RAMSDENS

Annual Report and Accounts

12 months ended 30 September 2021

HELPING YOU WITH EVERYDAY LIFE

Contents

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 155 stores (including three 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.

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 continued to invest in the quantity and quality of our jewellery and watch stock and how it is presented to the customer both in store and online
- 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 loyal staff who are passionate about the business and their customers, including cross-selling to meet customer needs
- We have a first-class, robust, customer-centric IT system that allows staff to have a full appreciation of a customer's history with Ramsdens, thereby facilitating efficient processing times
- To ensure our retail jewellery website is easy to navigate and customers can find what they may wish to buy

3. …THAT OUR CUSTOMERS BECOME OUR AMBASSADORS.

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

Trustpilot

Excellent

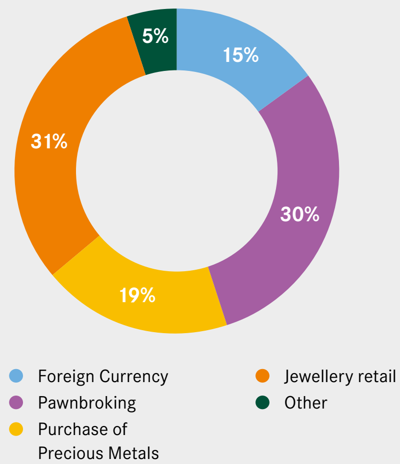
TrustScore **4.8** | **5,094** reviews

FINANCIAL HIGHLIGHTS AND STORE NUMBERS

Revenue (£000's)

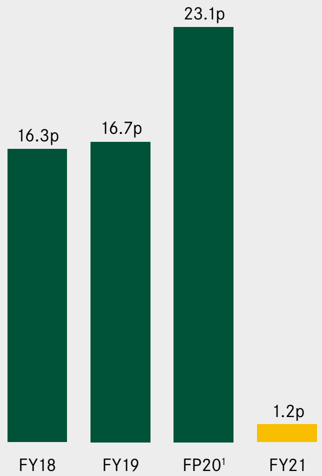
Gross Profit (£000's)

Gross Profit Percentages re core segments

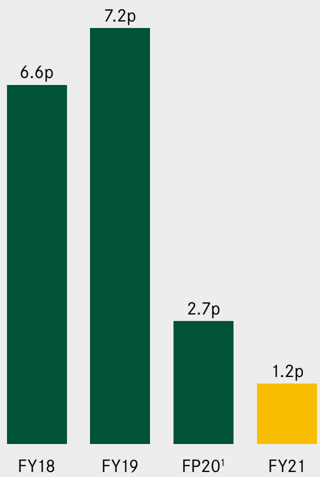


Profit Before Tax (£000's)

EPS



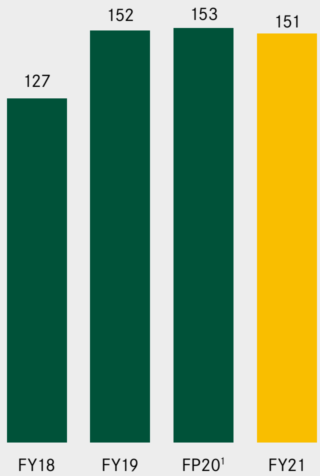
Dividend declared



Net Assets (£000's)

Net Cash (£000's)

Store numbers (excluding franchisees) at year/period end



* Restated due to an accounting policy change, see Financial Director's Review

[1] 18 month period

Strategic Report

Chairman's statement

This Annual Report covers the 12-month period to 30 September 2021, a year impacted by the ongoing COVID-19 pandemic. The prior period referred to throughout this report is the 18-month period to 30 September 2020, which includes a very strong 12 months of trading prior to the pandemic and six months affected by the pandemic.

I am extremely proud of how the business has faced the challenges posed by the pandemic in the last year.

This is a great testament to the skill of our team, the strength of our brand, and the resilience of our diversified business model.

"I am extremely proud of how the business has faced the challenges posed by the pandemic in the last year."

ANDREW MEEHAN
Non-Executive Chairman

While there is hope that a sense of normality will return in the UK, 2021 saw tougher international travel restrictions than 2020. As a result, the Group's income from foreign currency exchange for the year was approximately £10m lower than pre-pandemic levels. However, with the benefit of the Group's diversified income streams, successful investment in online jewellery retail which saw online retail revenue double year on year, and the receipt of government support particularly through the furlough scheme, the Group was able to trade profitably for the year.

FINANCIAL RESULTS & DIVIDEND

£000's	**FY 21** (12 months)	**FP20** (18 months)
Revenue	£40,677	£72,493[1]
Gross Profit	£22,262	£47,149
Profit Before Tax	£564	£9,221
Net Assets	£36,143	£35,555
Net Cash	£13,032	£15,873
EPS	1.2p	23.1p
Final dividend	1.2p	–

[1]Restated due to an accounting policy change, see Financial Director's Review page 25

Despite the tough trading conditions, the Group achieved revenue of £40.7m (FP20: £72.5m) and Profit Before Tax of £0.6m (FP20: £9.2m). 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 has recommended a final dividend of 1.2p for approval at the forthcoming AGM. This represents the full earnings for the year and takes into account that the Group's strong cash position is sufficient to deliver on its growth plans. Subject to approval at the AGM, the final dividend is expected to be paid on 10 March 2022 for those shareholders on the register on 4 February 2022. The ex-dividend date will be 3 February 2022. As we move forward, we will resume our progressive dividend policy of paying approximately 50% of post-tax profits to shareholders, always subject to executing on the Group's growth opportunities.

The Ramsdens team has been agile in adapting to the restrictions caused by the pandemic. We have invested in areas of the business that have presented opportunities and our teams have showed continued commitment to our customers and the communities in which we operate. I would personally like to thank each and every one of my colleagues at Ramsdens for their dedication during this period.

While we are still learning to live with COVID-19, I have a positive outlook on the Group's future. The Group has continued to make improvements and invest in its retail operations, both instore and online. Pawnbroking is a highly valued service for many consumers and the Board is confident that loan books will grow back over time. Underlying consumer demand for international travel is strong and therefore the need for our foreign currency exchange service will return. In addition, we have further opportunities to grow the footprint of our store estate in the UK. I am therefore confident that the Group is in a good position to move forward and deliver on its strategic ambition to achieve long term, sustainable growth.

ANDREW MEEHAN
Non-Executive Chairman

17 January 2022

Chief Executive's review

The pandemic has presented several new challenges that I had not encountered in my 20 years at Ramsdens. Back in 2013, when the gold price crashed, we adapted and successfully diversified the business, making the Group less reliant on buying and selling gold and strengthening our balance sheet. Since then, we have continued to diversify the Group's income streams, a strategy which has proved its value during the year. We have been able to trade profitably despite the significant reduction in foreign currency commission, which was, prior to the pandemic, our main income stream. This year has demonstrated, above all else, the resilience of the Ramsdens business.

"This year has demonstrated, above all else, the resilience of the Ramsdens business."

PETER KENYON
Chief Executive Officer

FY21 has seen retail lockdowns and restrictions placed on UK consumers travelling abroad that were far tougher than in the summer of 2020. During this, we utilised, and were grateful for, the UK Government's Coronavirus Job Support Scheme which helped protect jobs and allowed the Group to trade flexibly, in particular operating on reduced opening hours in our high street stores.

RESPONDING TO THE COVID-19 PANDEMIC

The pandemic has had a huge impact on the lives of many within our communities and for those who work for, engage with, or supply Ramsdens. We have seen periods of regional restrictions and national lockdowns, which have affected the high street unlike anything we had contemplated prior to the onset of the pandemic.

Classified as an essential service, owing to the financial support we provide our many loyal customers, we have kept our stores open throughout FY21, only temporarily closing those stores in close proximity to another store, or our very new stores. Throughout the Period, Ramsdens continued to prioritise the wellbeing of its staff and customers and traded in accordance with the Government's COVID secure guidelines.

Despite all these challenges the Group has remained committed to its growth strategy. With the benefit of its strong cash balance and ability to generate cash from trading, the Group has continued to invest during the year. Two new stores have opened, five stores have been relocated and one loan book was acquired. Ramsdens also increased investment in its online retail jewellery business, which has continued to show significant growth, broadening customer reach while offering customers increased choice in how and when they use the Group's services. After these investments, the Group's cash position as at 30 September 2021 remained strong at £13.0m and the Group's revolving credit facility of £10m remained undrawn.

The Group's progress and performance would not have been possible without the hard work, commitment and flexibility of the Ramsdens team. I have immense pride in being able to lead such a dedicated and talented group of people and would like to thank them all for their response to the challenges faced across businesses and communities during the year.

Business review

Where our branches are located, Ramsdens enjoys strong brand recognition and high levels of repeat business within its income streams. However, there is an opportunity to improve this recognition across the full range of diversified services we offer and grow the penetration of jewellery-based services into our foreign currency customer base, and vice versa. This remains a key focus for the Group in addition to further growing our online presence to become increasingly multi-channel.

The Group's retail estate reduced slightly during the year to 151 stores as at September 2021 from 153 stores in September 2020. The reduction is the result of mergers of stores in four towns where we previously operated two stores combined with the addition of two new stores in Middlesbrough and Manchester. The Group is also expanding its geographic reach with its first store in the South East opened post the year end in December 2021.

The furlough scheme has been used flexibly during the year to enable the Group to restrict the opening times of certain stores to periods of higher footfall. From the start of the new financial year, all stores were trading at their pre-pandemic opening hours.

The performance of each of the Group's key income streams is discussed in greater detail below. With FP20 being an 18-month reporting period, which included 12 months of strong trading pre-pandemic, any comparison across the relative periods needs to consider the significant difference in trading conditions. By the end of FY21 we had seen trading conditions improve with the benefit of the vaccine roll out and easing in travel restrictions.

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.

FOREIGN CURRENCY EXCHANGE

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

000's	FY21 (12 months)	FP20 (18 months)
Total Currency exchanged	£77m	£559m
Income	£3.4m	£14.9m
Online C&C orders	£6.9m	£45.4m
% of online FX	9%	8%
Percentage of GP	15%	32%

The impact of restrictions on international travel resulting from the UK Government's red, amber and green lists during FY21 was far more severe than in the summer of 2020. With reduced international travellers, Ramsdens' ability to sell foreign currency was limited. To illustrate this, in May 2021, the volume of foreign currency sold was approximately 5% of May 2019 volumes. As travel restrictions gradually eased, September's volume of foreign currency sold was approximately 31% of September 2019 volumes. However, the Group was able to widen margins, with the overall foreign currency margin increasing by 44% in September 2021 compared to September 2019.

Margins have remained strong post year end and the percentage of 2019 volumes have increased to approximately 50% in November 2021 following the easing of restrictions on travel to the US.

The average foreign currency sale transaction value (ATV) increased to £509 (FP20 £399). We continue to have confidence that UK travellers will continue to take cash abroad for both convenience and to assist with budgeting whilst on holiday.

We strongly believe that customers' desire to go on holiday abroad remains very high. Assuming travel restrictions continue to ease in the UK and abroad, we believe many more UK consumers will travel abroad in the summer of 2022.

In line with our multi-channel strategy, the Group is refreshing its currency travel card proposition with a new multi-currency card due to be launched in early 2022 ahead of the peak holiday season.

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.

000's	FY21 (12 months)	FP20 (18 months)
Gross profit	£6,678	£12,248
Total loan book	£6,137	£6,548
Past Due	£536	£1,559
In date loan book	£5,601	£4,989
Percentage of GP	30%	26%

While the loan book fell in FP20 with the majority of customers repaying their loans, the year end loan book balance included a number of loans where Ramsdens had allowed customers at least three months' grace on repaying their loans in line with the FCA COVID forbearance guidelines. Arrangements were made with all customers struggling to repay on the due date with those that could not make or did not want to make longer term arrangements having their goods sold to repay their loans, with no ongoing debt consequences.

