

Including the executive committee members, the top 45 people influencers in the business meet annually and have continued their collective development within the Group's Senior Management Leadership programme. It has been interrupted by COVID-19, but is in a great place to recommence in 2021. A new training course in mental wellbeing is currently been rolled out to this leadership team.

Where possible, the Group wishes to promote from within. The three Regional Managers, four of the eleven Area Managers and five of the six Internal Auditors and over 55% of the Branch managers were promoted from within the business.

Staff engagement is important to the Board. The Group operates a staff suggestion scheme and a department feedback scheme. Both are well supported as our people contribute to how we can continue to evolve and improve our products or processes. A centrally issued weekly newsletter keeps all staff informed on Group matters.

One of the developments held up by the pandemic is the first face to face meeting of the Employee Forum which was formed in 2020. The Employee Forum has a remit of discussing general matters that affect the business as well as how the Group can improve with the use of technology or its contribution to the environment.

The Group recognises and values long service. Each staff member receives an additional day of holiday entitlement for their first five years' service and upon reaching their 5th anniversary they receive company wide recognition and a monetary award. Further recognition happens at 10 and 20 years' service, with additional holidays and financial rewards at those milestones. We were pleased to recognise three 20 year service awards in this reporting period.

The Group has a philosophy of wanting to share the financial success of the business with staff. All staff received a minimum of inflationary pay rise in 2020 and in addition to their basic remuneration of pay and pension, each member of staff in head office or branch has the ability to earn a performance related bonus. The Group has introduced health insurance for its senior management team plus extended company sick pay benefits. All staff benefited from their birthday being an additional day's holiday.

As part of the Board's desire to reward key senior employees over the long term, the Group extended participation in the long-term incentive plan to 17 staff members in 2019.

Customers

The Group prides itself on its high repeat customer rates and the low number of complaints it receives and is committed to offering the highest standards of customer service. We appreciate at times things go wrong and the Ramsdens philosophy is to use a root cause analysis approach to put things right as quickly as possible and learn from any mistakes.

The Group recognises that it has a need to be a responsible lender, be aware that customer's circumstances change and be proactive in assisting the needs of all customers. It has policies and procedures to help customers, including proactive forbearance programmes, and recognise signs of vulnerability including any customers who may be suffering from modern slavery.

The Group uses Trustpilot for customer feedback on its retail jewellery and foreign currency offerings. Both services currently enjoy excellent ratings.

Suppliers & Franchisees

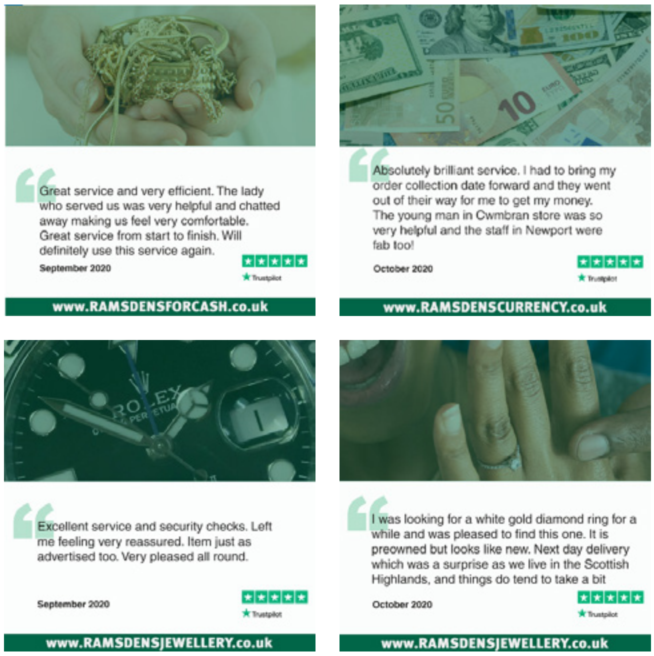
The Group has a limited number of key trade suppliers. Strong relationships have been built up over many years where the supplier and Ramsdens work together to improve the trade for both parties. Ramsdens reports on its supplier payment practices and believes in paying all suppliers as and when payments are due. The Group has sought assurance from its suppliers that they have no modern slavery practices within their supply chains. The Group's statement on its compliance with the Modern Slavery Act is available on its Website, www.ramsdensplc.com.

During the period, two of its main suppliers had difficulties. Travelex, had both cyber and group financial difficulties but maintained all services for Ramsdens. Wirecard Card Services UK Limited's global difficulties led to a short interruption to the Group's currency card but with minimal customer impact. The card program is now with Railsbank as issuer.

The Group has three franchisees operating four franchised stores. All franchised businesses are well established and audited quarterly to ensure they meet the standards required by Ramsdens.

Regulators

The Group engages proactively with, and believes it has, open and good relationships with its Regulators.



Trustpilot reviews

Communities & the Environment

The Group is committed to engaging with its local communities and has assisted in a variety of fundraising initiative's raising money for both national and local charities.

This was primarily done through donations of jewellery for raffle prizes or auction lots, foreign coin collections and a matched funding scheme for staff taking part in local charitable events.

In addition to fundraising, the Group has been using its IT expertise to assist a local hospice improve its IT systems and reporting. This project is ongoing with delays caused by the pandemic.

This financial year the company has raised or helped charities directly raise over £14,000.

We also understand that, as a company, we can help make a difference to the environment.

Some of the charities supported are listed below

The Group is constantly striving to reduce its carbon footprint by using materials from sustainable sources where possible, through means of recycling as much as we can and planning how what we use can be recycled or reused. The Group supplies its foreign currency exchange customers their notes in a clear plastic bag which is the exact size to meet the airline requirements for carrying liquids on board in hand luggage.

How we can improve our environmental footprint is a big challenge the Employee Forum has been tasked with.

Greenhouse gas emissions

This report has been prepared in accordance with our regulatory obligation to report greenhouse gas (GHG) emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) regulations 2018, which implement the Government's policy on Streamlined Energy and Carbon Reporting.

All the Group's Emissions fall under Scope 2, indirect emissions from the generation of purchased energy. The Group's methodology involves the initial collection of energy use data in respect of Electricity and Gas from suppliers, business mileage data for transport and the subsequent use of UK Government Conversion Factors to calculate emissions. The emission data set out below is for the period ended 30 September 2020.

Tonnnes of CO2	Period ended 30 September 2020
Scope2 Emissions	507
Per Employee	0.68
Energy Consumption (MWh)	1,808

The Group's initiatives to mitigate greenhouse gas emissions include:

- An ongoing replacement of light bulbs in all our properties to energy efficient LED's
- The reduction in business travel through the use of tele and video conferencing and car sharing.

It should be noted that the closure of stores due to the pandemic, employees working from home and a general reduction in business operations has resulted in a material reduction in our greenhouse gas emissions in the last 18 months.

PRINCIPLE 4

Embed effective risk management, considering both opportunities and threats throughout the organisation

The Board recognises that effective risk management is essential and continually invests in its Compliance and Risk department and activities. The Audit & Risk Committee has detailed terms of reference which are available on the Company's website, www.ramsdensplc.com.

The risk assessments together with the systems and controls are well established within the Business. These and the operational contingency plans are continually monitored as being fit for purpose as new threats emerge, as new opportunities are explored and as the business develops.

There is an Operational Compliance and Risk Committee, chaired by the Head of Compliance and Risk, which meets at least monthly and reports to the Audit & Risk Committee on a six monthly basis. The chair of the Audit and Risk Committee and Head of Compliance and Risk have open dialogue whenever they feel it is necessary outside of the two formal reports.

The Head of Compliance and Risk reviews and develops the Group's comprehensive compliance monitoring programme to provide evidence that the business has the required systems and control to manage risk. He is assisted by a centralised team of three Compliance and Risk officers and a team of six field internal auditors. All branches and head office departments, have been audited at least twice and once respectively, in the reporting period. The audit and compliance monitoring programmes are reviewed and developed on an ongoing basis as risks change and include asset checks and adherence to policy and procedures.

PRINCIPLE 5

Maintain the board as a well-functioning, balanced team led by the chair.

The Board comprises of five directors, three Non-Executive directors, who are all considered independent and two Executive directors. The Board has a mix of skills, experience and backgrounds.

Each Director individually reviews the effectiveness of the Board as a whole and the contribution made by each Director. This is then reviewed by the Nominations Committee who meet at least annually.

PRINCIPLE 6

Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Directors of the Group and their biographies are set out on pages 28 and 29.

The experience and knowledge of each of the Directors gives them the ability to constructively challenge strategy and scrutinise performance.

Each of the Non Executive Directors has spent time in stores and head office speaking with employees for an informal view of the business from the ground up.

The two Executive directors both work full time and are participating in the Senior Leadership Development Programme facilitated by external consultants. They receive support from a dedicated management team and professional advisers. The Directors receive specialist advice from regulatory advisers and lawyers. During the last year this advice has included anti money laundering, FCA regulations, GDPR, and Cyber Security. This has been achieved by attendance on courses or through retained advisory relationships.

The CEO and Company Secretary are satisfied that the Non-Executive directors have devoted sufficient time to the role as required to make a good contribution to the Group.

The Company Secretary ensures that all Directors are kept abreast of changes in relevant legislation and regulations, with the assistance of the Group's advisers where appropriate. Executive Directors are subject to the Groups performance review process through which their performance against objectives is reviewed and their personal and professional development needs considered.

There are no plans to change the Board composition at this time and believes that it has the appropriate experience, skills and capability for a FCA regulated business of its size.

PRINCIPLE 7

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board is responsible for reviewing, formulating and approving the Group's strategy, budgets and corporate actions and oversee the Group's progress towards its goals. This is formally documented in a schedule of matters reserved for board approval and include;

- Strategy and Business Plans, including annual budget, new stores and acquisitions
- Structure and Capital including dividends
- Financial reporting and controls
- Internal controls on risk management and policies
- Significant contracts and expenditure
- Communication with shareholders
- Remuneration and employment benefits
- Changes to the board composition

Each member of the Board undertakes annually a structured questionnaire style review of the effectiveness of the Board, as a collective and the contribution by each Director. The Chairman then leads specific discussion on the effectiveness of the Board, each member's contribution and how the Board can develop its effectiveness. No major changes to the function and focus of the Board arose from this year's evaluation, however, the findings will be used as the basis of future discussions by the Board, and the Nomination Committee, when considering short and long term succession planning. The Chairman will continue to meet regularly with the Non-Executive Directors without the Executive Directors being present.

There are no plans to change the Board composition at this time and the Board believes that it has the appropriate governance framework and internal controls for a FCA regulated business of its size.

PRINCIPLE 8

Promote a corporate culture that is based on ethical values and behaviours

The Group's future success over the long term is dependent upon it living up to its high ethical values and demonstrating exemplary behaviours.

The business operates with 3 core values of being trusted, open and passionate and challenges its senior management team of key influencers to consider the values in the decisions they make and actions they take.

The Board and the senior management team work to ensure that the mission statement, in which the customer is at the heart of everything the Group tries to do, is delivered.

As a FCA authorised business, the Group must adhere to the Senior Managers and Certification regime. This sets out nine key responsibilities and four conduct rules for senior managers and five conduct rules for all staff. The Board is satisfied that the culture of the business is to undertake all activities in line with the conduct rules.

Living the values, obeying the FCA conduct rules and delivering the mission statement is integral to the consistent communications of what is expected, delivered through a weekly newsletter and face to face by Regional Managers, Area Managers, Internal Auditors and Department Heads.

The Directors and NEDs have visited stores to gain direct feedback.

Complaint and compliment statistics are used to monitor customer service levels.

All feedback received from staff and customers is used to test the policies and procedures to ensure they remain fit for purpose and that the business continues to evolve.

PRINCIPLE 9

Maintain governance structures and processes that are fit for purpose and support good decision – making by the Board.

The Board, comprising two Executive directors and three Non-Executive directors. Whilst the Board aims to meet at least 10 times per year, the unprecedented impact of COVID-19 led to more frequent board meetings in the spring of 2020.

The following table shows directors attendance at scheduled board and committee meetings during the reporting period.

	Board	Audit	Remuneration	Nomination
Andy Meehan	25/25	4/4	5/5	1/1
Simon Herrick	25/25	4/4	5/5	1/1
Steve Smith	25/25	4/4	5/5	1/1
Peter Kenyon	25/25	–	–	–
Martin Clyburn	25/25	–	–	–

The Chairman, aided by the Company Secretary, is responsible for ensuring the Directors receive accurate and timely information. The Company Secretary compiles the Board and Committee papers, which are circulated to the Directors prior to the meetings.

The board papers have the following standing items; the matters discussed include;

- Update on all governance legal, health & safety and risk matters
- Financial performance review including cash flow management
- Operating performance against KPIs,
- Progress on all strategic aims of the business including new stores and acquisitions
- Proposals on any areas of major expenditure

The Board receives reports from the Executive directors to enable it to be informed of and supervise the matters within its remit. At varying Board meetings, Department Heads are invited to present on key areas of the Group's operations. The Board considers at least annually the Group's strategic plan. Several senior managers from the wider executive management team present and participate in the discussion.

The Company Secretary also ensures that any feedback or suggestions for improvement on Board papers is fed back to management. The Company Secretary provides minutes of each meeting and every Director is aware of the right to have any concerns minuted.

In addition to the board meetings there is regular communication between the Executive and Non-Executive Directors including where appropriate updates on matters requiring attention prior to the next board meeting.

The Board has delegated specific responsibilities to the Audit and Risk, Remuneration and Nomination Committees. Each Committee has terms of reference setting out its duties, authority and reporting responsibilities. The terms of reference of each Committee are kept under review to ensure they remain appropriate and reflect any changes in legislation, regulation or best practice. The terms of reference are available on the Company's website, www.ramsdensplc.com. Each committee comprises the Non-Executive directors. The reports by the Committees follow starting on page 37.

At each meeting, the Board considers Directors' conflicts of interest. The Company's Articles of Association (Articles) provide for the Board to authorise any actual or potential conflicts of interest.

The Company has purchased Directors' and Officers' liability insurance as allowed by the Company's Articles

All of the Directors offer themselves for re-election at each AGM.

The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group. The principal elements of the Group's internal control system include:

- Day to day management of the activities of the Group by the Executive Directors;
- An organisation structure with defined levels of responsibility including a comprehensive compliance and risk function. The Head of Compliance and Risk maintains a risk register, compliance monitoring program and reports to the Executive Directors at least monthly;
- A detailed annual budget is prepared including income statement, statement of financial position and statement of cash flows. The budget is approved by the Board;
- Detailed monthly reporting of performance against budget; and
- Central control over key areas of capital expenditure, commercial contracts, litigation and treasury.

The Group continues to review its system of internal control to ensure compliance with best practice, whilst also having regard to its size and resources available. The Board is pleased with how the senior management team managed the impact of the pandemic from closing the stores, managing the Group through the lockdown, including short term liquidity, contingency planning and how it re-opened the stores taking into account all stakeholders and how this was controlled and communicated.

PRINCIPLE 10

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Group has and intends to maintain communication with institutional shareholders through individual meetings with Executive Directors, particularly following publication of the Group's interim and full year preliminary results.

Private shareholders are encouraged to attend the AGM at which the Group's activities are considered and questions answered. General information about the Group is available on the Group's website; www.ramsdensplc.com.

The Non-Executive Directors are available to discuss any matters stakeholders might wish to raise, and the Chairman and Non-Executive Directors have attended meetings or had calls with investors and analysts as required. Investor relations activity and a review of the share register are standing items on the board agenda.

The Company's AGM will take place on 10 February 2021. The Annual Report and Accounts and Notice of the AGM will be sent to shareholders at least 20 working days prior to this date.

Audit and Risk Committee report

On behalf of the Board, I am pleased to present the Audit and Risk Committee report for the period to 30 September 2020.

The Audit and Risk Committee is responsible for ensuring that the financial performance of the Group is properly reported and reviewed. Its role includes monitoring the integrity of the financial statements (interim and annual accounts and results announcements), reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Group's internal controls and risk management systems.

MEMBERS OF THE AUDIT AND RISK COMMITTEE

The Committee consists of myself as Chair and my two fellow Non-Executive Directors, Stephen Smith and Andrew Meehan. The Committee has met four times in the period. The Board is satisfied that I, as Chair of the Committee have recent and relevant financial experience. I am a chartered accountant and recently served as Chief Financial Officer at Blancco Technology Group PLC. I have previously served as Chief Financial Officer at Debenhams plc and Northern Foods PLC. I report to the Board on all issues discussed by the Committee and present the Committee's recommendations. The Committee also meets the external auditors without any Executive directors or senior management present.

DUTIES OF THE COMMITTEE

The main duties of the Audit and Risk Committee are set out in its terms of reference, which are available on www.ramsdensplc.com. The Committee will meet a minimum twice per year.

The main items of business considered by the Committee to date have been:

- Review of the financial statements and Annual Report;
- Consideration of the external audit report and management representation letter;
- Review of the suitability of the external auditor;
- Going concern review; and
- Review of the risk management and internal control systems including the internal compliance and risk function and compliance monitoring programme.

As part of the continuous review of risks, the principal risks and uncertainties were updated with the risks presented by the COVID-19 pandemic. The Audit and Risk Committee were reassured by the Group's business continuity planning in how the Group adapted to greater home working in a cyber secure way and to operate in a covid secure way.

ROLE OF THE EXTERNAL AUDITOR

The Audit and Risk Committee monitors the relationship with the external auditor, Ernst & Young LLP, to ensure that auditor independence and objectivity are maintained. As part of its review the Committee monitors the provision of non-audit services by the external auditor and assesses the auditor's performance. Having reviewed the auditor's independence and performance the Audit and Risk Committee recommends that Ernst & Young LLP be re-appointed as the Company's auditor at the next AGM.

AUDIT PROCESS

The auditor prepares an audit plan for the review of the year's financial statements. The audit plan sets out the scope of the audit, significant and other risks associated with the audit (including Key Audit Matters) and audit timetable. The plan is reviewed and agreed in advance by the Audit and Risk Committee. Following the audit, the auditor presented its findings to the Audit and Risk Committee for discussion. The Audit Committee also has discussions with the Auditor, without the management being present, on the adequacy of controls and on any judgemental areas. The Auditor's report can be found on pages 48 to 53.

Three issues have been raised as Key Audit Matters by the Auditor.

1

The risk of incorrect revenue recognition as a result of fraudulent transactions at a branch level.

The Group's has developed a bespoke IT system, which includes significant controls to prevent transactions outside of certain policies and requires authorisation to complete transactions outside certain thresholds. The system also produces exception reporting which is used by the Compliance and Risk team to monitor trends and unusual transactions.

The Committee has considered the reports from the Head of Compliance and Risk and the individual branch internal audit reports.

The Committee is satisfied with the internal controls, which include the branches being audited regularly, and the verification of the existence of the assets. The Committee is further satisfied that the audit of the IT system and cash book would identify any anomalies.

The Committee is satisfied that there is not a material misstatement of revenue as a result of fraudulent transactions at a branch level.

2

The risk of incorrect recognition of revenue and the associated revenue accrual in respect to pawnbroking

Interest receivable on pawnbroking loans is recognised as interest accrues by reference to the principle outstanding and the effective rate of interest applicable, which is the rate that discounts the estimated cash receipts through the expected life of the financial asset to that asset's net carrying value. The recognition of contractual interest reflects the application of IFRS 9.

The calculation for impairment of pawnbroking interest due to expected credit losses is material and is dependent on the estimate that the Group makes of both the expected level of the unredeemed pawnbroking loans and the ultimate realisation value for the pledge assets supporting those loans. An assessment is made on a pledge by pledge basis of the carrying value represented by original capital loaned plus accrued interest to date and its corresponding realisation value on sale of unredeemed pledges to identify any deficits. The principle estimates are;

1. **Non Redemption Rate based on current and historical data held in respect of non redemption rates,**

2. **Realisation Value based upon either;**

- The anticipated price of the metal that will be received through the sale of the metal content via disposal through a bullion dealer.
- The expected resale value of those jewellery items within the pledge that can be retailed through the branch network.

The Committee has considered the effective rate of interest calculation and the recognition of pawnbroking interest. The Committee has also reviewed the calculations undertaken to establish the expected credit losses for unredeemed loans. This includes the impact of changes to loan repayment outcomes and realisation proceeds of unredeemed pledged items. The Committee is satisfied that the recognition of pawnbroking revenue and pawnbroking credit losses are materially correct.

3

Impairment risk in relation to Intangible Assets, Property, Plant and Equipment and Right of Use Assets

Prior to the COVID-19 pandemic, all core Ramsdens stores that were older than two years old were profitable in the 12 months to February 2020. All young stores were trading in line with or better than expectation. All acquired stores were trading satisfactorily.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. The impact that the COVID-19 pandemic has brought has been factored into this year's review.

Determining whether intangible assets, property, plant and equipment and right of use assets are impaired requires an estimation of the value in use of the Group's cash generating units (CGU) to which the assets have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and selecting a suitable discount rate in order to calculate present value. The impairment review is conducted at the level of each CGU, which is usually taken to be each individual branch store.

The Committee has reviewed the detailed impairment test calculations and considered the principal assumptions applied by management in arriving at the value in use of each CGU. The committee has compared the discount rate of 12% to industry peers and considered the Group's weighted average cost of capital and has concluded it is appropriate. The Committee has also reviewed the assumptions used in arriving at future cash flows for less profitable stores including new stores with less trading history, and challenged management on other potential indications of impairment.

The Committee is satisfied that the intangible assets, property, plant and equipment and right of use assets are fairly valued and are materially correct.

Internal Audit

The Group has a compliance and risk function which under the direction of the Audit and Risk Committee undertakes asset verification checks of all branch and head office departmental cash, pledge and inventory balances and audits processes for adherence to policies and procedures. Each audit report for every branch and department is circulated to senior compliance and operational team. A summary of the findings are discussed in the monthly Compliance & Risk presentation to the executive committee. The minutes of the executive committee meetings are reviewed by the Audit and Risk Committee.

Risk Management and Internal Controls

The Group has established a framework of risk management and internal control systems, policies and procedures. The Audit and Risk Committee is responsible for reviewing the risk management and internal control framework and ensuring it operates effectively. The Committee has reviewed the framework and is satisfied that the internal control systems in place are currently operating effectively.

Whistleblowing

The Group has in place a whistleblowing policy, which sets out the formal process by which an employee of the Group may, in confidence, raise concerns about possible improprieties in financial reporting and other matters. There were no incidents or concerns raised for consideration during the year.

Anti-Bribery

The Group has in place an anti-bribery and anti-corruption policy, which sets out its zero tolerance position and provides information and guidance to those working for the Group on how to recognise and deal with bribery and corruption issues. During the period there were no incidents for consideration.

SIMON HERRICK
Chair of the Audit and Risk Committee.

Nomination Committee report

On behalf of the Board I am pleased to present the Nomination Committee report for the period ended 30 September 2020.

MEMBERS OF THE NOMINATION COMMITTEE

The Nomination Committee consists of myself and my follow Non-Executive Directors, Simon Herrick and Stephen Smith.

DUTIES OF THE NOMINATION COMMITTEE

In carrying out its duties, the Nomination Committee is primarily responsible for:

- Identifying and nominating individuals to fill Board vacancies;
- Evaluating the structure and composition of the Board with regards the balance of skills, knowledge, experience and making recommendations accordingly;
- Drafting the job descriptions of all Board members;
- Reviewing the time requirements of the Non-Executive Directors
- Giving full consideration to succession planning
- Reviewing the leadership of the Group

The Committee is scheduled to meet once a year but it will meet more frequently if required. The Committee reports to the Board on how it has discharged its responsibilities in accordance with its terms of reference.

Please refer to pages 28 and 29 for the Director's biographies. The Committee believes that the Directors are able to devote sufficient time to the Group, taking into account their other Directorships

ACTIVITY DURING THE YEAR

The Committee discussed the skills, experience and diversity of the current Board and committee members taking into account the current and future needs of the Group, its culture and strategic objectives. The Committee identified a need for greater strategic marketing input and utilised a program called Boardroom Ready. Through this program we were able to recruit Jane McKenzie-Lawrie a marketing professional who wanted to develop her skills to take on non executive directorship roles. Jane joined the Board as an observer for 12 months from June 2020.

The Committee discussed long term succession planning and emergency cover at Board level and of the senior management team. The short-term emergency planning was tested during the period when the Operations Director had a six month leave of absence for personal reasons. We are pleased to say the Senior Management Team responded well to the challenge. On a long-term basis, the senior management team remains relatively young and the Committee is fully supportive of the Leadership development programme which will further develop the team and identify potential senior leaders of the future.

The terms of reference were reviewed and are available on www.ramsdensplc.com

ANDREW MEEHAN
Chair of the Nominations Committee

Remuneration Committee

On behalf of the Board I am pleased to present the Directors' Remuneration Report for the period ended 30 September 2020 which sets out the remuneration policy and the remuneration paid to the Directors for the period.

COMPOSITION AND ROLE

The Remuneration Committee consists of myself and my fellow Non-Executive Directors, Andrew Meehan and Stephen Smith. The Committee operates under the Group's agreed terms of reference and is responsible for reviewing all senior executive appointments and determining the Group's policy in respect of terms of employment including remuneration packages of Executive Directors. The remuneration Committee met five times during the period.

REMUNERATION POLICY

Our remuneration policy is to:

- Include a competitive mix of base salary, pension, annual bonus and long term incentives, with an appropriate proportion of the package determined by stretching targets linked to the Group's performance;
- The Executive Directors are entitled to have 10% of their Basic annual salary paid into their respective pension schemes.

  Due to the annual pension contribution cap, the Remuneration Committee have approved that any contributions above the cap can be paid as a cash allowance.
- Promote the long-term success of the Group in line with our strategy; and
- Provide appropriate alignment between the interests of shareholders and executives including minimum shareholdings.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

The Executive Directors have service contracts, which are not of fixed duration and can be terminated by either party giving 12 months written notice.

NON-EXECUTIVE DIRECTORS

The Non-Executive Directors signed letters of appointment, which may be terminated on giving three months written notice. The Non-Executive Directors' remuneration is determined by the Board.

DIRECTORS REMUNERATION

The following table summarises the total gross remuneration of the Directors who served during the 18 month period to 30 September 2020.