As a result, the loan book fell to £5.6m during the year but has since increased back to £6.1m at the year end. It has risen further post the period end to £6.8m at the end of December 2021; a significant improvement towards pre-pandemic loan book levels (FY19: £7.6m).

The online facility has remained in place for customers to both borrow and, more importantly, repay loans and save interest.

The average loan value as at 30 September 2021 was £264, up from £248 as at 30 September 2020. Our lending remains conservative in line with our long-term policy. Our lending on plain gold jewellery items is approximately 70% of the gold value and approximately 40-50% of the item's second-hand retail value.

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. As normality returns across society, we believe customers' needs for short term finance assistance will grow. We therefore expect our loan book and, consequently, interest income to grow throughout FY22.

JEWELLERY RETAIL

The Group offers new and second-hand jewellery, including premium watches, 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 accounted for 37% of the retail revenue in the year.

000's	FY21 (12 months)	FP20 (18 months)
Revenue	£18,252	£17,109
Gross Profit	£6,965	£7,701
Margin %	38%	45%
Percentage of GP	31%	16%
Jewellery retail stock	£13,979	£9,085
Online sales[1]	£3,277	£1,947
% of sales online[1]	16%	10%

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

The Group's retail performance has been exceptionally robust especially given the retail lockdowns with footfall on the high street much reduced.

Margins by product category have remained consistent and the reason for the gross margin reduction is simply the mix of products sold. Second hand sales remained strong with margins remaining around 55%. New jewellery has a lower average gross margin of circa 33%, whilst our premium watches return a 25% gross margin but have a high cash value.

Online performance has been strong with growth of over 100% in the year. Online sales momentum was maintained after high-streets re-opened post lockdown from April 2021. This trend gives us confidence that we are continuing to make progress with our investments to support long-term online growth including greater stock choice; better website useability; payment flexibility including the offer of interest free credit and; SEO and marketing initiatives including digital communications and pay per click campaigns. The total jewellery sold through our ecommerce activities totalled £3.3m for the year and represented 16% of all jewellery items sold. Currently approximately 40% of our online sales are to customers living outside the natural catchment of our branch network. We believe that the branch network expansion in to London and the South East, will assist brand recognition and support online sales to grow further. The online department is a profitable 'branch' in its own right and we have ambitions to take our online sales to more than £10m in the medium term.

At the same time our website is also a catalogue for our branches and assists with serving customers where customer stock choice in a branch may be limited. For example, our top watch stockists may have circa 50 watches in store but there are now over 1,000 watches available on our website.

Sales of premium watches including ex-pledge items grew by approximately 80% during the year and accounted for circa 20% of total jewellery sold. We believe this strong momentum will continue in FY22 with growing awareness of the Ramsdens brand as a destination to buy premium watches.

We believe there is an ongoing opportunity to improve and grow our jewellery retail business. Our internal restructure to place greater focus on improving the sales of each product category (namely diamonds, watches, second hand, and new jewellery) through the store estate and online is starting to generate good results. We believe this will continue as we invest further in our stock levels, breadth of stock, and both instore and online merchandising.

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.

000's	FY21 (12 months)	FP20 (18 months)
Revenue	£10,369	£23,024
Gross Profit	£4,240	£9,856
Percentage of GP	19%	21%

The sterling gold price for 9ct gold has remained high in comparison to long run averages, with an average of £16.05 per gram during the year compared to £15.00 per gram for the prior period.

With international travel being restricted and the Group selling less foreign currency, the ability to cross sell this service to our highest footfall service has been naturally limited. The weight of gold purchased in the second half of the year was consistent at approximately 80% of the weight purchased per week prior to the pandemic. We anticipate the weight of purchases increasing in line with instore footfall increases over the coming year.

While the pandemic continues to have an impact on global gold pricing, we believe the gold price will remain high, supporting the Group's margins.

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.

000's	FY21 (12 months)	FP20 (18 months)
Revenue	£1,122	£3,035
Gross Profit	£1,122	£2,485
Percentage of GP	5%	5%

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

Strategy

We have a consistent and established strategy for the long-term development and growth of Ramsdens. Underpinned by the ongoing development of our people and brand, I am confident that the Group's previously proven strategy remains 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 Appraising opportunities presented by operating in a challenging market

05 Focusing on sustainability through our ESG policy

01 Improving the performance of our 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 FP20 demonstrated the effectiveness of this strategy. In the last year, our previous investments in our retail offering instore and online have continued to produce great results.

We continue to develop our staff with ongoing training and to review every store's location against its performance and potential within that town. Where there is an opportunity to grow and improve our return on capital, we will relocate a store.

In addition, 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.
- where appropriate we will relocate to higher footfall locations to improve the convenience we offer to our existing customers and to attract new customers who may have been unaware of our secondary location within a town.
- by improving the contact frequency we have with our foreign currency customers.
- by developing a market-leading multi-currency travel card to capture more of the customer's holiday spend while abroad.

Pawnbroking:

- by doing what we believe is the right thing for our customers over 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 have prudent lending policies but look at developing opportunities to lend more when the customer's borrowing history suggests greater capacity to repay and where the pledged assets are more desirable and readily saleable. Our improvement in our retail jewellery operations gives the Group confidence that it is able to lend more on higher value jewellery items.
- we will continue to build upon the trust and high repeat customer volumes earned by giving a great service and grow the customer base through word-of-mouth recommendation.

Jewellery retail:

- our investments in stock quality, choice of stock, and stock levels has assisted with the improved results delivered during the year. Further improvements can be made as we shift to greater use of planogram displays and a structured replenishment system. This applies to both 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.
- where appropriate we will relocate to higher footfall locations to improve the jewellery offer, with larger window display areas, often at similar rents to current locations.

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.

02 Expanding the Ramsdens branch footprint in the UK

The Group has a successful branch-based model. With a diversified income stream, stores generate a good return on capital while leveraging off the head office cost base in smaller locations. We have successfully achieved this in towns such as Ebbw Vale and Dalkeith. Therefore, there is a significant opportunity to grow the store estate in larger, and smaller, towns as well as cities, and into new regions.

As at 30 September 2021, we had 154 stores including three franchised stores.

During the year, we opened two stores; in Manchester (previously a pawnbrokers), and Middlesbrough (previously a currency kiosk). Just after the year end, we opened in Chatham, the first Ramsdens store in the South East.

We have targeted eight locations to open in FY22. These comprise a mix of locations in Scotland, Yorkshire and the North West, which are established regions for the Ramsdens brand, as well as expanding in the South East.

Chatham branch

03 Developing our online proposition

Jewellery retail website
www.ramsdensjewellery.co.uk

We have achieved outstanding progress in the last 12 months, with the online sales of jewellery items more than doubling to almost £3.3m. This performance excludes jewellery sales in branches which used the in-store digital facility to access the website as a catalogue of stock.

As you can see from the chart below online retail jewellery sales have grown substantially over the last four years.

While the online performance in FY21 may have been aided by the COVID-19 pandemic and corresponding growth in online retail across consumer industries, the Group's performance has remained very encouraging since the re-opening of non-essential retail stores, demonstrating the strong underlying customer demand for Ramsdens' online services.

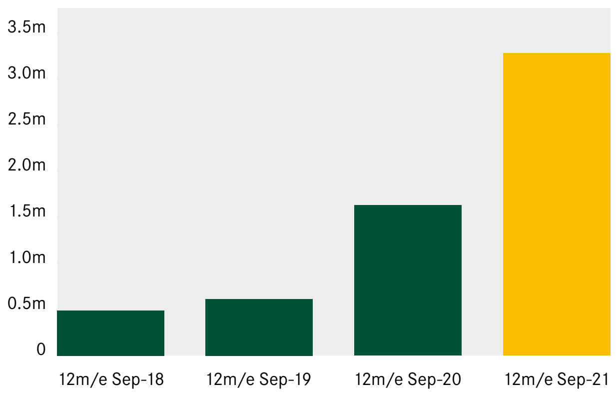
This momentum has been achieved by:

- refreshing the website in October 2020 to optimise search functionality at the front and back end of the website,
- continued investment in search engine optimisation, introduction of various payment options, use of AI to push product options to customers, and successful pay per click advertising,
- increasing the quantity of stock online significantly and investing in improvements to product merchandising and descriptions.

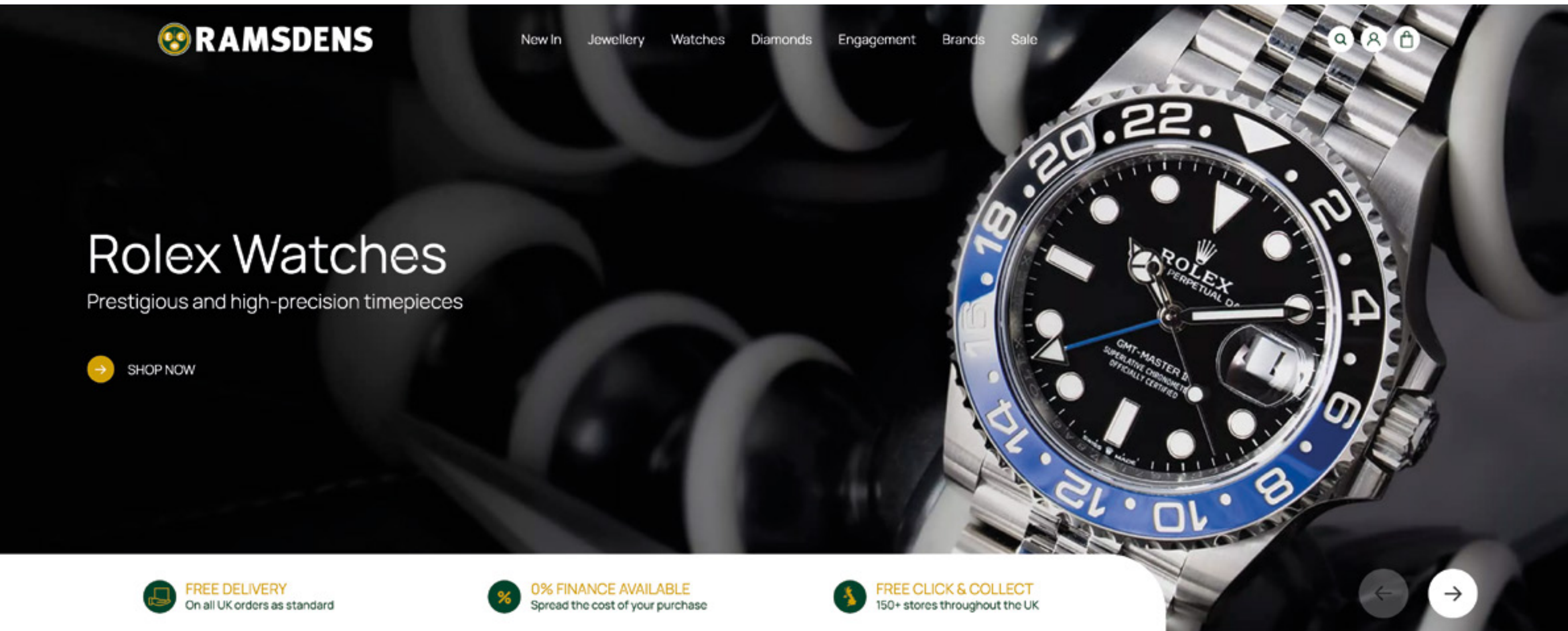
Lessons have been learned as we have progressed over the year and we will use this knowledge to improve the efficiency and effectiveness of our initiatives in the future.

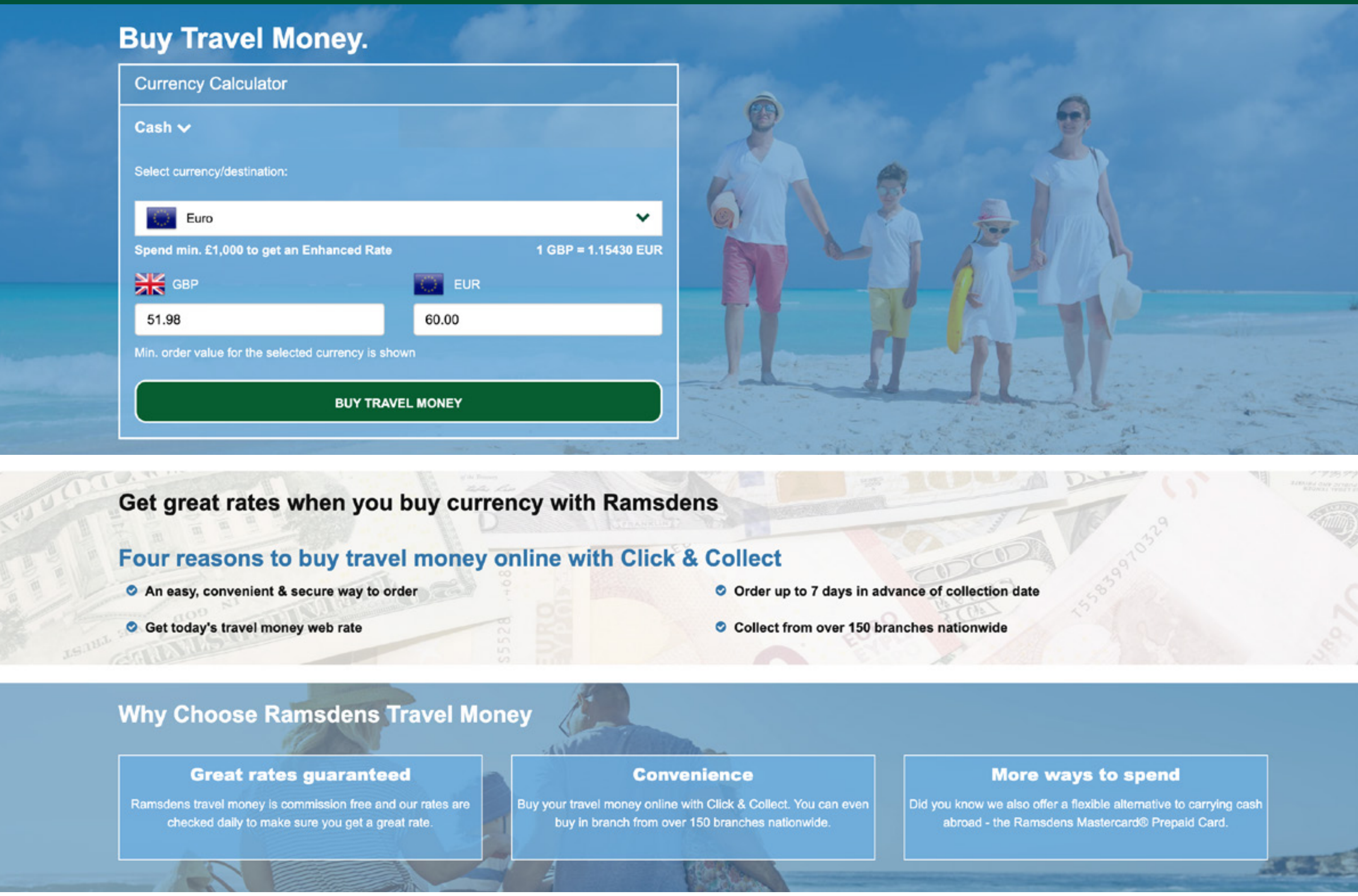
As we expand the store estate further, including into the South East, an improved, more visible website will assist with brand recognition and, at the same time, an enlarged store estate should assist online sales.

ONLINE RETAIL SALES £m's



> ***We have achieved outstanding progress in the last 12 months, with the online sales of jewellery items more than doubling to almost £3.3m.***





Foreign Currency website
www.ramsdensforcash.co.uk
It is not a surprise that the website statistics for our online click and collect foreign currency volumes have been hit by the pandemic and the travel restrictions throughout FY21. Click and Collect volumes were down 85% and represent 9% (8% in FP20) of our total foreign currency sales volumes.

In the coming year we plan to refresh the Group's currency website and launch a new multi-currency card, which will also be available via an app.

04 Appraising opportunities presented by operating in a challenging market

Our estimate of the number of pawnbroking outlets in the UK remains steady at approximately 870 outlets operated by circa 130 pawnbroking businesses. Collectively over the last year pawnbrokers have seen their loan books reduce generating cash reserves to trade as a result of the loan repayments.

The Group's expansion strategy into the South East is aimed at creating a nucleus of Ramsdens stores that build brand recognition and, as opportunities arise, acquiring pawnbroking outlets. The South East has the highest concentration of pawnbroking outlets in the UK and presents a compelling expansion opportunity for the Group.

The Group purchased a single store in Manchester from a London-based pawnbroker, Hopkins and Jones. The active in-date loan book was circa £0.15m when it was acquired in August 2021.

The retail landscape has been challenging for a number of years but the full impact of the pandemic is possibly not yet known. Some retailers have struggled to pay rents and other competitors in the retail jewellery or foreign currency market have closed stores. We continue to hope for a full reform of the non-domestic rates system which may encourage more retailers to open stores and recreate vibrant high streets. Without reform, we fear some towns and high streets may suffer further decline with more empty shops. Our property portfolio has been purposefully managed to be as flexible as possible to provide a defensive quality in case any of our stores become isolated and performance deteriorates.

In terms of looking at new towns and relocations, investments will only be made in new stores after significant research of footfall and adjacent retailer quality. The demise of certain retailers does however present an opportunity to obtain reductions in rental levels in certain towns while not compromising on location.

05 Focusing on sustainability through our ESG policy

ENVIRONMENT

We have maintained a continuous review of our environmental impact, and what we can do to improve it, in place for many years.

This review covers;

- The services offered by Ramsdens
- Energy & water usage including greenhouse gas emissions
- Packaging used and waste generated by the business
- ESOS Audits and data collection

The services offered by Ramsdens

Pawnbroking is a service which uses an asset owned by a customer to obtain a loan. The expectation is that the customer repays the loan and is able to borrow again but if they do not, the asset pledged is either refurbished and recycled being sold to a retail jewellery customer or the item is melted for its intrinsic value with the precious metal content reused in the manufacturing of new jewellery or other manufacturing processes. The reclaimed stones are reused to manufacture new jewellery either directly by Ramsdens or through our trade contacts.

The same is true for our purchase of precious metal service. We buy from customers unwanted, damaged or un-hallmarked jewellery items. Those items are assessed for retail and refurbished and recycled accordingly or melted for their intrinsic value.

The recycling of gold plus other metals and precious stones should result in the mining levels of precious metal and stones in some way being reduced, saving energy use.

Our retail jewellery offering is a mix of second-hand stock and new stock with a good proportion of the new stock containing diamonds and semi-precious stones which have been recycled. We stopped using plastic jewellery boxes several years ago and now provide cardboard or polished wood boxes when we retail jewellery items.

As part of our foreign currency exchange service, we issue the foreign currency notes in a clear plastic bag which was specifically designed to meet the airport security standards for carry on liquids. As airport security evolves to remove the need for this clear bag we will introduce new paper based wallets to package our currency notes for customers.

Energy & water usage including greenhouse gas emissions

Our main energy use is the heating and lighting of our premises. Smart meters are fitted in some stores with more being fitted on an ongoing basis.

Our water use is relatively low and facilitates staff personal needs as opposed to an operational need. Water meters are installed at some stores with more being fitted on an ongoing basis.

Our greenhouse gas 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 2021 and is compiled in accordance with 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.

Tonnes of CO_2	Year ended 30 September 2021
Scope2 Emissions	907
Per Employee	1.21
Energy Consumption (MWh)	2,346

It should be noted that due to the pandemic, some stores have been closed, some operated on reduced opening hours and some staff worked from home during the year.

In summary, we will use energy as we need to heat and light our stores. We use energy efficient LED lighting in all new stores and have a program of converting older stores to use LED lighting to make our energy use more efficient.

Nearly all of our stores have air conditioning and guidance is given to staff on the most efficient way to heat or cool our premises.

During the pandemic there has been a reduction in business travel and greater use of tele and video conferencing. This change in behaviour is one that will last beyond the pandemic.

While we incur logistic costs and use energy to ship our goods to stores, we use couriers to do so, thereby sharing the transportation energy use with other businesses. We try to minimise the number of deliveries we make while also managing the security aspects of transferring high value parcels.

At this time we do not have defined metrics or targets on the reduction in our energy and water use. This will evolve as we determine the most suitable reporting measure.

Packaging used and waste generated by the business

The Group has stopped using plastic boxes within our jewellery retail operations. We retain the use of a plastic bag for the issue of foreign currency notes as the bag has an intended second use at airports.

The main waste generated by the business is general e.g. household waste, paper and cardboard. All of our confidential paperwork is shredded and recycled when destroyed.

We work with the company who manages our refuse collections and have provided each location with an ability to recycle and have carried out training to promote recycling by all staff.

Our staff forum has established a 'Think Green' initiative to make all staff more conscious of energy use, not to print paperwork unless necessary and to re-use and recycle where possible. By influencing staff to be more personally responsible, create new behaviours towards energy use and waste, at work and at home, collectively we can play our part in improving our environmental footprint.

ESOS Audits and data collection

We have complied with our ESOS audit requirements. Our audits have been undertaken by Green Tree Consulting. Through these audits and our wider review, the business has developed a better understanding of its energy use and is using this data to identify and support the various initiatives detailed above.

SOCIAL

The Board understands that the Group must play a part in and contribute to the wider society. The same ethos of seeking continuous improvement that is adopted for its customer proposition is adopted for its wider corporate relationships.

The Board continually reviews;

- Ramsdens' responsible lending
- Customer service levels
- Employee relations, engagement and development
- Charitable endeavours
- Supplier relationships including franchisees

Ramsdens responsible lending

Ramsdens is FCA authorised for its consumer credit activities of Pawnbroking and Credit Broking. As such, it is highly regulated and follows the FCA's 11 principles, adheres to the Senior Management Regime and the Conduct Rules.

Ramsdens considers itself a responsible lender, offering transparent straight forward loans which are easily understood by customers. Unlike other forms of credit, pawnbrokers can assess creditworthiness based on the value of the goods, which therefore gives wider access to credit to those who may need it most. In previous sector surveys, the cost of a pawnbroking loan is often cheaper than people assume with interest accruing on a daily basis.

Ramsdens has an online facility which is used by customers to repay their loans when convenient for them and then collecting the pledged goods later. This saves the customer money.

We believe that our policies for pawnbroking and looking out for vulnerable customers are industry leading in treating our customers fairly. The Group understands that circumstances change for customers and Ramsdens works with customers offering tailored financial solutions where necessary, as well as having automatic forbearance interventions that reduce interest rates for customers and in certain instances, stops charging interest altogether.