	Salary	Pension[1]	PHI	Fixed Pay	Bonus	LTIP	Variable Pay	Total FY20 (18 months)	FY19 (12 months)
Executive									
Peter Kenyon	£301,181	£15,000	£2,208	£318,389	£57,000	£102,283	£159,283	£477,672	£307,460
Martin Clyburn	£201,600	£21,280	£1,068	£223,948	£50,000	£53,923	£103,923	£327,871	£205,213
Non Executive									
Andrew Meehan	£98,866	–	–	£98,866	–	–	–	£98,866	£63,254
Simon Herrick	£72,211	–	–	£72,211	–	–	–	£72,211	£46,200
Stephen Smith	£60,175	–	–	£60,175	–	–	–	£60,175	£38,500
Aggregate remuneration	**£734,033**	**£36,280**	**£3,276**	**£773,599**	**£107,000**	**£156,206**	**£263,206**	**£1,036,795**	**£660,627**

[1] Includes sums paid into pension scheme and/or pension allowance

The bonus for the 18 month period represents achievement against stretching annual targets for the period to March 2020 where the Group had record profits. Peter Kenyon would have received a bonus equivalent to 60% of his maximum annual award but has voluntarily foregone 50% of this award in light of the non-payment of a second interim and final dividend. Martin Clyburn would have received a bonus equivalent to 56% of his maximum annual award but has voluntarily foregone 33% of this award in light of the non-payment of a second interim and final dividend.

The Remuneration Policy for FY21 will operate as follows:

	Basic Salary	Pension	Private Health Insurance	Bonus
Executive				
Peter Kenyon	£191,625	10% of basic salary	Yes	Up to 100%
Martin Clyburn	£134,400	10% of basic salary	Yes	Up to 100%
Non Executive				
Andy Meehan	£65,907	–	–	–
Simon Herrick	£48,140	–	–	–
Steve Smith	£40,117	–	–	–

All of the Directors basic annual remuneration will remain the same in FY21 as the prior reporting period. The bonus opportunities for the FY21 financial year will be assessed by the Remuneration Committee, which retains discretion over the awards, against the Group's profit and against personal performance objectives. The bonus percentage will adjust from zero to a maximum of 100% set against challenging performance targets.

LONG TERM INCENTIVE PLANS

ADMISSION LTIP

On admission to AIM the Group introduced a Long Term Incentive Plan (LTIP) for the following set against two performance criteria over the financial years from admission to the year ending 31 March 2020 (FY20).

Fifty percent of the award is based on the total shareholder return (share price movement and the value of dividends) over the period from admission to AIM to 31 March 2020 with no award being made if the return rate is less than 30% over the period. A sliding scale will apply with 100% of the award vesting if 60% growth is achieved over the period.

The total shareholder return for the period under review to 31 March 2020 grew by 73%. The Admission price was 86 pence and the average share price for the qualifying period was 131 pence and dividends of 17.8 pence had been paid.

Fifty percent of the award is based on increasing the earnings per share. No award will be made if the earnings per share do not grow by 24% over the three years from FY17 to FY20. A sliding scale will apply with 100% of the award vesting if 45% growth is achieved over the period.

The earnings per share for the period under review to 31 March 2020 grew by 174%. The FY17 earnings per share was 7.8 pence and the earnings per share for the 12 months ended 30 March 2020 was 21.4 pence.

The Remuneration Committee exercised its discretion to extend the time qualifying criteria from March 2020 to the production of the Annual Report for the period ended 30 September 2020 before allowing the shares to vest. Therefore the following Directors and employees will have the option to acquire the below number of shares at nominal value.

	Number of shares awarded under the LTIP scheme
Peter Kenyon	250,000
Martin Clyburn	138,889
Mike Johnson	138,889
Jason Carr	69,444
Matt Fothergill	69,444
Michael Wilson	69,444
Mark Smith	69,444

LTIP FY18 – FY21

A further LTIP scheme was introduced following the publication of the FY18 Annual Report. This widened the participation in line with the Group's strategy to align the senior managers with the shareholders.

Fifty percent of the award is based on the total shareholder return (share price movement and the value of dividends) over the period from FY18 results to 31 March 2021 with no award being made if the return rate is less than 30% over the period. A sliding scale will apply with 100% of the award vesting if 50% growth is achieved over the period.

Fifty percent of the award is based on increasing the earnings per share. No award will be made if the earnings per share do not grow by 24% over the three years from FY18 to FY21. A sliding scale will apply with 100% of the award vesting if 45% growth is achieved over the period.

The award is a number of shares, which can be bought at their nominal value.

Peter Kenyon was awarded 50,000 shares and Martin Clyburn 25,000 shares under the scheme. An additional 145,000 shares were allocated to 14 Group employees.

The Remuneration Committee exercised its discretion and the final 12 month period for assessing whether the performance criteria has been met has been changed from the 12 months ending 31 March 2021 to the 12 months ending 30 September 2021.

LTIP FY19 – FY22

A further LTIP scheme was introduced following the publication of the FY19 Annual Report. This further widened the participation in line with the Group's strategy to align the senior managers with the shareholders.

Fifty percent of the award is based on the total shareholder return (share price movement and the value of dividends) over the period from FY19 results to 31 March 2022 with no award being made if the return rate is less than 30% over the period. A sliding scale will apply with 100% of the award vesting if 50% growth is achieved over the period.

Fifty percent of the award is based on increasing the earnings per share. No award will be made if the earnings per share do not grow by 24% over the three years from FY19 to FY22. A sliding scale will apply with 100% of the award vesting if 45% growth is achieved over the period.

The award is a number of shares, which can be bought at their nominal value.

Peter Kenyon was awarded 50,000 shares and Martin Clyburn 25,000 shares under the scheme. An additional 160,000 shares were allocated to 17 Group employees.

The Remuneration Committee exercised its discretion and the final 12 month period for assessing whether the performance criteria has been met has been changed from the 12 months ending 31 March 2022 to the 12 months ending 30 September 2022

LTIP PERIOD ENDED 30 SEPTEMBER 2020 – FY23

It is the Board's intention to issue a further LTIP within 42 days of the publication of this Annual Report. This will continue to be issued to the wider Senior Management Team to recognise their contribution in seeking to implement the Group's strategy and achieve improved financial performance over the three year period. The scheme will follow the principles of the two existing LTIPs with 50% of any award linked to growing EPS and 50% of any award linked to total shareholder returns. Again, stretching targets will be set to achieve 100% of the award.

The Remuneration Committee retain discretion over the amount and terms of any LTIP awards.

The Directors hold the following notifiable beneficial interests in the ordinary share capital of the Company

	Type of share	Holding as at 31 March 2019	Acquired in the financial period	Sold in the financial period	As at 30 September 2020
Executive					
Peter Kenyon[1]	1p ordinary	1,139,734	12,773	-	1,152,507
Martin Clyburn[1]	1p ordinary	209,375	-	-	209,375
Non Executive					
Andy Meehan[1]	1p ordinary	332,320	15,000	-	347,320
Simon Herrick	1p ordinary	19,950	-	-	19,950
Steve Smith[1]	1p ordinary	54,348	-	-	54,348

[1] held in personal name, in spouse's name or pension scheme.

If you have any comments or questions on anything contained in this Remuneration Report, I will be available at the AGM.

SIMON HERRICK

Chair of the Remuneration Committee

Directors' report

The directors have pleasure in presenting their report and the financial statements of the group for the period ended 30 September 2020.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Group during the period continue to be; the supply of foreign exchange services, pawnbroking, related financial services, jewellery sales, and the purchase of unwanted gold jewellery from the general public subsequently sold to the bullion market. The results for the period and the financial position of the group are as shown in the annexed financial statements.

A review of the business and its future development is given in the Chairman's and Chief Executive's statements

RESULTS AND DIVIDENDS

The results for the period are set out in the consolidated statement of comprehensive income on page 54.

The directors are not proposing a final dividend.

During the period, the Group paid an interim dividend of 2.7 pence per share. In FY19 the Group declared dividends totalling of 7.2 pence per share.

LIKELY FUTURE DEVELOPMENT

Our priorities for the following financial year are disclosed in the CEO's Strategic Report on pages 4 to 25.

SUBSTANTIAL SHAREHOLDINGS

The Company has one class of ordinary share, which carry no right to fixed income. Each ordinary share has the right to one vote at general meetings.

As far as the Directors are aware, the only notifiable holdings equal to or in excess of 3% of the issued ordinary share capital at 30 September 2020 were as shown in the table below.

Name of holder	number	% of voting rights in the issued share capital
Downing LLP	4,382,715	14.21
Cannacord Genuity Group	3,921,039	12.72
Hargreaves Lansdown Asset	2,863,277	9.29
Otus Capital Mgt.	2,047,760	6.64
Close Asset Management	1,764,289	5.72
Interactive Investor	1,567,935	5.08
Peter Kenyon (CEO)	1,152,507	3.74

DIRECTORS AND THEIR INTEREST

The directors who served throughout the year, except where otherwise stated, and up to the date of signing of the Annual Report and Accounts are as follows;

Executive
Peter Kenyon
Martin Clyburn
Non Executive
Andy Meehan
Simon Herrick
Steve Smith

Directors' beneficial interests and their remuneration are detailed in the Remuneration Report on pages 40 to 42.

DIRECTORS' INDEMNITIES

The Directors are entitled to be indemnified by the Company to the extent permitted by law and the Company's articles of association in respect of certain losses arising out of or in connection with the execution of their powers, duties and responsibilities. As permitted by the Companies Act 2006, the Company has also executed deeds of indemnity for the benefit of each Director in respect of liabilities that may attach to them in their capacity as Directors of the Company.

The Company also purchased and maintained Directors' and officers' liability insurance throughout the year.

GOING CONCERN

The Directors have considered the impact of COVID-19 on each balance sheet item and conducted a going concern review to ensure this basis remains appropriate. The Group has significant cash resources of £15.9m and access to an undrawn £10m revolving credit facility with an expiry date of March 2023.

The Directors have conducted an extensive review of forecast earnings and cash over the next twelve months, considering various scenarios and sensitivities given the COVID-19 situation and uncertainty around the future economic environment, including extreme stress test scenarios that are detailed in note 3 of the financial statements.

Accordingly, the Directors continue to adopt the going concern basis in the preparation of the financial statements.

FINANCIAL RISK MANAGEMENT
Financial risk is managed by the board on an ongoing basis. The principal risks relating to the Group are outlined in more detail on pages 22 to 25 of the Strategic Report.

POST BALANCE SHEET EVENTS
There have been no material post balance sheet events.

ANNUAL GENERAL MEETING
The Company held an AGM on 6 July 2020. This AGM passed a small number of resolutions but did not have the financial statements to approve. The next AGM will be held on 10 February 2021

POLITICAL DONATIONS
No political contributions were made during the period (FY19: £nil).

DISABLED EMPLOYEES
The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

EMPLOYEE INVOLVEMENT
The group operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. The Directors have a policy of providing employees with information about the group to keep them informed. The Group's employment structure facilitates management to engage regularly with staff at all levels thereby allowing a free flow of information and communication of Group policies and alignment of core goals. Employees are encouraged to participate in the performance of the business through varying incentive schemes.

DISCLOSURE OF INFORMATION TO THE AUDITOR
In so far as each person who was a director at the date of approving this report is aware:

- there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR
A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Registered office:
Unit 16
Parkway Shopping Centre
Coulby Newham
Middlesbrough
TS8 0TJ

Signed by order of the directors

KEVIN BROWN
Company Secretary

Approved by the directors on 18 December 2020

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS regulation. 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 company and of the group and of the profit or loss of the group for that period. In preparing those 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WEBSITE PUBLICATION

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website, www.ramsdensplc.com, in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors.

The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Financial statements

Use your jewellery to get cash when you need it

Independent Auditor's Report to the members of Ramsdens Holdings plc

OPINION

In our opinion:

- Ramsdens Holdings PLC's group financial statements and parent company financial statements (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 30 September 2020 and of the group's profit for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Ramsdens Holdings plc which comprise:

Group	Parent company
Consolidated statement of financial position as at 30 September 2020	Statement of financial position as at 30 September 2020
Consolidated statement of comprehensive income for the period then ended	Statement of changes in equity for the period then ended
Consolidated statement of changes in equity for the period then ended	Related notes A to I to the financial statements including a summary of significant accounting policies
Consolidated statement of cash flows for the period then ended	
Related notes 1 to 26 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OVERVIEW OF OUR AUDIT APPROACH

Key audit matters	• Risk of incorrect revenue recognition as a result of fraudulent transactions at a branch level. • Risk of incorrect recognition of profit as a result of judgments relating to the expected credit loss accrual in respect of pawnbroking • Impairment risk in relation to Property, Plant and Equipment, Intangibles and Right of Use Assets
Audit scope	• We performed an audit of the complete financial information of the Group, which we considered a single component, including Ramsdens Financial Limited.
Materiality	• Overall group materiality of £0.436m which represents 5% of adjusted Profit before Tax.

KEY AUDIT MATTERS

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

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Risk of incorrect revenue recognition as a result of fraudulent transactions at a branch level (overstatement of revenue) *Refer to the Audit and Risk Committee Report (page 37); Accounting policies Note 3.16 of the consolidated financial statements (page 68); and Note 5 of the Consolidated Financial Statements (page 70)* At a branch level there is a risk that fraudulent revenue transactions can occur and that these are recorded in the accounts. Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls. Individual branch transactions are generally low value. However, if fraudulent transactions occurred at a relatively small percentage of stores, the financial impact could be material. Management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has put in place a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.	We performed a walkthrough of the process and controls in place in relation to transactions at a branch level. We have performed substantive analytical procedures including a monthly analysis of sales and gross margin, and review of branch level results throughout the period to identify unusual fluctuations or transactions requiring further investigation. We investigated outliers and corroborated these to underlying audit evidence. We performed the following tests of transactions around the period-end date to ensure that revenue is recorded in the correct financial period: • **Pawnbroking** – recalculation of interest due at period end based on loan agreements in place • **Precious metals** – cut-off testing on pre and post period end sales transactions • **Jewellery and Foreign currency** – stock counts at a sample of branches to test the existence of stock in the closing balance sheet and validate sales transactions within the month We performed detailed substantive testing, to test the occurrence and measurement of sales recorded in the period. We performed testing of sample of material manual journal entries to revenue to identify any journals that were out of the ordinary course of business through testing the rationale for the postings and ensuring they are accounted for and recorded in the accounts correctly. We performed a review of board and related committee minutes throughout the period, to identify any unusual transactions. Further, we have performed procedures to identify any other indicators of risk or contradictory evidence before drawing conclusions, as follows. We held meetings with the Head of Compliance & Risk to obtain an understanding of the procedures performed by both the compliance department and the internal audit function to monitor controls. We reviewed internal audit reports and noted no significant control deficiencies in the current period. We reviewed the implementation of any new controls in the period and confirmed that any exceptions identified under the new procedures had been responded to appropriately.	The results of our testing did not identify any incorrectly recognised revenue. Whilst our substantive procedures are not designed to detect fraud in the period which may have occurred in the period, we have not identified any anomalies as a result of our procedures.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Risk of incorrect recognition of profit (overstatement of revenue) as a result of judgments relating to the expected credit loss accrual in respect of pawnbroking (understatement of provision) **(30 September 2020 £1.3m, 31 March 2019 £0.4m)** *Refer to the Note 14 of the consolidated financial statements (page 78);* Interest receivable on pawnbroking loans is recognised as interest accrues, by reference to the effective interest rate applicable. In line with IFRS 9: Financial Instruments, management calculate the expected credit loss on pawnbroking contracts and recognise a provision for this within cost of sales. The expected credit loss is subject to estimates determined by management, notably the expected recoverable amount of the underlying security and the expected level of redemption rate of pawnbroking loans. There is a risk of management override as there is an opportunity for management to change underlying assumptions of the pawnbroking provisions, which could materially impact the level of profit recognised. In the period to 30 September 2020, pawnbroking gross profit of £12.2m (31 March 2019: £7.5m) was recognised in the accounts. At 30 September 2020 the gross loan book totalled £8.8m (2019: £9.7m), with a total provision relating to expected credit losses of £1.3m (2019: £0.4m).	We performed a walkthrough to gain an understanding of the process and controls in relation to pawnbroking interest income and related provisions. We have tested the accuracy and completeness of data used to calculate the provisions by performing tests of detail to validate key inputs into the calculation of the provision. We have challenged the provisioning methodology, with particular focus on identifying contra-indicators to significant assumptions, identifying and corroborating changes to assumptions. We identified the three-year average spot price of 9 carat gold and silver to recalculate the underlying value of security and compared this to management estimates used in the provision. The redemption rate is based upon management's best estimate of the number of pawnbroking loans that will be redeemed. We compared the historic actual lifetime redemption rates (2020: 22%; 2019: 27%) to the rates applied in the provision (2020: 28%, 2019: 28%). We have performed sensitivity analysis of the provision in the context of planning materiality. This was performed on the key assumptions, including comparison of redemption rates against actual outcomes, varying values of underlying security, and expected sales price of pledged items. We performed testing of manual journal entries to revenue and related cost of sales accounts to identify journals which were out of line from our expectations. We assessed the completeness and adequacy of related financial statement disclosures.	We have concluded that the profit recorded in the period, and the related provisions on the statement of financial position at the period-end date are recognised in accordance with the requirements of IFRS 9. The estimates made by management in respect of the ECL provision are reasonable. The related disclosures within the financial statements are appropriate.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impairment risk in relation to Intangible Assets, Property, Plant and Equipment and Right of Use Assets **(30 September 2020 £13.9m, 31 March 2019 £6.7m)** *Refer to Note 3.7 and 4.1 of the consolidated financial statements (pages 63 and 69);* COVID-19 has had a significant impact on the performance of branches in recent months due to both lockdown and travel restrictions which impact on foreign currency sales. There are a number of branches generating low profit margins or at a loss, which presents a risk that individual branches ('CGUs') may require an impairment provision against the value of the tangible, intangible and ROU assets.	We obtained management's branch impairment assessment and undertook a walkthrough of the process performed by management to assess impairment risk and determine significant assumptions. We confirmed the clerical accuracy of the calculation to identify any anomalies in formulas used and reconciled underlying data to accounting records. We engaged our EY Valuation team, to corroborate the discount factors of 12% used in the calculations. These audit procedures included the benchmarking of management's discount factors against that of comparable publicly quoted companies, and independently calculating a discount factors based on external benchmarking data adjusted for size and risk premiums. We performed sensitivity analysis on this assumption based upon our own independently calculated discount factors (a range from 13.3% to 15.9%). We challenged significant assumptions through sensitivity analysis and obtaining evidence to corroborate key inputs. Our challenges were informed by the other evidence we have obtained during the course of the audit to ensure any indicators of risk or contradictory evidence were included within the scope of our audit procedures. Our challenges included: • The impact of COVID-19 on the future growth assumptions, in particular on foreign currency; • The performance of immature branches against the baseline performance of new branches in recent years • Stores performance in months prior to February 2020, and stores loss-making in the period after lockdown We performed a re-calculation of the impairment model, incorporating the following adjustments: • Comparing the NPV to the asset value of stores at 30 September 2020 • Incorporating the range of discount factors identified by EY's Valuation team. As a result of these procedures, we identified a number of branches with an enhanced risk of impairment. We obtained management's focused review of these stores and challenged key assumptions. Following management's further focused review an impairment charge was recognised in relation to immature branches. Immature branches – an additional impairment charge of £0.175m was recognised in relation to one immature branch. No impairment identified in relation to other immature branches as they are at an early stage in the lifecycle and performing in line with other portfolio branches at this stage in their development We assessed the completeness and adequacy of related financial statement disclosures in relation to this accounting estimate.	Impairment charges have been recognised in the financial statements in relation to one branch following our audit procedures. We identified a judgmental and immaterial unadjusted audit difference in relation to two further immature branches. An impairment charge has been recognised within the financial statements in accordance with the requirements of IAS36. The related disclosures within the financial statements are appropriate.

There have been no changes to the key audit matters in comparison to our prior year auditor's report other than the inclusion of a key audit matter in relation to Impairment risk in relation to Intangible Assets, Property, Plant and Equipment and Right of Use Assets. This reflects the fact that COVID-19 has had a significant impact on the performance of branches in recent months due to both lockdown and travel restrictions which impact on foreign currency sales.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

TAILORING THE SCOPE

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment and other factors when assessing the level of work to be performed at each entity.

We performed as a Group audit team an audit of the complete financial information of Ramsdens Holdings PLC and the trading subsidiary, Ramsdens Financial Limited which was considered to be one single component.

The period-end audit fieldwork has been completed remotely due to the restrictions on people movement due to the COVID-19 situation. Audit procedures were tailored to include appropriate incremental procedures including testing of the integrity of source data and reports. The period-end stock takes and sample testing was performed in person.

The reporting components where we performed audit procedures accounted for 100% (2019: 100%) of the Group's Profit before tax, or adjusted PBT measure used to calculate materiality, 100% (2019: 100%) of the Group's Revenue and 100% (2019: 100%) of the Group's Total assets.

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

MATERIALITY

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £0.436 million (2019: £0.325 million), which is 5% (2019: 5%) of adjusted Profit before Tax. We believe that adjusted Profit before Tax provides us with a consistent year on year basis for determining materiality and is the most relevant performance measure to the stakeholders of the group, whilst accounting for non-recurring items (as disclosed in Note 3.18 to the financial statements).

Starting basis	• Starting point – £9.221m Profit before Tax
Adjustments	• Removal of non-recurring items (government grant for retail business) – £0.725m
Materiality	• Totals £8.496m adjusted Profit before Tax • Materiality of £0.436m (approximately 5% of materaility basis)

We determined materiality for the Parent Company to be £0.120 million (2019: £0.113 million), which is 1% (2019: 1%) of net assets.

During the course of our audit, we reassessed initial materiality and have revised this to reflect final results, rather than basing on forecasts.

PERFORMANCE MATERIALITY

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2019: 75%) of our planning materiality, namely £0.327m (2019: £0.243m). We have set performance materiality at this percentage which reflects our expectation of the level of audit differences based on the prior year.

REPORTING THRESHOLD

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.021m (2019: £0.016m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

OTHER INFORMATION

The other information comprises the information included in the annual report set out in pages 1 to 45, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept 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 are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

RESPONSIBILITIES OF DIRECTORS

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

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

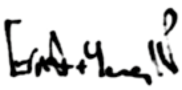
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



ALISTAIR DENTON
Senior statutory auditor

for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds
18 December 2020

Notes:
1. The maintenance and integrity of the Ramsdens Holdings PLC web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated statement of comprehensive income

For the period ended 30 September 2020

	Notes	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
Revenue	5	**76,938**	**46,785**
Cost of sales		(29,789)	(16,263)
Gross profit	5	**47,149**	**30,522**
Other income	7	**725**	**–**
Administrative expenses		(37,858)	(23,939)
Operating profit		**10,016**	**6,583**
Finance costs	6	(795)	(131)
Gain on fair value of derivative financial liability		–	40
Profit before tax		**9,221**	**6,492**
Income tax expense	10	(2,103)	(1,332)
Profit for the period/year		**7,118**	**5,160**
Other comprehensive income		**–**	**–**
Total comprehensive income		**7,118**	**5,160**
Earnings per share in pence	8	23.1	16.7
Diluted earnings per share in pence	8	22.5	16.3

Consolidated statement of financial position

As at 30 September 2020

	Notes	30 September 2020 £'000	31 March 2019 £'000
Assets			
Non-current assets			
Property, plant and equipment	11	4,845	5,485
Right of use of assets	11	8,536	–
Intangible assets	12	870	1,228
Investments	13	–	–
Deferred tax assets	10	182	167
		14,433	6,880
Current Assets			
Inventories	15	13,360	12,658
Trade and other receivables	16	8,743	10,906
Cash and short term deposits	17	15,873	13,420
		37,976	36,984
Total assets		**52,409**	**43,864**
Current liabilities			
Trade and other payables	18	6,422	6,490
Lease liability	18	2,005	–
Interest bearing loans and borrowings	18	–	5,184
Income tax payable	18	1,157	689
		9,584	12,363
Net current assets		**28,392**	**24,621**
Non-current liabilities			
Lease liability	19	7,094	–
Accruals and deferred income	19	153	453
Deferred tax liabilities	19	23	140
		7,270	593
Total liabilities		**16,854**	**12,956**
Net assets		**35,555**	**30,908**
Equity			
Issued capital	21	308	308
Share premium		4,892	4,892
Retained earnings		30,355	25,708
Total equity		**35,555**	**30,908**

The financial statements of Ramsdens Holdings PLC, registered number 8811656, were approved by the directors and authorised for issue on 18 December 2020 and signed on their behalf by:

M A CLYBURN
Chief Financial Officer

Consolidated statement of changes in equity

For the period ended 30 September 2020

	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
As at 1 April 2018		308	4,892	22,368	27,568
Profit for the year		–	–	5,160	5,160
Total comprehensive income		–	–	5,160	5,160
Dividends paid	22	–	–	(2,097)	(2,097)
Share based payments	25	–	–	221	221
Deferred tax on share-based payments		–	–	56	56
As at 31 March 2019		308	4,892	25,708	30,908
As at 1 April 2019		308	4,892	25,708	30,908
IFRS 16 Leases – transitional adjustment				(531)	(531)
As at 1 April 2019 – adjusted		308	4,892	25,177	30,377
Profit for the period		–	–	7,118	7,118
Total comprehensive income		–	–	7,118	7,118
Dividends paid	22	–	–	(2,313)	(2,313)
Share based payments	25	–	–	398	398
Deferred tax on share-based payments		–	–	(25)	(25)
As at 30 September 2020		**308**	**4,892**	**30,355**	**35,555**

Consolidated statement of cash flows

For the period ended 30 September 2020

	Notes	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
Operating activities			
Profit before tax		9,221	6,492
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment	11	2,238	1,215
Depreciation and impairment of right of use assets	11	3,523	–
Amortisation and impairment of intangible assets	12	616	157
Change in derivative financial instruments		–	(40)
Loss on disposal of property, plant and equipment		185	74
Share based payments	25	398	221
Finance costs	6	795	131
Working capital adjustments:			
Movement in trade and other receivables and prepayments		1,781	424
Movement in inventories		(702)	(5,091)
Movement in trade and other payables		170	(651)
		18,225	2,932
Interest paid		(795)	(131)
Income tax paid		(1,678)	(1,278)
Net cash flows from operating activities		**15,752**	**1,523**
Investing activities			
Proceeds from sale of property, plant and equipment		4	3
Purchase of property, plant and equipment		(1,787)	(2,315)
Purchase of intangible assets		(258)	(109)
Acquisition		–	(1,504)
Net cash flows used in investing activities		**(2,041)**	**(3,925)**
Financing activities			
Dividends paid	21	(2,313)	(2,097)
Payment of principle portion of lease liabilities		(3,645)	(8)
Bank loans drawn down		2,600	5,183
Repayment of bank borrowings		(7,900)	(1,875)
Net cash flows from financing activities		**(11,258)**	**1,203**
Net increase/decrease in cash and cash equivalents		**2,453**	**(1,199)**
Cash and cash equivalents at 1 April		13,420	14,619
Cash and cash equivalents at 30 September/31 March		15,873	13,420

Notes to the consolidated financial statements

1. CORPORATE INFORMATION

Ramsdens Holdings PLC (the "Company") is a public limited company incorporated and domiciled in England and Wales. The registered office of the Company is Unit 16, Parkway Shopping Centre, Coulby Newham, Middlesbrough, TS8 0TJ. The registered company number is 08811656. A list of the Company's subsidiaries is presented in note 13.