A pawnbroking loan is a flexible loan in that there are no expected weekly or monthly instalments. The customer chooses when they repay their loan. As such there are no missed payments until the loan period expires. Once a loan approaches its expiry date, Ramsdens contacts its customers to see what they wish to do and as part of that process signposts providers of financial debt advice should a customer need to consider this.

Where a customer's pledged items do need to be sold to repay the loan, Ramsdens sells items by private treaty as we believe this gets the best return for customers. During this process, Ramsdens caps the interest payable by the customer from the sale of the goods. If the item sells for more than the amount owed to Ramsdens the surplus monies are returned to the customer. If the item sells for less than the amount is owed, the shortfall is written off by Ramsdens and there are no ongoing debt consequences for customers.

Customer service levels

The Group prides itself on its high repeat customer rates and the low number of complaints it receives.

The Group is committed to offering the highest standards of customer service and appreciate that at times things go wrong. 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 uses Trustpilot for customer feedback on its retail jewellery and foreign currency offerings. Both services currently enjoy excellent 5-star ratings.

The Group, from time to time, undertakes customer pulse surveys through its branch network to obtain customer feedback. The data is used to improve the Group's communication and marketing strategies.

Employee relations, engagement and development

The success the Group has had to date is in large part 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 looked after, well rewarded and well respected for what they contribute.

The pride 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. Our aim is to ensure we remain focused on how we communicate and engage with all of our staff members.

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. Suggestions received have included changes to the Group's core IT system which have improved the available information for the branch staff to make better decisions, simplify cross selling opportunities and improve the speed of transaction to improve the customer journey. Other suggestions have included changes to marketing initiatives, the structure of employee remuneration and how to improve our COVID-secure procedures.

Staff Engagement Survey 2021 – key findings

90%
of the staff work in a happy working environment

86%
of the staff believe they have job security

84%
of the staff said they look forward to coming to work and are enthusiastic about the job they do

The Group has an Employee Forum which has met five times in FY21. The Forum comprises staff in a variety of roles from head office and branches. 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.

Ramsdens undertakes regular anonymous employee engagement surveys. The last survey, undertaken in August 2021, saw 85% of staff members complete the survey. The Board are grateful to the high level of participation. The results of the survey are transparently shared with all staff and an action plan created for the Company to raise the bar where possible as part of its continuous improvement ethos.

Every staff member also has an individual discussion with their line manager twice a year. The discussion focuses on the staff members happiness and wellbeing, how challenged they feel and how supported they are. The discussion then focuses on the staff members understanding of expectations in their role and staff development activity in order that the staff member can be more successful in their career.

The Group has comprehensive training programmes. These start with a week long, classroom-based induction into the business, and are supplemented by instore mentoring, e-learning courses, training delivered remotely e.g. over zoom and area face to face training sessions. Certain training courses are mandatory and must be completed on an annual basis e.g. health and safety, data protection, conduct rules, cyber risks 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.

Rachael Johnson, Chair of the Employee Forum

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 ensuring that people undertaking the same or similar work are paid equally and have an equal opportunity to progress. The Group encourages flexible working arrangements for employees 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 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 six male and two female members, with different specialist skills, aged from 32 to 56. The committee continues to have great constructive and diverse input to how we move forward. Two of the four Regional Managers, eight of the thirteen Area Managers, three of the six auditors and 77% of the branch managers are female.

Including the executive committee members, the top 45 people influencers in the business are at the core of the Group's Senior Management Leadership development programme. Training within FY21 included training on mental wellbeing which has been useful given all things related to COVID-19 and the Group has introduced an Employee Assistance Program provided by Health Assured. This program provides hints and tips to manage and improve a staff members health and wellbeing but also includes confidential expert advice and support if and when needed.

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

The Group issues a weekly and monthly newsletter keeping all staff informed on Group matters and recognising the successes of individuals, branches or departments.

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 prior to the pandemic. The current recruitment situation is challenging in line with other retailers but the Group expects to resolve this current difficulty early in 2022 by concentrating on its long term focus on staff development, wellbeing and rewards.

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, 15, 20 years' service and beyond, with additional holidays and financial rewards at those milestones. We were pleased to recognise Darren Smart's 20 years' service award in 2021.

The Group has a philosophy of wanting to share the financial success of the business with staff. Despite the trading challenges of COVID-19, 99% of all staff received a minimum of inflationary pay rise in April 2021 and a further positive pay review took place in November 21 recognising the impact on staff of increasing inflation and higher energy bills. All staff are paid more than the national minimum wage. In addition to their basic remuneration of pay and pension, each member of staff in head office or branch has had the ability to earn a performance related bonus. The Group has 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 during the year.

Our philosophy with the Long Term Incentive Plan (LTIP) is to be inclusive with wider senior manager participation (now 21 participants). 50% of the LTIP award is based on earnings per share and 50% based on total shareholder return.

The remuneration of the two executive directors is not currently specifically linked to ESG objectives. The Senior Bonus Scheme has various clauses that enables the Remuneration Committee to have discretionary powers over any bonus amounts taking into account all aspects of the business including ESG. All bonus schemes including LTIPs have malus and clawback provisions.

Charitable endeavours

The Group has a program of supporting local and national charities and have used our commercial assets to do this e.g. using our sponsorship of Middlesbrough football club and Sheffield United football club to raise funds for charity. The biggest fund raiser was putting the name of two charities, based locally to Ramsdens head office, on the Middlesbrough shirt. This not only raised great awareness in local and national media, we raised over £18,000 from the sale of the shirts for the charities.

Recent initiatives have involved 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.

In FY21, the Group has raised or helped charities directly raise almost £17,000.

Some of the charities supported are listed below:

Great North Air Ambulance
Mental Health Foundation
Cancer Research UK
Mind – for better mental health
mnda – motor neurone disease association
Teesside Hospice – Corporate Partner
Zoe's Place
Foundation
Alzheimer's Research UK
Stroke association
BBC Children in Need
Macmillan Cancer Support
British Heart Foundation
Save the Children
SiMBA – Simpson's Memory Box Appeal
Middlesbrough & Teesside Philanthropic Foundation
Butterwick Hospice Care
Breast Cancer Now – The research & care charity
breast cancer care

Darren Smart, 20 years' service award presented by Mike Johnson, Operations director and Peter Kenyon

David Smith CEO of Teesside Hospice presenting Peter Kenyon with a recognition award for being a corporate partner of the Hospice

Supplier relationships including 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 www.ramsdensplc.com.

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

GOVERNANCE

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. This is the way in which we seek to manage the business.

While we do not believe that we monitor social and human capital issues to a recognised standard we have a substantial suite of policies that include data security, customer privacy, anti-bribery, combatting modern slavery, whistleblowing, staff welfare, anti-money laundering, as well as adhering to all aspects of the FCA's Senior Manager Regime and Conduct Rules.

The Group is a member of the QCA and adopts its code of conduct as detailed in our Corporate Governance section on pages 32 to 49.

The Nominations Committee undertakes a board effectiveness review every year and as part of that review discusses diversity and independence.

LOOKING AHEAD

While we remain vigilant to the risk of, and speed of, potential new social and travel restrictions being imposed, as we have seen with the recent development of the Omicron coronavirus variant, we look forward with optimism for FY22.

Our foreign currency volumes increased back to approximately 50% of pre pandemic levels in November 2021 and subject to international travel being relatively restriction free, the customer demand for a summer holiday abroad is expected to be high and we hope for a normal summer's FX trading in 2022. With higher customer footfall to our stores, we would expect our purchase of precious metals to also increase.

Our pawnbroking loan book is rebuilding as customers recommence normal spending habits and have an increased need for short term financial assistance.

We have invested in our retail jewellery, instore and online, over recent years and we still have significant opportunities for further growth and improvement.

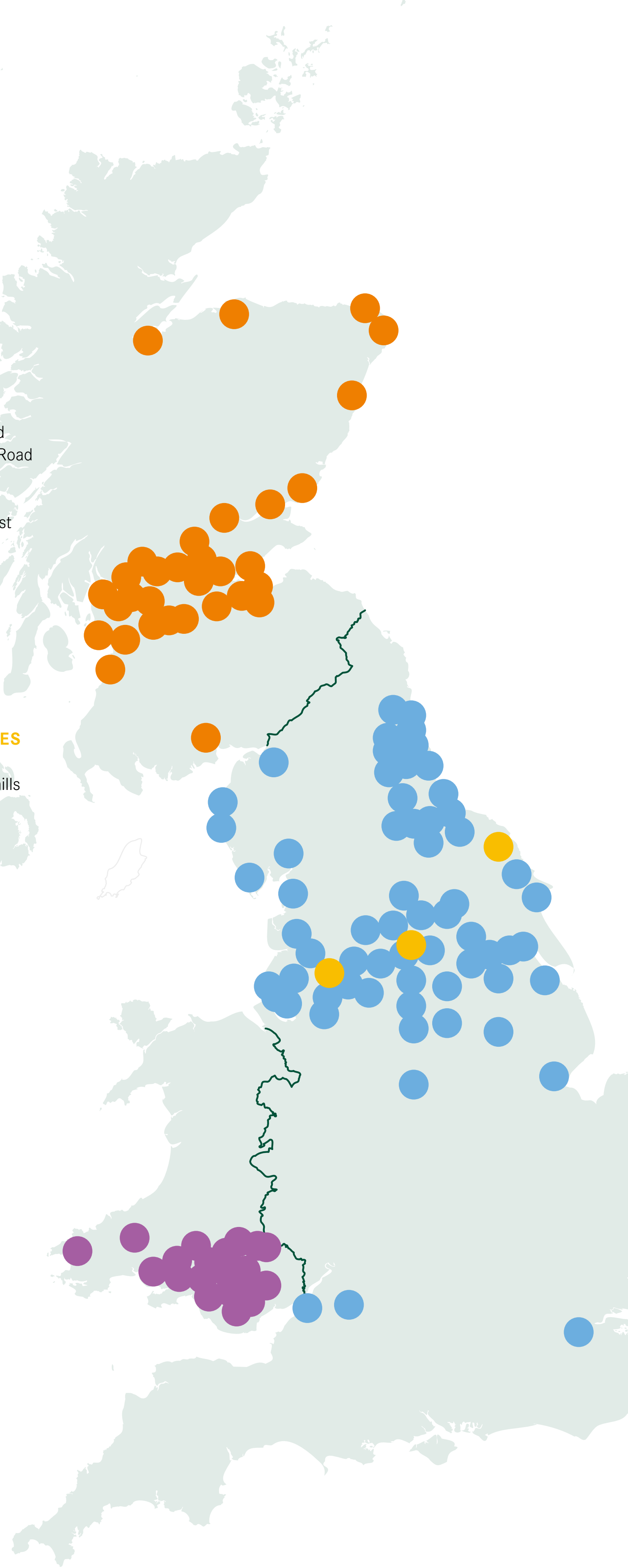
The Group has the benefit of diversified income streams and a strong financial base. This gives the Board confidence that we are well-placed to continue to navigate this ongoing transitional period and to deliver on our growth strategy for the long-term benefit of all our stakeholders.

Peter Kenyon

PETER KENYON
Chief Executive Officer

17 January 2022

The Ramsdens branch footprint in the UK



SCOTLAND
Aberdeen
Airdrie
Alloa
Arbroath
Ayr
Bellshill
Clydebank
Coatbridge
Cumbernauld
Dumbarton
Dumfries
Dundee
Dunfermline
East Kilbride
Edinburgh
Elgin
Falkirk
Fraserburgh
Glasgow,
  Argyle Street
  The Forge
  Queens Park
Glenrothes
Grangemouth
Greenock
Hamilton
Inverness
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
Berwick
Billingham
Bishop Auckland
Blyth
Boston
Bradford
Bridlington
Bristol, The Galleries
Byker
Carlisle
Castleford
Chatham
Chester Le Street
Chesterfield
Chippenham
Consett
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,
  Norris Green
  Old Swan
  Whitechapel
Manchester
Middlesborough,
  Cleveland Centre
  Coulby Newham
  Hillstreet Centre
  Linthorpe Road
Morley
Newcastle,
  Benwell
  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 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

Financial Director's review

In 2020 the Group changed its accounting reference date to 30 September which resulted in an 18-month period for FP20, a period which had approximately 12 months of trading pre pandemic and 6 months of significant pandemic impact including various social, travel and trading restrictions.

FY21 has continued to be impacted by various levels of restrictions throughout the year. Given the unusual trading conditions, and the prior year comparative period being longer, any comparison across the relative periods would need to carefully factor in the implications of these matters. The table below shows the headline financial results:

£000's	FY 21 (12 months)	FP20 (18 months)
Revenue	£40,677	£72,493[1]
Gross Profit	£22,262	£47,149
Profit Before Tax	£564	£9,221
Net Assets	£36,143	£35,555
Net Cash	£13,032	£15,873
EPS	1.2p	23.1p

[1]Restated due to an accounting policy change, see page 25

Our FY21 financial year has been severely impacted by the restrictions on international travel and despite an essential services exemption to trade, certain restrictions have been imposed on our instore retail in some parts of the UK. UK lockdowns have also significantly impacted footfall on the high streets during the year. Against this backdrop, the Group has delivered a strong financial performance, achieving revenue of £40.7m. Costs have been well controlled with administration expenses of £21.5m and an overall profit before tax of £0.6m generated. Key points to note are that our foreign currency commission has fallen by c.£10m compared to pre pandemic levels and the Group received £1.6m of Government support, £0.1m has been shown as other income and £1.5m has been shown as a reduction to administrative expenses.

The Group has maintained its strong cash position, with £13m net cash at the year end, and was able to trade without the need to utilise its £10m revolving cash facility at any point during the year.

EARNINGS PER SHARE AND DIVIDEND

The statutory basic and diluted earnings per share for FY21 were both 1.2p, down from 23.1p and 22.5p for the 18-month FP20.

The Board is grateful for the UK Government support during the pandemic and acknowledges the key part this has played during this unprecedented period. Following the end of government support via the furlough scheme and easing of travel restrictions the Board believes the Group is well positioned to move forward with renewed optimism.

The Board has recommended that the Group recommences the payment of dividends with a final dividend of 1.2p being proposed for approval at the forthcoming AGM (FP20 nil). While this represents the full post tax profits for the year, it recognises that the Group's strong cash position is sufficient to deliver on its future growth plans.

As we move forward, the Board would remind investors its long-term dividend policy, subject to the performance of the Group and any growth opportunities that arise, is to distribute approximately 50% of post tax profits to shareholders. It is expected that future dividend dates will be scheduled as September for interim payments and March for final payments, in the approximate proportion of one third and two thirds respectively.

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 £1.6m which mainly reflected the relocation of five stores during the period. One pawnbroking store including its loan book was acquired.

CASH FLOW

The net cash flow from operating activities for the year was £1.1m (FP20: £15.8m) which includes government support of £1.6m (FP20: £3.5m). Cash outflows have included the investments in stock of £4.0m, which has been partially offset by favourable credit terms with suppliers with creditors increasing by £1.2m.

The Group renewed its revolving credit facility in March 2021 for a further three years to March 2024. The Group has one covenant of 1.5x cash cover. At 30 September 2021, 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 £13.0m (FP20: £15.9m).

FINANCIAL POSITION

At 30 September 2021, cash and cash equivalents amounted to £13.0m (FP20 £15.9m) and the Group had net assets of £36.1m (FP20: £35.6m).

TAXATION

The tax charge for the period was £0.2m (FP20: £2.1m) at an effective rate of 33% (FP20 22%). The tax rate was higher than the standard rate 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 £254,000 (FP20: £389,000). This charge relates to the Long-Term Incentive Plans (LTIP), which are discretionary share incentive schemes 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.

During the year the LTIP award from 2017 vested in full against the performance condition criteria of the scheme. Of the 805,554 share options that passed the performance conditions, the Group issued 555,554 shares during the year following the exercise of these options by beneficiaries of the scheme. The remaining 250,000 share options continued to be held but not yet exercised.

CHANGE TO ACCOUNTING POLICY

The Group has changed the accounting policy for pawnbroking loans that are in the course of realisation. Previously these assets were recognised as inventory. The updated policy recognises the value of these assets under IFRS 9 as trade receivables. Whilst this change in policy has no effect on the net assets of the Group, a prior period adjustment has been made in the financial statements to reclassify the asset value and to reflect the fact that the proceeds from realisation of security during the period is no longer recognised as revenue, and the inventory cost of the security no longer recognised as a cost of sale. The prior period adjustments to revenue and cost of sales are equal and therefore have no impact on the profit for the period or EPS. Further details are available in note 2 of the financial statements.

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 £13.0m and access to an undrawn £10m revolving credit facility with an expiry date of March 2024.

In the year ended 30 September 2021 the Group traded profitably despite the impact of the pandemic.

The Board has conducted an extensive review of forecast earnings and cash over the next twelve months, considering various scenarios and sensitivities given the ongoing situation with the pandemic and uncertainty around the future economic environment.

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

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 learning management platform • Weekly & Monthly staff newsletters • Active staff forum. The Ramsdens staff forum met on five occasions during the year and discussed general matters within the business including the Company's environmental initiatives • Staff feedback and suggestion scheme allowing staff to have their say on any Company matter and make suggestions for improvements • Staff engagement surveys. In August 2021 85% of Ramsdens employees completed the 2021staff engagement survey • Regional Roadshow for all managerial grade staff. The most recent regional roadshow took place in November 2021 • 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 and the ESG section within the CEO's review.**
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 and the ESG section within the CEO's review.**
Shareholders	• Individual meetings with institutional shareholders throughout the year 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 and the ESG section within the CEO's review.**
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 • Each franchisee is audited on a quarterly basis **Further information is included in the Governance section, Principle 3 of the QCA Corporate Governance Code and the ESG section within the CEO's review.**
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 and the ESG section within the CEO's review.**

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.** Flexible remote working continued amongst head office where this suited the individuals needs or a desire to operate with 'A and B teams' should a department suffer an outbreak of coronavirus. The recommendations for mask wearing, screens, social distancing and enhanced cleaning protocols were maintained in stores to help prevent the spread of the virus amongst staff and customers. **Customers.** The Group used its essential service exemption to remain open throughout all the lockdowns in the UK in the period. In doing so, customers were able to transact for its financial services online and instore with limited retail services being available in certain locations during the retail lockdown periods. Whilst being open during the lockdowns, the Board decided to open on reduced trading hours and utilise the Coronavirus Job Support Scheme (flexible furlough) due to limited high street footfall.	The Group had an exemption to open its stores during the retail lockdowns experienced in the year due to the provision of its essential financial services. The Group had learned sufficiently about operating with the pandemic and social distancing that it felt confident that it could open in a safe way, prioritising the welfare and health & safety of all staff and customers. During the lockdown periods when many retailers were closed, high street footfall was limited and consideration was given to operating on reduced trading hours.
The Board took the decision to appoint new auditors – Grant Thornton UK LLP.	Consideration was given to seeking alternative auditors for the Group and a tendering process was undertaken.
The Board took the decision to renew its revolving credit facility from Yorkshire Bank for a further 12 months extending the facility to March 24.	Consideration was given to the anticipated cash flow of the Group and its growth opportunities in deciding whether the revolving credit facility would be required out to 2024 having not used the facility in 2020 or 2021.
The Board took the decision not to approve an interim dividend but has recommended a final dividend for the year.	The Group incurred losses in the first half of the year and this together with the ongoing furlough support the Group was receiving, resulted in the Board considering but deciding against approving an interim dividend. A return to profitability in the second half of the year and the Company no longer receiving government support, allowed the Board to recommend a final dividend be paid for the year. Further consideration was given to the amount of the final dividend and the Board has recommended that the profit after tax could be distributed in full to shareholders due to the strong liquidity position of the Group and in recognition that no dividend had been paid for the record profits generated prior to the COVID-19 pandemic.
The Board approved five new greenfield store openings and seven relocations during the period. One of the approved new stores was opened in the period, one store just after the year end and three stores are in the process of being opened. Five of the relocations were completed in the year, one store just after the year end and one store is in the process of being relocated.	Consideration was given to the longer term growth of the Group, the cash position and future cash generation alongside the positivity surrounding the vaccine roll out and the promise of a reduction in travel restrictions. Each opportunity was carefully assessed to meet the required return on capital employed the Board sets for new store openings.
Purchase of loan book and certain assets from Hopkins and Jones 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 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 seen to be implemented.

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 wellbeing 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, the ability to mitigate the impact of a pandemic is challenging. The Group has the following protections in place; • Business continuity plans with delegated decision-making authorities to establish a rapid response to crisis situations • Well invested IT systems which enable remote working quickly • Leases with flexible break options across the store portfolio to adapt to any longer-term shifts in customer behavior or local demand • Alternative supplier networks for key supplies • Essential service classification enabling the Group to trade during lockdowns • Growing online presence	The Board considers this risk to be high and its impact significant. The COVID-19 pandemic has impacted the current and comparative reporting periods.
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. 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 impact of Brexit could affect import prices and regulation. Inflation is forecast to increase in 2022 due to impacts to the global supply chains and increasing energy costs. This could lead to higher stock costs, increased interest rates and increased payroll costs.	The Group mitigates this risk by having diversified income streams, some of which are counter cyclical and to a degree leave the business recession neutral. Where possible the Group has property leases with flexible break options should a store need to close or be relocated. Jewellery manufactured in Europe can be manufactured in the UK via alternative suppliers. The second hand jewellery stock purchase price is determined by the amount lent and price negotiated. The Group could pass on increased costs to customers with higher pawnbroking interest rates and higher prices. The Group is not currently using its RCF facility and increase in interest rates will have minimal impact.	Excluding the significant impact of the COVID-19 pandemic, the Board considers that there has been no further change in Economic Risk.

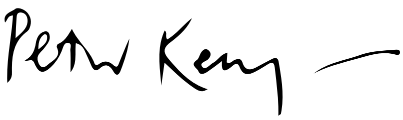
RISK AND IMPACT	MITIGATING FACTORS	IMPACT AND CHANGE IN RISK
IT Security Failure of the IT systems, including its e-commerce websites, if prolonged, could have an adverse impact on the Group leading to business interruption, lost revenue and reputational damage. Malicious attacks, data breaches or viruses 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 antimalware, autonomous network monitoring and response solutions, network management software, web filtering 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 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. Risks include the business breaching regulations, loss of regulatory approvals, or future changes in regulation impacting the Group's ability to trade. These risks could lead to financial penalties, reputational damage or increased administrative costs from increased regulation.	The Group has an experienced Board. The Directors receive expert legal and compliance support from professional 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 monthly forward contracts 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.	The Board considers the risk is unchanged.
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.	The COVID-19 pandemic and general concerns over global macro factors have resulted in a high gold price. The Board considers the risk is unchanged.
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 a £10m revolving credit facility in place to March 2024, provided by Clydesdale Bank trading as Yorkshire Bank. The facility was undrawn throughout the current year. 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 15,000 customers and the average pawnbroking loan is £264 as at 30 September 21.	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 31, has been approved by the Board

By order of the Board



PETER KENYON
Chief Executive Officer

17 January 2022

Corporate Governance


RAMSDENS
JEWELLERY & WATCHES
CURRENCY
LOANS
WE BUY
GET CASH
AT RAMSDENS
Looking for a cash loan? Ramsdens can help you get cash with a range of options.
PAWNBROKING LOANS
MANAGE EXISTING PAWNBROKING LOAN
LOGBOOK LOANS
STRUGGLING TO REPAY YOUR LOAN?