The principal activities of the Company and its subsidiaries (the "Group") are the supply of foreign exchange services, pawnbroking and related financial services, jewellery sales, and the purchase of gold jewellery from the general public.

2. CHANGES IN ACCOUNTING POLICIES

Adoption of new and revised standards

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has applied the following accounting standards that are mandatorily effective for an accounting period that begins on or after 1 January 2019. Further details of the impact of IFRS 16 are given below. The other changes have not had a material impact on the amounts reported in these financial statements.

Amendments to IFRS 9 Financial Instruments	Prepayment Features with Negative Compensation
IFRS 16 – Leases	The treatment of Lease transactions
Amendments to IAS 28	Prepayment Features with Negative Compensation
Amendments to IAS 19	Employee Benefits Plan Amendment, Curtailment or Settlement
IFRIC 23	Uncertainty over Income Tax Treatments
Annual Improvements to IFRSs:	2015-17 Cycle Annual Improvements to IFRS Standards 2015–2017 Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs

Explanation of the adoption of IFRS 16

The Group has adopted IFRS 16 – Leases using the modified retrospective approach with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

Therefore, the cumulative effect of adopting IFRS 16 – Leases was recognised as an adjustment to the opening balance of retained earnings at 1 April 2019 with no restatement of comparative information. Comparative information continues to be reported under IAS 17 – Leases and IFRIC 4 – Determining whether an Arrangement contains a Lease.

The Group has lease contracts for properties and motor vehicles. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as an operating lease. In an operating lease, the leased asset was not capitalised and the lease payments were recognised as an expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

Notes to the consolidated financial statements

2. CHANGES IN ACCOUNTING POLICIES continued

Lease liabilities

On adoption of IFRS 16 – Leases, the Group recognised liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 – Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 April 2019. The weighted average incremental borrowing rate applied to the property leases on 1 April 2019 was 4.3% (with a range between 3.36% & 4.42%) and for motor vehicles was 3.5% (with all vehicles using the same rate).

	£'000
Operating lease commitments disclosed at 31 March 2019	12,255
Removal of non-recoverable VAT	(902)
Restated operating lease commitments at 31 March 2019	11,353
Removal of prepaid lease payments	(289)
Discounted using the incremental borrowing rate at 1 April 2019	(1,327)
Lease liability recognised at 1 April 2019	9,737
Current lease liabilities	2,165
Non-current lease liabilities	7,572
	9,737

Right-of-use assets

The associated right-of-use assets for the Group's property and motor vehicle leases were measured on a retrospective basis as if the new rules had always been applied using the incremental borrowing rate as at 1 April 2019 and adjusted for any prepayments or rent incentive accruals. The recognised right of use assets at 1 April related to the following asset types:

	£'000
Properties	8,919
Motor vehicles	183
Total right-of-use assets	9,102

The change in accounting policy affected the following items in the statement of financial position at 1 April 2019:

	As at 31 March 2019 £'000	IFRS16 adjustment £'000	Adjusted balance £'000
Right-of-use assets	–	9,102	9,102
Deferred tax asset	167	114	281
Trade and other receivables (prepayments)	10,906	(499)	10,407
Trade and other payables (rent incentive & onerous lease accruals)	(6,490)	166	(6,324)
Accruals and deferred income (rent incentive accrual)	(453)	323	(130)
Lease liabilities	–	(9,737)	(9,737)
Net impact on retained earnings	25,708	(531)	25,177

Notes to the consolidated financial statements

2. CHANGES IN ACCOUNTING POLICIES continued

The change in accounting policy has also resulted in operating lease costs previously shown in administration expenses within the Income Statement being replaced with depreciation (which is contained within administration expenses) and finance costs related to the right of use assets. For the 18 month period ended 30 September 2020, deprecation and impairment of right of use assets reported within administration expenses is £3,523,000 and the interest cost of right of use assets reported in finance costs is £614,000. The table below show the amount of adjustment for each financial statement line item affected by the application of IFRS 16 for the current period.

	18 months to 30 September 2020 £'000
Increase in depreciation of right-of-use asset	(3,483)
Increase in impairment of right-of-use asset	(40)
Increase in finance costs	(614)
Decrease in other operating expenses	4,259
Impact on profit	122

Practical expedients applied

In applying IFRS 16 – Leases for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate for a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments of whether leases are onerous
- accounting for low value operating leases and operating leases with a remaining term of less than 12 months at 1 April 2019 on a straight line basis as an expense without recognizing a right-of-use asset or a lease liability
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains, a lease at the date of initial application. Instead for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 – Leases and IFRIC 4 – Determining whether an Arrangement contains a Lease

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Notes to the consolidated financial statements

2. CHANGES IN ACCOUNTING POLICIES continued

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (under £5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in pounds sterling which is the functional currency of the parent and presentational currency of the Group. All values are rounded to the nearest thousand (£000), except when otherwise indicated.

3.2 Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and all of its subsidiary undertakings (as detailed above). The financial information of all Group companies is adjusted, where necessary, to ensure the use of consistent accounting policies. In line with IFRS10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

3.3 Going Concern
The Company has prepared the financial statements on a going concern basis, with due consideration to the unprecedented impact of COVID-19 on the economy and society. The Board has considered the impact of COVID-19 on each balance sheet item and conducted a going concern review to ensure this basis remains appropriate.

In the 18 month period to September 2020 the Company traded profitably with profit before tax of £9.2m and repaid its debt facility in full.

The Company has significant cash resources at 30 September 2020 of £15.9m and access to an undrawn £10m revolving credit facility with an expiry date of March 2023. The Company has successfully applied for government support grants including the Coronavirus Job Retention Scheme and Retail Grants. The grant support received in the period to September 2020 was c£3.5m. The company also took advantage of the VAT deferral scheme and was awarded business rates relief in respect of a number of its branches.

The Company's activities include services deemed essential services by the government and therefore the Company's stores are able to open in the event of a further lockdown. The Company's essential services include pawnbroking, foreign currency, money transfer and cheque cashing. The Company has a strong asset base and the ability to generate cash quickly through the sale of jewellery stock for its intrinsic value or by restricting new pawnbroking lending.

The Board have conducted an extensive review of forecast earnings and cash for the period to 31 December 2021, considering various scenarios and sensitivities given the COVID-19 situation and uncertainty around the future economic environment.

One such stress test scenario was to model the closure of all stores for the period to 31 December 2021. This scenario is deemed implausible given the essential services categorisation of some of the Company's services and the fact that income has already been generated in the period elapsed since 30 September 2020 to date.

This scenario assumes that there is no revenue generation at all. The only cost reduction applied to this scenario are variable costs linked to revenue generation (such as the cost of taking payments and handling cash), and discretional spending, for example advertising. All budgeted capital expenditure and dividends were assumed to be suspended. This scenario assumes only £0.6m of further government support, despite the now confirmed extension of the Coronavirus Job Retention scheme up to March 2021. The scenario also did not include the further mitigating actions that could be taken. Further mitigation could include online income generation, staff redundancies, and exit of certain store leases. Further options to improve liquidity, which are outside management's control, would be the ability to defer/renegotiate creditor payments (including rents), the opportunity to access increased government support, including for example CBILs, increase bank lending and/or relax the cash covenant on the existing £10m RCF facility, or an equity raise.

Notes to the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES continued

The output of this scenario without considering the available mitigation, was that the Company had enough resources to pay the costs due throughout the period despite no income. This was due to the strong cash balance at the start of the going concern period of £15.9m and the ability to realise cash from inventory and pawnbroking assets.

Given the extreme stress test modelling the Board have been able to conclude that they a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The going concern assessment covers the period to 31 December 2021.

3.4 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred which represents the fair value of the assets transferred and liabilities incurred or assumed. Acquisition related costs are expensed as incurred and included in administrative expenses.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the statement of comprehensive income as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the statement of comprehensive income when it is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite and at each date of the statement of financial position no intangible assets are accorded an indefinite life.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Amortisation is calculated over the estimated useful lives of the assets as follows:

- Customer relationships – 40% reducing balance
- Software – 20% straight line

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible assets.

3.6 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses (if any). All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

Notes to the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES continued

Depreciation is calculated over the estimated useful lives of the assets as follows:

- Leasehold property – straight line over the lease term
- Fixtures & fittings – 20% & 33% reducing balance
- Computer equipment – 25% & 33% reducing balance
- Motor vehicles – 25% reducing balance

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.7 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGUs to which the individual assets are allocated, which is usually taken to be each individual branch store. These budgets and forecast calculations are estimated for three years and extrapolated to cover a total period of ten years.

Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Goodwill

Goodwill is tested for impairment at the end of each accounting period and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

3. SIGNIFICANT ACCOUNTING POLICIES continued

3.8 Inventories

Inventories comprise of electronics, retail jewellery and precious metals held to be scrapped and are valued at the lower of cost and net realisable value.

Cost represents the purchase price plus overheads directly related to bringing the inventory to its present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs to sell.

3.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are all recognised and derecognised on a trade date basis. All recognised financial assets are measured and subsequently measured at amortised cost or fair value depending on the classification of the financial asset.

Classification of financial assets

Financial assets that meet the following criteria are measured at amortised cost:

- the financial asset is held within the business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In accordance with IFRS 9 Financial Instruments the Group has classified its financial assets as amortised cost, no financial assets have been classified as FVTOCI or FVTPL at the reporting dates for 2020 and 2019.

The effective interest method is used to calculate the amortised cost of debt instruments by allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition less the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand, foreign currency held for resale and short term deposits held with banks with a maturity of three months or less from inception.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash, foreign currency held for resale and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. The amount of credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group recognises the 12 month expected credit losses. As pawnbroking loans are typically over a six month term the lifetime credit losses are usually the same as the 12 month expected credit losses.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable including historical experience.

Notes to the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES continued

The measurement of expected credit losses is a function of the probability of default, and the loss (if any) on default. The assessment of the probability of default is based on historical data. The loss on default is based on the assets gross carrying amount less any realisable security held. The expected credit loss calculation considers both the interest income and the capital element of the pawnbroking loans. Details of the key assumptions for pawnbroking expected credit losses are given in note 4.

Derecognition
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the assets carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Comprehensive Income.

Financial liabilities
Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument.

All financial liabilities are recognised initially at amortised cost or at fair value through profit and loss (FVTPL).

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised as well as through the (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Comprehensive Income.

Only the Group's derivative financial instruments are classified as financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in the Statement of Comprehensive Income. The net gain or loss recognised in the Statement of Comprehensive Income incorporates any interest paid on the financial liability.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Comprehensive Income.

Offsetting of financial instruments
Financial assets and financial liabilities are offset with the net amount reported in the Statement of Financial Position only if there is a current enforceable legal right to offset the recognised amounts and intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.10 Fair value measurement
The Group measures financial instruments, such as derivatives, at fair value at the date of each statement of financial position.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3. SIGNIFICANT ACCOUNTING POLICIES continued

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.11 Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the date of the statement of financial position.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the date of each statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates and laws that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Consolidated Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax is recognised on an undiscounted basis.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.12 Leases

At interception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

The contract involves the use of an identifier asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either: The Group has the right to operate the asset; or
- The Group designed the asset in a way that predetermines how and for what purpose it will be used.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Notes to the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES continued

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and

The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured using the directors' best estimate of the expenditure required to settle the obligation at the date of each statement of financial position.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

All of the group's premises are leased under operating leases. The majority of the leases include an end of lease rectification clause to return the property to its original state. No provision is made until a board decision has been taken to either terminate or not to renew the lease. Additionally, the group maintains stores to a high standard and completes any necessary repairs and maintenance on a timely basis using the in-house property department and external contractors. These costs are expensed as incurred.

3.14 Pensions and other post-employment benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held and administered separately from those of the Group. Contributions payable for the year are charged in the statement of comprehensive income. Total contributions for the year are disclosed in note 9 to the accounts. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

3.15 Employee share incentive plans

The group grants equity settled share option rights to the parent entity's equity instruments to certain directors and senior staff members under a LTIP (Long term incentive Plan). The employee share options are measured at fair value at the date of grant by the use of either the Black- Scholes Model or a Monte Carle model depending on the vesting conditions attached to the share option. The fair value is expensed on a straight line basis over the vesting period based on an estimate of the number of options that will eventually vest.

Notes to the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES continued

3.16 Revenue recognition
The major sources of revenue come from the following:

- Pawnbroking
- Foreign currency exchange
- Purchase of precious metals
- Retail jewellery sales
- Income from other financial services

Pawnbroking revenue is recognised in accordance with IFRS 9, whereas revenue from other sources is recognised in accordance with IFRS 15.

Pawnbroking revenue
Revenue from pawnbroking comprises interest on pledge loan books and comprises the following two distinct components:

Contractual interest earned:
Contractual interest is earned on pledge loans up to the point of redemption or the end of the primary contract term. Interest receivable on loans is recognised as interest accrues by reference to the principle outstanding and the effective rate applicable, which is the rate that discounts the estimated cash receipts through the expected life of the financial asset to that asset's net carrying value.

Revenue arising from the disposal of unredeemed pledge contracts:
When a customer defaults on a pawnbroking loan, the unredeemed pledge contracts are recognised as inventory. Revenue is recognised on the subsequent sale of the pledged assets supporting the pledge contract under IFRS 15.

Foreign currency exchange income
Revenue is earned in respect of the provision of Bureau de Change facilities offered and represents the margin earned which is recognised at the point the currency is collected by the customer as this represents when the service provided under IFRS 15 has been delivered.

Sale of precious metals acquired via over the counter purchases
Revenue is recognised when control of the goods has transferred, being at the point the goods are received by the bullion dealer and a sell instruction has been issued. If a price has been fixed in advance of delivery, revenue is recognised at the point the goods are received by the bullion dealer.

Jewellery retail sales
Revenue is recognised at the point the goods are transferred to the customer and full payment has been received. Customers either pay in full at the time of the transaction and receive the goods, or pay in instalments and receive the goods once the sale is fully paid. Instalment payments are recognised as deferred income until the item is fully paid. The Company has a 7 day refund policy in store, and a 14 day refund policy online reflecting the distance selling regulations.

Other financial income
Other financial income comprises cheque cashing, buyback and other miscellaneous revenues. Cheque cashing revenue is recognised when the service is provided under IFRS 15 which includes making a payment to the customer. Buyback revenue relates to the sale of items to a customer, either the person who originally sold that item to the business, or to a third party. Revenue is recognised when the goods are transferred to the customer. Full payment is taken at the time or prior to transferring the goods.

3.17 Administrative expenses
Administrative expenses includes branch staff and establishment costs.

3.18 Government grants
Government grants that are a contribution to a specific administrative expense are recognised in the income statement as a reduction to administrative expenses in the period to which the expense relates. Other government grants are recognised as other income when there is reasonable assurance that the entity will comply with the conditions and the grants will be received.

Notes to the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES continued

The grants recognised in the financial statements all relate to Covid-19 support with job retention scheme support shown net of the wage cost in administrative expenses and retail grants shown as other income. There are no unfulfilled conditions and contingencies attaching to recognised grants.

	FP20 £'000	FY19 £'000
Other income	725	–
Administrative expenses	2,769	–
Total	3,494	–

Any grants recognised in the Statement of Comprehensive Income but not received are included within the Statement of Financial position under Trade and other Receivables

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND SIGNIFICANT ACCOUNTING JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1 Key sources of estimation uncertainty

Revenue recognition – pawnbroking loans interest and impairment

The group recognises interest on pawnbroking loans as disclosed in note 3.16. The pawnbroking loans interest accrual (pledge accrual) is material and is dependent on the estimate that the Group makes of both the expected level of the unredeemed pawnbroking loans and the ultimate realisation value for the pledge assets supporting those loans. An assessment is made on a pledge by pledge basis of the carrying value represented by original capital loaned plus accrued interest to date and its corresponding realisation value on sale of unredeemed pledges to identify any deficits. The principle estimates within the loan interest accrual are;

1. Non Redemption Rate

This is based upon current and historical data held in respect of non-redemption rates.

2. Realisation Value

This based upon either;

- The current price of the metal that will be received through the sale of the metal content via disposal through a bullion dealer.
- The expected resale value of those jewellery items within the pledge that can be retailed through the branch network.

See note 14 for further details on pawnbroking credit risk and provision values, including sensitivity.

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

Determining whether property, plant and equipment, right-of-use and intangibles are impaired requires an estimation of the value in use of the CGU to which the assets have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and selecting a suitable discount rate in order to calculate present value. The review is conducted annually, in the final quarter of the year. The impairment review is conducted at the level of each CGU, which is usually taken to be each individual branch store.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND SIGNIFICANT ACCOUNTING JUDGEMENTS continued

Management have determined that the key sources of estimation uncertainty, to which the impairment analysis of property plant and equipment, right-of-use assets and intangible assets is most sensitive, relate to the following assumptions:

1. The Group prepares cash flow forecasts for each branch. Cash flows represent management's estimate of the revenue of the relevant CGU, based upon the specific characteristics of the branch and its stage of development.

2. The Group has discounted the forecast cash flows at a pre-tax, risk adjusted rate of 12%.

It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year are different from the assumptions made in relation to future cash flows, which could require a material adjustment to the carrying amount of the assets affected. The carrying amounts for tangible assets, right-of use assets and intangible assets are disclosed in notes 11 &12. Whilst the impairment review has been conducted based on the best available estimates at the impairment review date, the Group notes that actual events may vary from management expectation.

Where the recoverable amount of the CGU was estimated to be less than its carrying amount, the carrying amount of the CGU was reduced to the estimated recoverable amount.

4.2 Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Taxes judgement

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

5. SEGMENTAL ANALYSIS

The group's revenue from external customers is shown by geographical location below:

	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
Revenue		
United Kingdom	76,856	46,707
Other	82	78
	76,938	46,785

The Group's assets are located entirely in the United Kingdom therefore, no further geographical segments analysis is presented. The Group is organised into operating segments, identified based on key revenue streams, as detailed in the CEO's review.

The Group's revenue is analysed below between revenue from contracts with customers and other sources which comprises interest income earned on pawnbroking loans.

	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
Revenue		
Contracts with customers	64,267	39,543
Pawnbroking interest income	12,671	7,242
	76,938	46,785

Notes to the consolidated financial statements

5. SEGMENTAL ANALYSIS continued

	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
Revenue		
Pawnbroking	18,911	10,544
Purchases of precious metals	23,024	12,343
Retail Jewellery sales	17,109	9,771
Foreign currency margin	14,859	11,585
Income from other financial services	3,035	2,542
Total revenue	76,938	46,785

	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
Gross profit		
Pawnbroking	12,248	7,520
Purchases of precious metals	9,856	4,801
Retail Jewellery sales	7,701	5,039
Foreign currency margin	14,859	11,585
Income from other financial services	2,485	1,577
Total gross profit	47,149	30,522
Other income	725	–
Administrative expenses	(37,858)	(23,939)
Finance costs	(795)	(131)
Gain on fair value of derivative financial liability	–	40
Profit before tax	9,221	6,492

Income from other financial services comprises of cheque cashing fees, electronics & buybacks, agency commissions on miscellaneous financial products.

Revenue from the purchases of precious metals is currently from one bullion dealer. There is no reliance on key customers in other revenue streams.

The Group is unable to meaningfully allocate administrative expenses, or financing costs or income between the segments. Accordingly, the Group is unable to meaningfully disclose an allocation of items included in the Consolidated Statement of Comprehensive income below Gross profit, which represents the reported segmental results.

Notes to the consolidated financial statements

5. SEGMENTAL ANALYSIS continued

	30 September 2020 £'000	31 March 2019 £'000
Other information		
Tangible & intangible capital additions (*)	2,045	3,431
Depreciation and amortisation (*)	2,854	1,372

	2020 £'000	2019 £'000
Assets		
Pawnbroking	9,685	11,363
Purchase of precious metals	1,664	1,492
Retail Jewellery sales	9,707	9,085
Foreign currency margin	5,692	7,566
Income from other financial services	145	591
Unallocated (*)	25,516	13,767
	52,409	43,864
Liabilities		
Pawnbroking	375	284
Purchase of precious metals	3	4
Retail Jewellery sales	2,130	1,286
Foreign currency margin	471	2,402
Income from other financial services	438	525
Unallocated (*)	13,437	8,455
	16,854	12,956

(*) The Group cannot meaningfully allocate this information by segment due to the fact that all segments operate from the same stores and the assets in use are common to all segments.

Fixed assets are therefore included in the unallocated assets balance.

6. FINANCE COSTS

	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
Interest on debts and borrowings	181	130
Lease charges	614	1
Total finance costs	795	131

Notes to the consolidated financial statements

7. PROFIT BEFORE TAXATION HAS BEEN ARRIVED AT AFTER CHARGING/(CREDITING)

	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
Depreciation of property, plant and equipment reported within:		
– Administrative expenses	2,004	1,215
Impairment of property, plant and equipment reported within:		
– Administrative expenses	234	–
Depreciation of right of use of assets reported within:		
– Administrative expenses	3,483	–
Impairment of right of use of assets reported within:		
– Administrative expenses	40	–
Amortisation of intangible assets reported within:		
– Administrative expenses	524	157
Impairment of intangible assets reported within:		
– Administrative expenses	92	–
Loss on disposal of property, plant and equipment	185	74
Cost of inventories recognised as an expense	28,688	15,711
Staff costs (see note 9)	19,374	12,250
Foreign currency exchange losses/(gains)	212	85
Operating lease payments	–	3,165
Auditor's remuneration	189	90

The Company and Group audit fees are borne by a subsidiary undertaking, Ramsdens Financial Limited. There were no fees payable to the Company's auditor in respect of non-audit services.

Other Income – relates to the receipt of retail grants from HM Government arising from Covid-19.

8. EARNINGS PER SHARE

	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
Profit for the period/year	7,118	5,160
Weighted average number of shares in issue	30,837,653	30,837,653
Earnings per share (pence)	23.1	16.7
Weighted average number of dilutive shares	805,554	805,554
Effect of dilutive shares on earnings per share (pence)	(0.6)	(0.4)
Fully Diluted earnings per share (pence)	22.5	16.3

Notes to the consolidated financial statements

9. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments

	18 months to 30 September2020				12 months to 31 March 2019			
	Emoluments	Pension	LTIP	Total	Emoluments	Pension	LTIP	Total
Executive								
Peter Kenyon	361	15	102	478	232	10	64	306
Martin Clyburn	253	21	54	328	158	13	34	205
Non Executive								
Andrew Meehan	99	–	–	99	63	–	–	63
Simon Herrick	72	–	–	72	46	–	–	46
Steve Smith	60	–	–	60	39	–	–	39
Total	845	36	156	1,037	538	23	98	659

	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
Included in administrative expenses:		
Wages and salaries	16,852	10,997
Social security costs	1,665	783
Share option scheme	398	221
Pension costs	459	249
Total employee benefits expense	19,374	12,250

The average number of staff employed by the group during the financial period amounted to:

	18 months to 30 September 2020 No.	12 months to 31 March 2019 No.
Head Office and management	103	91
Branch Counter staff	647	546
	750	637

Notes to the consolidated financial statements

10. INCOME TAX

The major components of income tax expense are:

Consolidated statement of comprehensive income

	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
Current income tax:		
Current income tax charge	2,060	1,373
Adjustments in respect of current income tax of previous year	86	(39)
	2,146	1,334
Deferred tax:		
Relating to origination and reversal of temporary differences	(43)	(2)
Income tax expense reported in the statement of comprehensive income	2,103	1,332

A reconciliation between tax expense and the product of accounting profit multiplied by the UK domestic tax rate is as follows:

	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
Profit before income tax	9,221	6,492
UK corporation tax rate at 19% (2018: 19%)	1,752	1,233
Expenses not deductible for tax purposes	265	138
Prior period adjustment	86	(39)
Income tax reported in the statement of comprehensive income	2,103	1,332

Deferred tax
Deferred tax relates to the following:

	30 September 2020 £'000	31 March 2019 £'000
Deferred tax assets		
Share based payments	182	167
Deferred tax assets	182	167
Deferred tax liabilities		
Accelerated depreciation for tax purposes	13	41
Other short-term differences	10	99
Deferred tax liabilities	23	140

Notes to the consolidated financial statements

10. INCOME TAX continued

Reconciliation of deferred tax liabilities net

	30 September 2020 £'000	31 March 2019 £'000
Opening balance as of 1 April	(27)	31
Deferred tax recognised in the statement of comprehensive income	(43)	(2)
Other deferred tax	(89)	(56)
Closing balance as at 30 September	(159)	(27)

Factors affecting tax charge
The standard rate of UK corporation tax for the period was 19% (2019: 19%).