Board of Directors

Executive directors

PETER EDWARD KENYON (56)
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 the current President of 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 (40)
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 (66)
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 and Shaw Education Trust. He is a director of Lanthorne Ltd, and Cheviot Court (Luxborough Street) Ltd.

SIMON EDWARD HERRICK (58)
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, Biome Technology plc, Christie Group plc, Herrick Inc Ltd and Sports Punk Ltd.

STEPHEN JOHN SMITH (64)
NON-EXECUTIVE DIRECTOR

Steve joined the board of the Company on 1 January 2017. Steve 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, private equity backed and AIM listed 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 Kitwave Group plc.

Chairman's introduction

The Board is committed to supporting high standards of corporate governance and during the financial year ended 30 September 2021 the Board continued to adopt the Quoted Companies Alliance (QCA) Corporate Governance Code (the 'Code').

In this section of the Annual Report, we set out our governance framework, how we apply the QCA ten principles, our section 172 statement and reports of the Audit & Risk Committee, Remuneration Committee and Nomination Committee.

The Board is committed to a strong ethical corporate culture and ensuring the culture within the business is consistent with the Group's strategic objectives, its values of being trusted, open and passionate and the Conduct Rules as prescribed by the FCAs Senior Manager and Certification Regime.

The Board achieves this by:

- Encouraging diversity, inclusion and equal opportunities for all employees,
- Investment in training and development,
- Regular updates from the Board's Executive Directors and communication with employees e.g. weekly internal newsletter Group-wide video updates and an annual roadshow conference for branch managers and the wider business,
- Appropriate induction for new employees.

The Board monitors and assesses the culture in the business through an annual employee engagement survey and smaller pulse surveys.

The results of these surveys are reviewed by the Board and senior management to identify areas of focus – either to maintain and improve on strengths or to develop actions and initiatives to address any areas of concern.

ANDREW MEEHAN
Non-Executive Chairman

Corporate governance principles

PRINCIPLE 1

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

Please see the Strategic Report from pages 4 to 31.

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
- Focus on sustainability through our ESG policy.

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 email questions in advance of the AGMs held behind closed doors due to the pandemic and ask questions at any time through our investor relations channels by emailing. 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 Chairman and Non-Executive Directors remain available to discuss any matters shareholders might wish to raise and will attend meetings with institutional investors if requested as they have prior to the pandemic.

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.

Please see the Strategic Report pages 4 to 31 where the Group's ESG policy is discussed covering, employees, customers, suppliers, regulator and the community in which it operates.

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 ten times per annum 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 controls to manage risk. He is assisted by a centralised team of four Compliance and Risk officers and a team of six field internal auditors. All branches and head office departments are subject to regular audits. 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 34 and 35.

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 the Board 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 completes annually a 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 and improve its effectiveness. In addition, the Chairman and Non-Executive directors meet with the wider senior management team to evaluate progress on the Group's strategic objectives.

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 three core values of being trusted, open and passionate and challenges all staff 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.

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. The Board aims to meet at least 10 times per year.

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

	Board	Audit	Remuneration	Nomination
Andy Meehan	11/11	3/3	3/3	1/1
Simon Herrick	11/11	3/3	3/3	1/1
Steve Smith	11/11	3/3	3/3	1/1
Peter Kenyon	11/11	–	–	–
Martin Clyburn	11/11	–	–	–

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 41.

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 on a regular basis;
- 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 have continued to manage the impact of the pandemic from closing the stores, re-opening on shortened hours before moving back to normal opening hours, managing the Group through varying regional retail lockdowns, including short term liquidity and contingency planning 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 28 February 2022. 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 year to 30 September 2021.

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 three 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 and currently chair the Audit & Risk Committees at Christie Group plc, FireAngel Safety Technology Group plc and Biome Technology 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 suitability of the external auditor and recommendation of the new external auditor;
- Review of the financial statements and Annual Report;
- Consideration of the external audit report and management representation letter;
- 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 ongoing 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 continued to operate and trade in a COVID secure way.

ROLE OF THE EXTERNAL AUDITOR

The Audit and Risk Committee monitors the relationship with the external auditor, the provision of non-audit services by the external auditor and assesses the auditor's performance. During the year the Committee managed a tender process resulting in changing the external auditors with the subsequent appointment of Grant Thornton UK LLP. As new external auditors the Committee is reassured by their independence and their new approach and objectivity. Having reviewed the auditor's independence and performance the Audit and Risk Committee recommends that Grant Thornton UK 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 52 to 59.

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

1. Pawnbroking revenue may be misstated due to fraud and error.

Interest receivable on pawnbroking loans is recognised as interest accrues by reference to the principal 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 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, the ultimate realisation value for the pledge assets supporting those loans and the time taken to sell the assets relating to loans in default. An assessment is made on an individual pledge by pledge basis of the amortised cost to identify any expected credit losses.

The principal estimates within the amortised cost calculation are;

- Non-Redemption Rate – this is based upon current and historical data
- Realisation Value – this is 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.
- Time taken to sell assets relating to loans in default– this is based upon current and historical data

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.

2. Impairment of Goodwill and other non-current assets

Prior to the COVID-19 pandemic, all core Ramsdens stores that were more than two years old were profitable in the 12 months to February 2020. All younger 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 the senior compliance and operational team. A summary of the findings is 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

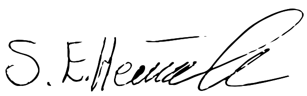
The Group has established a framework of risk management and internal control systems, policies and procedures. The Audit and Risk Committee is responsible for reviewing the risk management and internal control framework and ensuring it operates effectively. The Committee has reviewed the framework and 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 year ended 30 September 2021.

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; and
- 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 34 and 35 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, size 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.

Jane Mackenzie-Lawrie, a marketing professional, who wanted to develop her skills to take on non-executive directorship roles joined the Board as an observer in June 2020. The Committee would like to thank Jane for her contribution to board and committee meetings throughout the year.

The Committee discussed long term succession planning and emergency cover at Board level and of the senior management team. 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 report

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 30 September 2021 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 three times during the year.

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.

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.

DIRECTORS REMUNERATION

The following table summarises the total gross remuneration of the Directors who served during the year to 30 September 2021.

	Salary	Pension[1]	PHI	Fixed Pay	Bonus	LTIP	Variable Pay	Total FY21 (12 months)	Total FY20 (18 months)
Executive									
Peter Kenyon	£200,787	£10,000	£1,632	£212,419	–	£60,262	£60,262	£272,681	£477,672
Martin Clyburn	£134,400	£13,440	£759	£148,599	–	£35,269	£35,269	£183,868	£327,871
Non-Executive									
Andrew Meehan	£65,911	–	–	£65,911	–	–	–	£65,911	£98,866
Simon Herrick	£48,140	–	–	£48,140	–	–	–	£48,140	£72,211
Stephen Smith	£40,117	–	–	£40,117	–	–	–	£40,117	£60,175
Aggregate remuneration	**£489,355**	**£23,440**	**£2,391**	**£515,187**	–	**£95,532**	**£95,532**	**£610,718**	**£1,036,795**

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

Despite the profitable performance during this severely restricted, pandemic influenced period, the Directors have foregone all bonus entitlement given the Group has benefited from Government assistance.

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	£65,911	–	–	–
Simon Herrick	£48,140	–	–	–
Steve Smith	£40,117	–	–	–

All of the Directors basic annual remuneration has remained frozen since the April 2019 review, but is eligible for review in April 2022.

The bonus opportunities for the FY22 financial year will be assessed by the Remuneration Committee, which retains discretion over the awards, against the Group's profit and strategic and 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 seven members of the senior executive team set against two performance criteria over the financial years from admission to the year ended 31 March 2020 (FY20).

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. One director and four employees chose to exercise their options and sell, one employee exercised their option and sold sufficient shares to meet the tax liability, retaining the net balance in shares and one director did not exercise their option. The details were as follows;

	Number of shares	Activity	Current position
Peter Kenyon	250,000	None	Can exercise
Martin Clyburn	138,889	Exercised and sold	
Mike Johnson	138,889	Exercised and sold	
Jason Carr	69,444	Exercised and sold	
Matt Fothergill	69,444	Exercised and sold	
Michael Wilson	69,444	Exercised and sold	
Mark Smith	69,444	Exercised and sold part	

The exercise of the LTIP does not constitute remuneration for the year as this has been dealt with previously using the LTIP charge.

LTIP 2 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 12month period for assessing whether the performance criteria have been met has been changed from the 12 months ending 31 March 2021 to the 12 months ending 30 September 2021.

At this stage it is not expected that any of these awards will vest.

LTIP 3 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. The base share price is £1.88.

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 hurdle target for the EPS is 18.7p.

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 4 FP20 – FY23

A further LTIP scheme was introduced following the publication of the FP20 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 FP20 results to 30 September 2023 with no award being made if the return rate is less than 50% over the period. A sliding scale will apply with 100% of the award vesting if 75% growth is achieved over the period. The base share price is £1.48.

Fifty percent of the award is based on increasing the earnings per share. No award will be made if the earnings per share does not exceed 19.5p per share for FY23 with the maximum award vesting at 22p per share. A sliding scale will apply between 19.5p and 22p per share.

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

Peter Kenyon was awarded 120,000 shares and Martin Clyburn 80,000 shares under the scheme. An additional 262,500 shares were allocated to 19 Group employees.

LTIP 5 FY21– FY24

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.

A summary of the LTIP share option awards and vesting position is below;

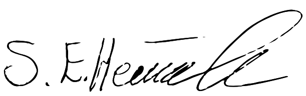
Name of Director	Vested not exercised	LTIP 2	LTIP 3	LTIP 4
Testing Date		January 2022	January 2023	January 2024
Exercise by date	March 2027	July 2028	July 2029	February 2031
Peter Kenyon	250,000	50,000	50,000	120,000
Martin Clyburn	–	25,000	25,000	80,000
Other beneficiaries	–	145,000 (14 beneficiaries)	160,000 (17 beneficiaries)	262,500 (19 beneficiaries)

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

	Type of share	Holding as at 30 September 2020	Acquired in the financial period	Sold in the financial period	As at 30 September 2021
Executive					
Peter Kenyon[1]	1p ordinary	1,152,507	–	–	1,152,507
Martin Clyburn[1]	1p ordinary	209,375	–	–	209,375
Non Executive					
Andy Meehan[1]	1p ordinary	347,320	–	–	347,320
Simon Herrick	1p ordinary	19,950	–	–	19,950
Steve Smith[1]	1p ordinary	54,348	17,000	–	71,348

[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 for the year ended 30 September 2021

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 30 September 2021.

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 precious metals, mainly gold jewellery from the general public subsequently sold to the bullion market. The Group operates from branches supported by an online offering. 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 60.

The directors have proposed a final dividend of 1.2 pence per share. There were no interim dividends paid during the year and no interim or final dividends for FP20.

LIKELY FUTURE DEVELOPMENT

Our priorities for the following financial year are disclosed in the Strategic Report on pages 4 to 31.

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 2021 were as shown in the table below.

Name of holder	number	% of voting rights in the issued share capital
Downing LLP	3,914,290	12.47
Otus Capital Mgt.	3,201,606	10.2
Hargreaves Lansdown Asset	3,181,087	10.13
Close Asset Management	2,577,712	8.21
Interactive Investor	2,368,510	7.54
Rowan Dartington	1,498,604	4.77
Peter Kenyon (CEO)	1,152,507	3.67
Barclays Smart Investor	1,011,755	3.22

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 41 to 46.

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 ongoing 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 £13.0m and access to an undrawn £10m revolving credit facility with an expiry date of March 2024.

The Directors have conducted an extensive review of forecast earnings and cash over the next twelve months, considering various scenarios and sensitivities given the ongoing COVID-19 situation and uncertainty around the future economic environment.

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 28 to 31 of the strategic report.

POST BALANCE SHEET EVENTS

There have been no material post balance sheet events.

ANNUAL GENERAL MEETING

The next AGM will be held on 28 February 2022.

POLITICAL DONATIONS

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

STAKEHOLDER ENGAGEMENT

The Directors recognise that communication with the Group's employees is essential and the Group places importance on the contributions and views of its employees. Details of employee involvement are set out in the Strategic Report and in the section 172(1) statement.

The section 172(1) statement, together with the Focusing on sustainability through our ESG policy section of this Report, also details how the Directors have engaged with shareholders, customers, partners and suppliers during the year to ensure that positive business relationships are nurtured.

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.

STREAMLINED ENERGY AND CARBON REPORTING

Our streamlined energy and carbon reporting is set out in the Focusing on sustainability through our ESG policy section of this Report.

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 Grant Thornton UK 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 17 January 2022

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 in conformity with the requirements of the Companies Act 2006 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 international financial reporting standards in conformity with the requirements of the Companies Act 2006 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.

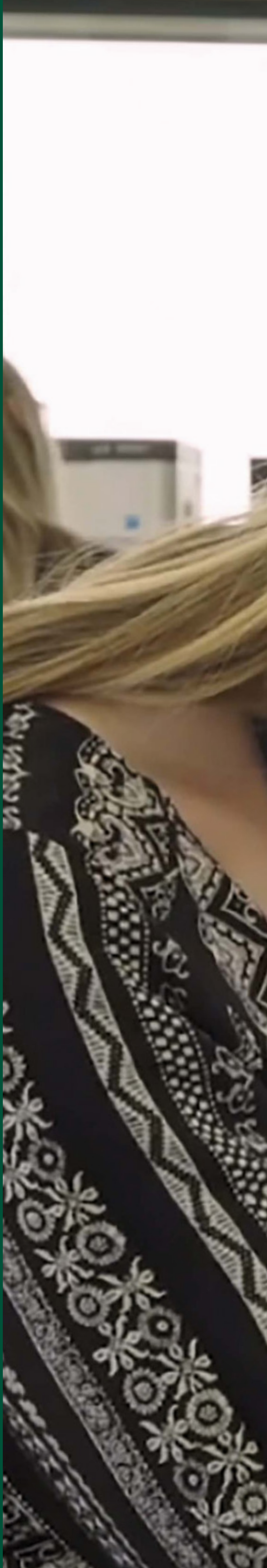
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies 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



Independent auditor's report to the members of Ramsdens Holdings PLC

OPINION

Our opinion on the financial statements is unmodified

We have audited the financial statements of Ramsdens Holdings PLC (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 September 2021, which comprise the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Consolidated statement of cash flows, notes to the consolidated financial statements including a summary of significant accounting policies, the Parent company statement of financial position, the Parent company statement of changes in equity and notes to the parent company 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 accounting standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 September 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.

Our evaluation of the directors' assessment of the Group's and the parent company's ability to continue to adopt the going concern basis of accounting included challenging the underlying data and key assumptions used to make the assessment, evaluating the directors' plan for future actions in relation to their going concern assessment and assessing the position of the business to assess their ability to meet obligations in a worst case scenario.

The worst case scenario analysis supported our assessment that there is no material uncertainty in relation to going concern due to the strong balance sheet position, the ability to generate cash from current assets, the significant cash balance and a profit making year. This risk has been addressed by performing the following procedures:

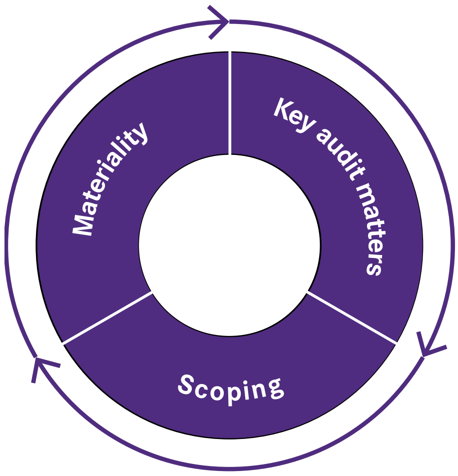
- Obtaining management's base case cash flow forecasts covering the period to January 2023, including relevant sensitivities, assessing how these cash flow forecasts were compiled and assessing the appropriateness of the underlying assumptions;
- Obtaining management's additional worst-case scenario sensitivities to assess the potential impact of Covid-19 on the business. We evaluated the assumptions regarding the impact of no new revenue contracts being recorded in branches leading to a reduction in revenue alongside a liquidation of the current assets held at the year end and the impact that this would have on the overall performance and position of the business. We considered whether the assumptions are consistent with our understanding of the business derived from other detailed audit work undertaken;
- Assessing the impact of the mitigating factors available to management in respect of the ability to restrict cash impact, including the level of available facilities; and
- Assessing the adequacy of related disclosures within the annual report.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and the parent company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and the parent company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.



Grant Thornton

OUR APPROACH TO THE AUDIT

Overview of our audit approach

Overall materiality:

Group: £350,000, which represents 7.5% of the Group's average profit before tax over the past 4 years.

Parent company: £250,000, which represents 2% of the parent company's total assets.

Key audit matters were identified as:

- Pawnbroking revenue may be misstated due to fraud and error; and
- Impairment of goodwill and other non-current assets.

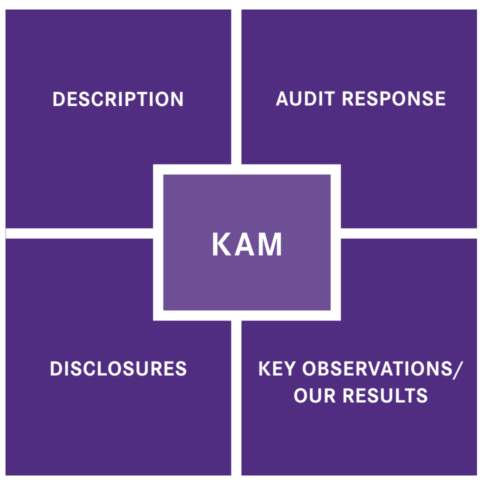
The predecessor auditor identified the following KAMs in its audit of the prior period financial statements for the 18 month period ended 30 September 2020: Risk of incorrect revenue recognition as a result of fraudulent transactions at a branch level (overstatement of revenue); Risk of incorrect recognition of profit (overstatement of revenue) as a result of judgments relating to the expected credit loss accrual in respect of pawnbroking (understatement of provision); and Impairment risk in relation to Intangible Assets, Property, Plant and Equipment and Right of Use Assets.

Scoping:

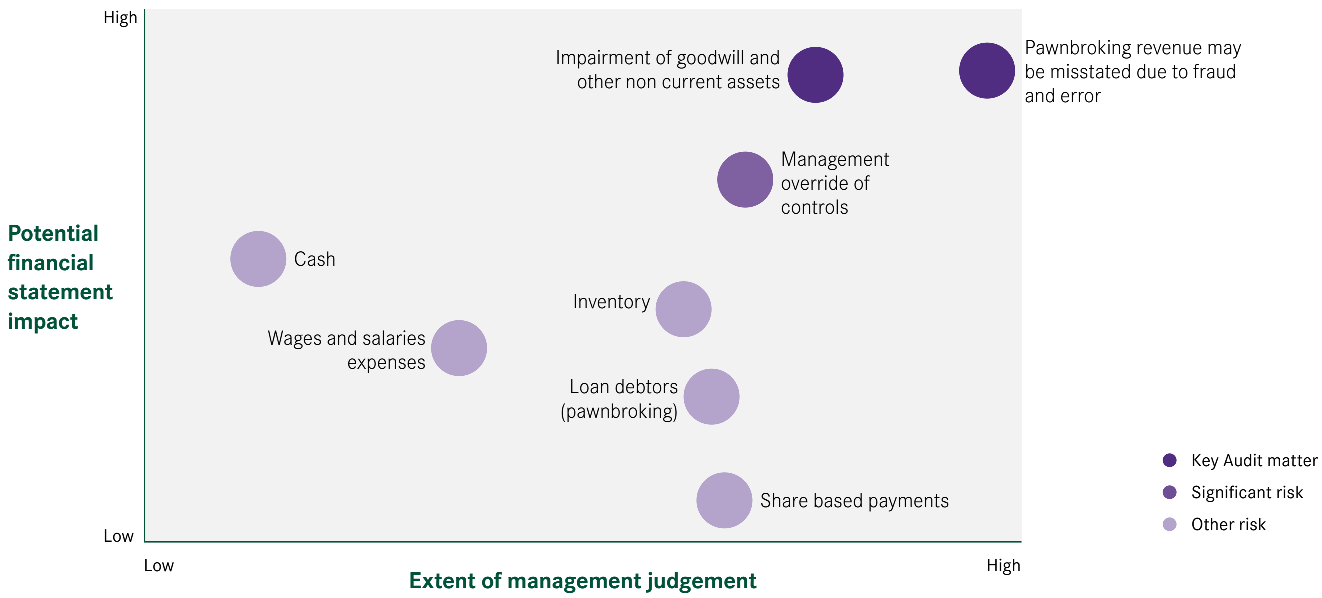
We performed an audit of the financial statements of the parent company and of the financial information of its subsidiary company, using component materiality (full-scope audit procedures). The operations that were subject to full-scope audit procedures made up 100 per cent of the consolidated revenue and 100 per cent of the Group's profit before tax.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that 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 forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.



KEY AUDIT MATTER – GROUP | HOW OUR SCOPE ADDRESSED THE MATTER – GROUP

Pawnbroking revenue may be misstated due to fraud and error

We identified the misstatement of pawnbroking revenue as one of the most significant assessed risks of material misstatement due to fraud and error.

Pawnbroking revenue relates to interest receivable on pawnbroking loans. Such interest accrues over the term of a loan and is accounted for using an effective interest rate in accordance with IFRS 9 'Financial Instruments'. Management also calculate the expected credit loss on pawnbroking contracts and recognise a provision for this within cost of sales.

The calculation of the effective interest rate and expected credit loss provision includes complexity and requires management judgement to ensure that revenue is recognised appropriately.

For the year ended 30 September 2021, pawnbroking revenue of £7.5m (18 months to 30 September 2020: £14.5m) was recognised in the financial statements.

In responding to the key audit matter, we performed the following audit procedures:

- Assessing whether the revenue recognition policy is in accordance with IFRS 9 and challenging management on the appropriateness of the accounting policy;
- Corroborating management's workings for the prior period restatements, as at 30 September 2020 and 1 April 2019, to supporting documentation, testing the underlying data to supporting documentation and challenging the key assumptions made;
- Selecting a sample of pawnbroking revenue recognised in the year to agree to supporting documentation to verify the occurrence of revenue;
- Assessing the design effectiveness and implementation of controls relating to pawnbroking revenue recognition through performance of walkthroughs;
- Testing the operating effectiveness of controls relating to pawnbroking revenue by testing a sample to evidence of operation of the control;
- Evaluating the reasonableness of the expected credit loss calculation through checking management's calculations and challenging the key assumptions made in the model as well as comparing to the out-turn of last year's credit loss provision; and
- Testing the allocation of revenue in the year by assessing the transactions around the year end.