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold property £'000	Fixtures & Fitting £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2019	5,253	3,427	632	40	9,352
Additions	1,060	612	115	–	1,787
Disposals	(214)	(506)	(32)	–	(752)
At 30 September 2020	6,099	3,533	715	40	10,387
Depreciation					
At 1 April 2019	2,375	1,241	242	9	3,867
Depreciation charge for the period	1,056	753	184	11	2,004
Impairment	177	57	–	–	234
Disposals	(169)	(371)	(23)	–	(563)
At 30 September 2020	3,439	1,680	403	20	5,542
Net book value					
At 30 September 2020	2,660	1,853	312	20	4,845
At 31 March 2019	2,878	2,186	390	31	5,485

Notes to the consolidated financial statements

11. PROPERTY, PLANT AND EQUIPMENT continued

Right of Use of Assets

	Leasehold Property £'000	Motor Vehicles £'000	Total £'000
Cost			
At 1 April 2019	8,919	183	9,102
Additions	3,136	118	3,254
Disposals	(297)	–	(297)
At 30 September 2020	11,758	301	12,059
Depreciation			
At 1 April 2019	–	–	–
Depreciation Charge for the period	3,320	163	3,483
Impairment	40	–	40
At 30 September 2020	3,360	163	3,523
Net Book Value			
At 30 September 2020	8,398	138	8,536
At 1 April 2019	8,919	183	9,102

12. INTANGIBLE ASSETS

	Customer relationships £'000	Website £'000	Goodwill £'000	Total £'000
Cost				
At 1 April 2019	1,885	79	526	2,490
Additions	245	13	–	258
At 30 September 2020	2,130	92	526	2,748
Amortisation				
At 1 April 2019	1,212	50	–	1,262
Amortisation charge for the period	499	25	–	524
Impairment	19	–	73	92
At 30 September 2020	1,730	75	73	1,878
Net book value				
At 30 September 2020	400	17	453	870
At 31 March 2019	673	29	526	1,228

Customer relationship additions relate to £245,000 paid for the pawnbroking customer lists purchased during the period

13. INVESTMENTS

The Group has a minor holding in Big Screen Productions 5 LLP.

Big Screen Productions 5 LLP, whilst still trading, has wound down its operations and made a capital distribution equivalent to the value of the carrying value of the investment in 2015. The investment now has a £nil carrying value.

Notes to the consolidated financial statements

13. INVESTMENTS continued

Group Investments
Details of the investments in which the group and company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Holding	Proportion of voting rights and shares held	Activity
Subsidiary undertaking			
Ramsdens Financial Limited (Registered office: Unit 16 Parkway Centre, Coulby Newham, TS8 0TJ)	Ordinary Shares	100%	Supply of foreign exchange services, pawnbroking, purchase of gold jewellery, jewellery retail and related financial services.

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

At 30 September 2020	Fair value through statement of comprehensive income £'000	Loans and receivables £'000	Financial liabilities at amortised cost £'000	Book Value £'000	Fair Value £'000
Financial assets					
Trade and other receivables	–	8,120	–	8,120	8,120
Cash and cash equivalents	–	15,873	–	15,873	15,873
Financial liabilities					
Trade and other payables	–	–	(5,470)	(5,470)	(5,470)
Borrowings	–	–	–	–	–
Net financial assets/(liabilities)	**–**	**23,993**	**(5,470)**	**18,523**	**18,523**

At 31 March 2019	Fair value through statement of comprehensive income £'000	Loans and receivables £'000	Financial liabilities at amortised cost £'000	Book Value £'000	Fair Value £'000
Financial assets					
Trade and other receivables	–	9,944	–	9,944	9,944
Cash and cash equivalents	–	13,420	–	13,420	13,420
Financial liabilities					
Trade and other payables	–	–	(5,553)	(5,553)	(5,553)
Borrowings	–	–	(5,184)	(5,184)	(5,184)
Net financial assets/(liabilities)	**–**	**23,364**	**(10,737)**	**12,627**	**12,627**

Trade and other receivables shown above comprises trade receivables, other receivables and pledge accrued income as disclosed in note 16.

Trade and other payables comprise of trade payables, other payables and accruals as disclosed in notes 18 & 19

Borrowings comprises of bank borrowings and lease liabilities, disclosed in notes 18 & 19.

Notes to the consolidated financial statements

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Loans and receivables are non-derivatives financial assets carried at amortised cost which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

Management have assessed that for cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities their fair values approximate to their carrying amounts largely due to the short-term maturities of these instruments. Book values are deemed to be a reasonable approximation of fair values.

Financial Risks

The Group monitors and manages the financial risks relating to the financial instruments held. The principal risks include credit risk on financial assets, and liquidity and interest rate risk on financial liability borrowings. The key risks are analysed below.

Credit risk

Pawnbroking loans

Pawnbroking loans are not credit impaired at origination as customers are expected to repay the capital plus interest due at the contractual term. The Group is exposed to credit risk through customers defaulting on their loans. The key mitigating factor to this risk is the requirement for the borrower to provide security (the pledge) in entering a pawnbroking contract. The security acts to minimise credit risk as the pledged item can be disposed of to realise the loan value on default.

The Group estimates that the current fair value of the security is equal to the current book value of pawnbroking receivables.

In addition to holding security, the Group further mitigates credit risk by:

1) Applying strict lending criteria to all pawnbroking loans. Pledges are rigorously tested and appropriately valued. In all cases where the Group lending policy is applied, the value of the pledged items is in excess of the pawn loan.

2) Seeking to improve redemption ratios. For existing customers, loan history and repayment profiles are factored into the loan making decision. The Group has a high customer retention ratio and all customers are offered high customer service levels.

3) The carrying value of every pledge comprising the pawnbroking loans is reviewed against its expected realisation proceeds should it not be redeemed and expected credit losses are provided for based on current and historical non redemption rates.

The Group continually monitors, at both store and at Board level, its internal controls to ensure the adequacy of the pledged items. The key aspects of this are:

- Appropriate details are kept on all customers the Group transacts with;
- All pawnbroking contracts comply with the Consumer Credit Act 2006;
- Appropriate physical security measures are in place to protect pledged items; and
- An internal audit department monitors compliance with policies at the Group's stores.

Expected Credit losses

The Group measures loss allowances for pawnbroking loans using IFRS 9 expected credit losses model. The Group's policy is to begin the disposal process one month after the loan expiry date unless circumstances exist indicating the loan may not be credit impaired.

Category	Gross amount £'000	Loss allowance £'000	Net carrying amount £'000
Performing	8,753	1,269	7,484

Notes to the consolidated financial statements

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

The pawnbroking expected credit losses which have been provided on the period end pawnbroking assets are:

	Pawnbroking Trade Receivables £'000
At 1 April 2018	342
Utilised in the period	(342)
Statement of comprehensive income charge	393
At 31 March 2019	393
Utilised in the period	(390)
Statement of comprehensive income charge	1,266
Balance at 30 September 2020	1,269

Expected credit losses have increased due to higher than usual past due pawnbroking loans which is a result of the Group's decision to offer further time to customers before commencing the realisation process in line with FCA guidance following the impact of Covid-19.

A 1% increase/(decrease) in the Group's redemption ratio is a reasonably possible variance based on historical trends and would result in an impact on Group pre-tax profit of £7k/(£7k).

The ageing of the Pawnbroking trade receivables excluding those in the course of realisation is as follows:

	30 September 2020 £'000	31 March 2019 £'000
Within contractual term	4,989	6,611
Past due	1,559	1,032
	6,548	7,643

Cash and cash equivalents
The cash and cash equivalents balance comprise of both bank balances and cash floats at the stores. The bank balances are subject to very limited credit risk as they are held with banking institutions with high credit ratings assigned by international credit rating agencies. The cash floats are subject to risks similar to any retailer, namely theft or loss by employees or third parties. These risks are mitigated by the security systems, policies and procedures that the Group operates at each store, the Group recruitment and training policies and the internal audit function.

Market risk

Pawnbroking trade receivables
The collateral which protects the Group from credit risk on non-redemption of pawnbroking loans is principally comprised of gold, jewellery items and watches. The value of gold items held as security is directly linked to the price of gold. The Group is therefore exposed to adverse movements in the price of gold on the value of the security that would be attributable for sale in the event of default by the borrower.

The Group considers this risk to be limited for a number of reasons. First of all, the Group applies conservative lending policies in pawnbroking pledges reflected in the margin made on retail sales and scrap gold when contracts forfeit. The Group is also protected due to the short term value of the pawnbroking contract. In the event of a significant drop in the price of gold, the Group could mitigate this risk by reducing its lending policy on pawnbroking pledges, by increasing the proportion of gold sold through retail sales or by entering gold hedging instruments. Management monitors the gold price on a constant basis.

Notes to the consolidated financial statements

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Considering areas outside of those financial assets defined under IFRS 9, the Group is subject to higher degrees of pricing risk. The price of gold will affect the future profitability of the Group in three key ways:

1) A lower gold price will adversely affect the scrap disposition margins on existing inventory, whether generated by pledge book forfeits or direct purchasing. While scrap profits will be impacted immediately, retail margins may be less impacted in the short term.

2) While the Group's lending rates do not track gold price movements in the short term, any sustained fall in the price of gold is likely to cause lending rates to fall in the longer term thus potentially reducing future profitability.

3) A lower gold price may reduce the attractiveness of the Group's gold purchasing operations.

Conversely, a lower gold price may dampen competition as lower returns are available and hence this may assist in sustaining margins and volumes.

Financial assets
The Group is not exposed to significant interest rate risk on the financial assets, other than cash and cash equivalents, as these are lent at fixed rates, which reflect current market rates for similar types of secured or unsecured lending, and are held at amortised cost.

Cash and cash equivalents are exposed to interest rate risk as they are held at floating rates, although the risk is not significant as the interest receivable is not significant.

Liquidity risk
Cash and cash equivalents
Bank balances are held on short term/no notice terms to minimise liquidity risk.

Trade and other payables
Trade and other payables are non-interest bearing and are normally settled on 30 day terms, see note 18.

Borrowings
The maturity analysis of the cash flows from the group's borrowing arrangements that expose the group to liquidity risk are as follows:

As at 30 September 2020	<3 months £'000	3-12 months £'000	1-5 years £'000	>5 years £'000	Total £'000
Bank borrowings	–	–	–	–	–
Lease Liabilities	442	2,006	5,642	2,369	10,459
Trade and other payables	3,847	–	–	–	3,847
Total	4,289	2,006	5,642	2,369	14,306

As at 31 March 2019	<3 months £'000	3-12 months £'000	1-5 years £'000	>5 years £'000	Total £'000
Bank borrowings	5,183	–	–	–	5,183
Obligations under finance leases	1	–	–	–	1
Trade and other payables	4,648	–	–	–	4,648
Total	9,832	–	–	–	9,832

The interest charged on bank borrowings is based on a fixed percentage above LIBOR. There is therefore a cash flow risk should there be any upward movement in LIBOR rates. Assuming the £10million revolving credit facility was fully utilised then a 1% increase in the LIBOR rate would increase finance costs by £100,000 pre-tax and reduce post-tax profits by £81,000.

Notes to the consolidated financial statements

15. INVENTORIES

	30 September 2020 £'000	31 March 2019 £'000
New and second hand inventory for resale (at lower of cost or net realisable value)	13,360	12,658

16. TRADE AND OTHER RECEIVABLES

	30 September 2020 £'000	31 March 2019 £'000
Trade receivables – Pawnbroking	6,548	7,643
Trade receivables – other	372	615
Pledge accrued Income	936	1,669
Other receivables	264	17
Prepayments	623	962
	8,743	10,906

17. CASH AND CASH EQUIVALENTS

	30 September 2020 £'000	31 March 2019 £'000
Cash and cash equivalents	15,873	13,420

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits.

Further details on financial instruments, including the associated risks to the Group and allowances for expected credit losses is provided in note 14.

18. TRADE AND OTHER PAYABLES (CURRENT)

	30 September 2020 £'000	31 March 2019 £'000
Trade payables	3,153	4,225
Other payables	594	423
Income tax liabilities	1,157	689
Other taxes and social security	566	216
Accruals	2,069	1,144
Deferred income	40	482
Bank borrowings	–	5,183
Lease liability	2,005	–
Obligations under finance leases	–	1
	9,584	12,363

Terms and conditions of the above financial liabilities:

- Trade and other payables are non-interest bearing and are normally settled on up to 60-day terms

For explanations on the Group's liquidity risk management processes, refer to note 14.

Notes to the consolidated financial statements

18. TRADE AND OTHER PAYABLES (CURRENT) continued

Bank borrowings

The RCF facility was renewed during 2020 an option agreement for a term for a further 3 years. Details of the facility are as follows:

Key Term	Description
Facility	Revolving Credit Facility with Clydesdale Bank Plc (trading as Yorkshire Bank)
Total facility size	£10m
Termination date	March 2023
Utilisation	The £10m facility is available subject to the ratio of cash at bank in hand (inclusive of currency balances) to the RCF borrowing exceeding 1.5 as stipulated in the banking agreement.
Interest	Interest is charged on the amount drawn down at 2.4% above LIBOR rate when the initial drawdown is made and for unutilised funds interest is charged at 0.84% from the date when the facility was made available. The LIBOR rate is reset to the prevailing rate at every interest period which is typically one and three months.
Interest Payable	Interest is payable at the end of a drawdown period which is typically between one and three months.
Repayments	The facility can be repaid at any point during its term and re-borrowed.
Security	The facility is secured by a debenture over all the assets of Ramsdens Financial Ltd and cross guarantees and debentures have been given by Ramsdens Holdings PLC.
Undrawn facilities	At 30 September 2020 the group had available £10m of undrawn committed facilities.

19. NON-CURRENT LIABILITIES

	30 September 2020 £'000	31 March 2019 £'000
Lease Liabilities	7,094	–
Accruals	–	453
Deferred income	153	–
Deferred tax (note 10)	23	140
	7,270	593

20. LEASE LIABILITY

	2020 £'000	2019 £'000
Lease Liabilities as at 1 April	9,737	–
Additions	3,304	–
Disposals	(297)	–
Interest	614	–
Payments	(4,259)	–
As at 30 September 2020 / 31 March 2019	9,099	–
Current lease liability	2,005	–
Non-current lease liability	7,094	–

20. LEASE LIABILITY continued

The table on the previous page also shows the movement in liabilities arising from financing activities, which in the current year comprises only of lease liabilities. The cash flows relating to financing activities for repayment of lease principal amounts is £3,645m. In the prior year, liabilities arising from financing activities included bank borrowings and obligations under finance leases. These were fully repaid during the year. Amounts repaid in the year are shown in the consolidated Statement of Cash Flows.

Short term lease payments recognised in administrative expenses total £296,000 for the period. The maturity analysis of lease liabilities is disclosed in note 14, the finance cost associated with lease liabilities is disclosed in note 6, and the depreciation and impairment of right-of-use assets associated with lease liabilities are disclosed is note 11.

21. ISSUED CAPITAL AND RESERVES

	No.	£'000
Ordinary shares issued and fully paid		
At 31 March 2019 & 30 September 2020	30,837,653	308

Capital risk management
The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of cash and cash equivalents and equity attributable to the equity holders of the parent, comprising issued capital, reserves and retained earnings. The Group has a debt facility as disclosed in note 18 but the facility was undrawn at the end of the period.

22. DIVIDENDS

Amounts recognised as distributions to equity holders in the year:

	2020 £'000	2019 £'000
Final dividend for the year ended 31 March 2019 of 4.8p per share (31 March 2018 of 4.4p per share)	1,480	1,357
Interim dividend for the period ended 30 September 2020 at 2.7p per share (31 March 2019 of 2.4p)	833	740
	2,313	2,097
Amounts proposed and not recognised:		
No proposed final dividend for the year ended 30 September 2020 (31 March 2019 of 4.8p per share)	–	1,480

The proposed final dividend is subject to approval at the Annual General Meeting accordingly has not been included as a liability in these financial statements.

23. PENSIONS

The company operates a defined contribution scheme for its directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The outstanding pension contributions at 30 September 2020 are £57,000 (2019: £36,000).

Notes to the consolidated financial statements

24. RELATED PARTY DISCLOSURES

Ultimate controlling party
The Company has no controlling party.

Transactions with related parties
Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Transactions with key management personnel
The remuneration of the directors of the company, who are the key management personnel of the Group, is set out below in aggregate:

	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
Short term employee benefits	1,183	772
Post employment benefits	61	39
Share based payments	240	151
	1,484	962

25. SHARE BASED PAYMENTS

The Company operates a Long-term Incentive Plan (LTIP). The charge for the year in respect of the scheme was:

	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
LTIP	398	221

The LTIP is a discretionary share incentive scheme under which the Remuneration Committee of Ramsdens Holdings PLC can grant options to purchase ordinary shares at nominal 1p per share cost to Executive Directors and other senior management. A reconciliation of LTIP options is set out below:

	Number of conditional Shares	Weighted average exercise price in pence
Outstanding at the beginning of the year	1,025,554	–
Granted during the period	235,000	–
Forfeited during the period	–	–
Exercised during the period	–	–
Outstanding at the end of the period	1,260,554	–

The options vest according to the achievement against two criteria:

Total Shareholder Return – TSR – 50% of options awarded

Earnings per Share – EPS – 50% of options awarded

Notes to the consolidated financial statements

25. SHARE BASED PAYMENTS continued

The Fair value of services received in return for share options granted is based on the fair value of share options granted and are measured using the Monte Carlo method for TSR performance condition as this is classified as a market condition under IFRS2 and using the Black Scholes method for the EPS performance condition which is classified as a non- market condition under IFRS2. The fair values have been computed by an external specialist and the key inputs to the valuation model were:

	TSR Condition	EPS Condition	TSR Condition	EPS Condition	TSR Condition	EPS Condition
Model	Monte Carlo	Black Scholes	Monte Carlo	Black Scholes	Monte Carlo	Black Scholes
Grant Date	16/07/2019	16/07/2019	02/07/2018	02/07/2018	13/03/2017	13/03/2017
Share Price	£1.88	£1.88	£1.75	£1.75	£1.06	£1.06
Exercise Price	£0.01	£0.01	£0.01	£0.01	£0.01	£0.01
Vesting period	2.71 years	2.71 years	2.75 years	2.75 years	3.05 years	3.05 years
Risk Free return	0.5%	0.5%	0.7%	0.7%	0.2%	0.2%
Volatility	26%	26%	30.0%	30.0%	27.0%	27.0%
Dividend Yield	3.9%	3.9%	4.0%	4.0%	7.5%	7.5%
Fair value of Option (£)	0.52	1.68	0.46	1.56	0.39	0.81

Early exercise of the options is permitted if a share award holder ceases to be employed by reason of death, injury, disability, or sale of the Company. The maximum term of the share options is 10 years.

26. POST BALANCE SHEET EVENTS

There were no post balance sheets events that require further disclosure in the financial statements.

Parent company statement of financial position

As at 30 September 2020

	Notes	30 September 2020 £'000	31 March 2019 £'000
Assets			
Non-current assets			
Investments	D	8,046	7,804
Deferred tax	E	182	167
		8,228	7,971
Current assets			
Receivables	F	4,438	3,708
Cash and short term deposits		7	7
		4,445	3,715
Total assets		**12,673**	**11,686**
Current liabilities			
Trade and other payables	G	293	152
		293	152
Net current assets		**4,152**	**3,563**
Total assets less current liabilities		12,380	11,534
Net assets		**12,380**	**11,534**
Equity			
Issued capital	H	308	308
Share Premium		4,892	4,892
Retained earnings		7,180	6,334
Total equity		**12,380**	**11,534**

The Profit after tax for the Company for the period ended 30 September 2020 was £2,765,000 (2019 year: £2,339,000).

These financial statements were approved by the directors and authorised for issue on 18 December 2020 and signed on their behalf by:

M.A. Clyburn

M A CLYBURN
Chief Financial Officer

Company Registration Number: 8811656

Parent company statement of changes in equity

For the period ended 30 September 2020

	Share Capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
As at 1 April 2018	308	4,892	5,801	11,001
Profit for the year	–	–	2,339	2,339
Total comprehensive income	–	–	2,339	2,339
Dividends paid	–	–	(2,097)	(2,097)
Share based payments	–	–	221	221
Deferred tax on share based payments	–	–	70	70
As at 31 March 2019	308	4,892	6,334	11,534
As at 1 April 2019	308	4,892	6,334	11,534
Profit for the period	–	–	2,765	2,765
Total comprehensive income	–	–	2,765	2,765
Dividends paid	–	–	(2,313)	(2,313)
Share based payments	–	–	398	398
Deferred tax on share based payments	–	–	(4)	(4)
As at 30 September 2020	**308**	**4,892**	**7,180**	**12,380**

Notes to the parent company financial statements

A. ACCOUNTING POLICIES

Basis of Preparation

Ramsdens Holdings PLC (the "Company") is a public limited company incorporated and domiciled in England and Wales. The registered office of the Company is Unit 16, Parkway Shopping Centre, Coulby Newham, Middlesbrough, TS8 0TJ. The registered company number is 08811656. A list of the Company's subsidiaries is presented in note D.

The principal activities of the Company and its subsidiaries (the "Group") are the supply of foreign exchange services, pawnbroking and related financial services, jewellery sales, and the purchase of gold jewellery from the general public.

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced disclosure Framework' as issued by the FRC in July 2015 and July 2016.

The financial statements have been prepared on the historical cost basis.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Where required, equivalent disclosures are given in the Group financial statements of Ramsdens Holdings PLC. The Group financial statements of Ramsdens Holdings PLC are available to the public.

The financial statements have been prepared on a going concern basis as discussed in note 3.3 of the Notes to the consolidated financial statements.

The particular accounting policies adopted are described below.

Taxation

Current tax

The tax currently payable is based on taxable profit for the year. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the date of the statement of financial position.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Investments

Fixed assets investments are shown at cost less provision for impairment.

Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting liabilities.

Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

Dividends

Dividends receivable from subsidiary undertakings are recorded in the statement of comprehensive income on the date that the dividend becomes a binding liability on the subsidiary company.

Dividends payable are recorded as a distribution from retained earnings in the period in which they become a binding liability on the Company.

Notes to the parent company financial statements

A. ACCOUNTING POLICIES continued

Employee Share Incentive Plans
Ramsdens Holdings PLC grants equity settled share option rights to the parent entity's equity instruments to certain directors and senior staff members under a LTIP (Long term incentive Plan). The employee share options are measured at fair value at the date of grant by the use either the Black- Scholes Model or a Monte Carle model depending on the vesting conditions attached to the share option. The fair value is expensed on a straight line basis over the vesting period based on an estimate of the number of options that will eventually vest.

B. COMPANY STATEMENT OF COMPREHENSIVE INCOME

As permitted by s408 of the Companies Act 2006 the Company has elected not to present its statement of comprehensive income for the year.

The auditor's remuneration for the current and preceding financial years is borne by a subsidiary undertaking, Ramsdens Financial Limited. note 7 to the Group financial statements discloses the amount paid.

C. STAFF AND KEY PERSONNEL COSTS

Other than the Directors who are the key personnel, the Company has no employees, details of their remuneration are set out below:

	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
Remuneration receivable	845	538
Social security cost	186	72
Value of company pension contributions to money purchase schemes	36	23
Share based payments	156	98
	1,223	731

Remuneration of the highest paid director:

	18 months to 30 September 2020 £'000	12 months to 31 March 2019 £'000
Remuneration receivable	361	232
Value of company pension contributions to money purchase schemes	15	10
Share Based Payments	102	64
	478	306

The number of directors accruing retirement benefits under the money purchase scheme is 2 (2019: 2).

Notes to the parent company financial statements

D. INVESTMENTS

Shares in subsidiary undertakings

	2020 £'000	2019 £'000
Cost		
Cost brought forward	7,804	7,681
Additions – Share based payments	242	123
Cost carried forward	8,046	7,804

Additions represent share based payment expense recognised in Ramsdens Financial Limited.

The Investments in Group Companies which are included in the consolidated statements are as follows:

Name of company	Holding	Proportion of voting rights and shares held	Activity
Subsidiary undertakings			
Ramsdens Financial Limited (Registered office: Unit 16 Parkway Centre, Coulby Newham, TS8 0TJ)	Ordinary Shares	100%	Supply of foreign exchange services, pawnbroking, purchase of gold jewellery, jewellery retail and related financial services.

E. DEFERRED TAX

Deferred tax relates to the following:

	30 September 2020 £'000	31 March 2019 £'000
Deferred tax assets		
Share based payments	182	167
	182	167

Reconciliation of deferred tax assets

	30 September 2020 £'000	31 March 2019 £'000
Opening balance as of 1 April	167	84
Deferred tax credit recognised in the statement of comprehensive income	19	13
Other deferred tax	(4)	70
Closing balance as at 30 September	182	167

Notes to the parent company financial statements

F. RECEIVABLES

	30 September 2020 £'000	31 March 2019 £'000
Amounts owed by subsidiary companies	4,426	3,694
Prepayments	12	14
	4,438	3,708

G LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 September 2020 £'000	31 March 2019 £'000
Trade Payables	20	11
Other Creditors	139	92
Other taxes and Social Security	86	20
Current tax liabilities	48	29
	293	152

H. CALLED UP SHARE CAPITAL

Details of the called up share capital including share shares issued during the year can be found in note 21 within the Group financial statements of Ramsdens Holdings PLC.

I. POST BALANCE SHEET EVENTS

There were no post balance sheets events that require further disclosure in the financial statements.

Company advisors

Directors	Andrew David Meehan (Non-Executive Chairman) Peter Edward Kenyon (Chief Executive Officer) Martin Anthony Clyburn (Chief Financial Officer) Simon Edward Herrick (Non-Executive Director) Stephen John Smith (Non-Executive Director)
Company Secretary	Kevin Nigel Brown, F.C.A.
Registered Office and Principal Place of Business	Unit 16 The Parkway Centre Coulby Newham Middlesbrough TS8 0TJ
Telephone Number	01642 579957
Website	www.ramsdensplc.com
Nominated Advisor	Liberum Capital Limited 25 Ropemaker Street London EC2Y 9LY
Auditor	Ernst & Young LLP Bridgewater Place 1 Water Lane Leeds LS11 5QR
Solicitors	Addleshaw Goddard Exchange Tower 19 Canning Street Edinburgh EH3 8EH
Financial Public Relations Advisor to the Company	Hudson Sandler LLP 25 Charterhouse Square London EC1M 6AE
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA
Principal Bankers	Clydesdale Bank trading as Yorkshire Bank 1st Floor 94-96 Briggate Leeds LS1 6NP

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