Relevant disclosures in the Annual Report and Accounts 2021

- Financial statements: Note 2, Changes in accounting policies
- Financial statements: Note 5, Segment analysis
- Financial statements: Note 28, Prior period adjustment

Key observations

As a result of our challenge, management changed the accounting policy for revenue recognised on unredeemed pawnbroking pledges, which resulted in a prior period restatement. The impact on the restated 2020 financial statements was to decrease revenue and cost of sales by £4,445,000 and reclassify inventory to trade and other receivables by £2,201,000. We evaluated the reasonableness of management's calculations and challenged the key assumptions made.

Based on the audit work we have undertaken, and following the adjustments made to the current and previously reported amounts, we concluded that pawnbroking revenue is not materially misstated and that the amended accounting policy is in accordance with IFRS 9 'Financial Instruments'.

KEY AUDIT MATTER – GROUP	HOW OUR SCOPE ADDRESSED THE MATTER – GROUP
Impairment of goodwill and other non-current assets	
We identified impairment of goodwill and other non-current assets as one of the most significant assessed risks of material misstatement due to error. Covid-19 has had a significant impact on the performance of branches since it began due to lockdowns and travel restrictions and therefore a number of branches may indicate signs of impairment. Based on management's forecasts for previously well performing stores to return to pre-Covid levels once restrictions on travel have been eased, we have pinpointed the risk to those immature stores which do not have a history of profitability. The carrying value of non-current assets, including property, plant & equipment, right of use assets and intangible assets at 30 September 2021 was £14.1m (2020: £14.3m).	In responding to the key audit matter, we performed the following audit procedures: • Assessing whether the accounting policy for impairment of non-current assets is in accordance with IAS 36 'Impairment of Assets', and whether the accounting policy had been applied consistently through our assessment of the impairment model; • Evaluating the integrity of the impairment models by testing the mechanical and mathematical accuracy; • Obtaining an understanding of the process used by management to determine the 12% discount rate applied, and used an auditor's internal expert to evaluate this discount rate against their expectations and the industry norms; • Evaluating management's justification for the identification of CGUs at a branch level, and at a multi-branch level for the purpose of goodwill impairment; • Identifying outliers from the model which indicated potential impairment as a result of not having a history of profitability and challenged management on the recoverability of these CGUs; • Performing sensitivity analysis on the impairment model to assess whether further outliers would be identified with reasonably possible changes; and • Assessing the adequacy of the disclosures included within the financial statements for compliance with IAS 36.
Relevant disclosures in the Annual Report and Accounts 2021 • Financial statements: Note 3.7 and 4.1, Accounting policies • Financial statements: Notes 11 and 12 to the consolidated financial statements, Property, plant and equipment and Intangible assets respectively	**Our results** Based on our audit work, we concluded that the impairment of goodwill and other non-current assets has been accounted for in accordance with IAS 36 and that the recorded impairment charge is appropriate.

We did not identify any key audit matters relating to the audit of the financial statements of the parent company.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

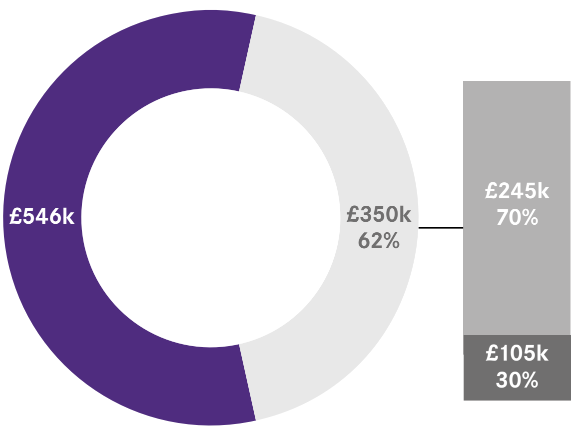
Materiality was determined as follows:

MATERIALITY MEASURE	GROUP	PARENT COMPANY
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£350,000, which is 7.5% of the Group's average profit before tax over the past 4 years.	£250,000, which is 2% of the parent company's total assets.
Significant judgements made by auditor in determining the materiality	In determining materiality, we made the following significant judgements: • The Group's profit before tax is considered the most appropriate benchmark because it is the most relevant performance measure to the stakeholders of the Group, and is presented as a financial highlight on page 3 of the Annual Report and Accounts. The adjustment for averaging has been made to reflect the 'normal' performance of the business. Materiality for the current year is lower than the level that was determined by the predecessor auditor for the period ended 30 September 2020 to reflect the predecessor auditor applying a lower measurement percentage to a much higher benchmark of adjusted profit before tax in the previous period.	In determining materiality, we made the following significant judgements: • The parent company's total assets is considered the most appropriate benchmark because it is the most relevant measure of financial position for the stakeholders of the parent company, which does not trade. Materiality for the current year is higher than the level that was determined by the predecessor auditor for the period ended 30 September 2020 to reflect the predecessor auditor applying a lower measurement percentage to a lower net assets balance in the previous period.

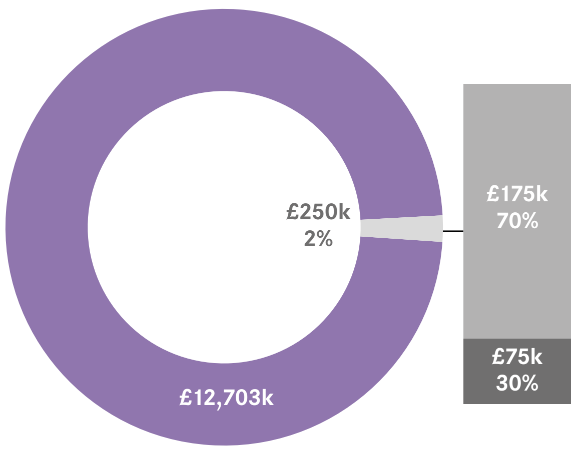
MATERIALITY MEASURE	GROUP	PARENT COMPANY
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£245,000, which is 70% of financial statement materiality.	£175,000, which is 70% of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	In determining performance materiality, we made the following significant judgements: • The strength of the control environment based on our review of the predecessor auditor's audit file and our assessment of the design effectiveness of controls; and • The effect of misstatements identified in previous audits from our review of the predecessor auditor's audit file. Therefore, we consider the performance materiality percentage to be appropriate.	In determining performance materiality, we made the following significant judgements: • The strength of the control environment based on our review of the predecessor auditor's audit file and our assessment of the design effectiveness of controls, • The effect of misstatements identified in previous audits from our review of the predecessor auditor's audit file. Therefore, we consider the performance materiality percentage to be appropriate.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following area: • Directors' remuneration; and • Related party transactions.	We determined a lower level of specific materiality for the following area: • Directors' remuneration; and • Related party transactions.
Communication of misstatements to the Audit and Risk Committee	We determine a threshold for reporting unadjusted differences to the Audit and Risk Committee.	
Threshold for communication	£17,500 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£12,500 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

OVERALL MATERIALITY – GROUP



OVERALL MATERIALITY – PARENT COMPANY



● Profit before tax ● FSM: Financial statements materiality ● TFPUM: Tolerance for potential uncorrected misstatements ● PM: Performance materiality
● Total assets

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

We performed a risk-based audit that requires an understanding of the Group's and the parent company's business and in particular matters related to:

Understanding the Group, its components, and their environments, including Group-wide controls

- The engagement team obtained an understanding of the Group and its environment, including Group-wide controls, and assessed the risks of material misstatement at the Group level;
- The group engagement team obtained an understanding of the individual components, including component specific controls; planning discussions were held between the engagement team and the Group's management team; and
- Walkthroughs were performed on key areas of focus to understand the controls and assess the design effectiveness of these.

Identifying significant components

- We identified two significant components within the Group (including the parent company). The subsidiary company was identified as a significant component based on its individual size in relation to the profit before tax and total assets of the Group. The parent company, where the benchmark thresholds were below 15% of the Group totals, was considered to contain Group significant risks and was therefore classified as a significant component as well.
- We performed a full-scope audit of the financial information of both of these components and this included 100% coverage of the key audit matters. There are no other components within the Group.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- The group engagement team performed a full-scope audit of the financial statements of the parent company, and of the financial information of the subsidiary undertaking, thereby testing 100% of the Group's revenue and profit before tax.
- We performed a full-scope audit of the financial information of both of these components and this included 100% coverage of the key audit matters. There are no other components within the Group.

Performance of our audit

- We attended the parent company's primary location in Middlesbrough to perform audit procedures (including a year end inventory, cash and pledged items count) as well as observing inventory at a sample of branch locations at or around the year end based on quantitative and qualitative factors.

Communications with component auditors

- We did not engage with any component auditors and the group engagement team performed all audit procedures.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on the financial statements is unmodified

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

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

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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

Responsibilities of directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and the parent Company and the industry in which they operate. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management, the Directors, Audit and Risk Committee members and internal auditors.We determined that the most significant laws and regulations were regulations relating to consumer credit and those that relate to the financial reporting framework, being the Companies Act 2006, international accounting standards in conformity with the requirements of the Companies Act 2006 (in respect of the Group) and Financial Reporting Standard 101 'Reduced Disclosure Framework' (in respect of the parent company), together with UK tax legislation;
- We enquired of the Directors, Audit and Risk Committee members and management including the compliance, risk and internal audit departments to obtain an understanding of how the Group and the parent company are complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations, and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the Board minutes and of the minutes of the Audit and Risk Committee and compliance meetings, inspection of the breaches registers, inspection of legal and regulatory correspondence and reports to the regulator, the FCA;
- In assessing the potential risks of material misstatement, we obtained an understanding of: the Group's and the parent company's operations, including the nature of their revenue sources, and of their principal activities, to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; the Group's and the parent company's control environment, including the policies and procedures implemented to mitigate risks of fraud or non-compliance with the relevant laws and regulations; the significant judgements and assumptions made by management in its significant accounting estimates or in applying its accounting policies; and the rules and guidance issued by the Financial Conduct Authority applicable to the Group and the parent company;
- We assessed the susceptibility of the Group's and the parent company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
  - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
  - checking the completeness of journal entries and identifying and testing journal entries, in particular manual journal entries processed at the year-end for financial statements preparation;
  - challenging the assumptions and judgements made by management in its significant accounting estimates; and
  - identifying and testing related party transactions by agreeing to underlying records and obtaining confirmation for directors' emoluments.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that

result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the Group and parent company operate; and
  - understanding of the legal and regulatory frameworks applicable to the Group and the parent company.
- We made enquiries of management, the Directors, Audit and Risk Committee members and internal auditors and have not been made aware of any material fraud or non-compliance with laws and regulations.
- We obtained an understanding of the Group's and the parent company's responses to risks, including the work performed by the compliance and internal audit department, and assessed these responses to be sufficient to check appropriate compliance with laws and regulations.

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.

Grant Thornton UK LLP

MARK OVERFIELD BSC FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

17 January 2022

Consolidated statement of comprehensive income

For the year ended 30 September 2021

	Notes	12 months to 30 September 2021 £'000	18 months to 30 September 2020 (restated) £'000
Revenue	5	**40,677**	**72,493**
Cost of sales		(18,415)	(25,344)
Gross profit	5	**22,262**	**47,149**
Other income	7	**284**	**725**
Administrative expenses		(21,510)	(37,858)
Operating profit		**1,036**	**10,016**
Finance costs	6	(472)	(795)
Profit before tax		**564**	**9,221**
Income tax expense	10	(198)	(2,103)
Profit for the year/period		**366**	**7,118**
Other comprehensive income		**–**	**–**
Total comprehensive income		**366**	**7,118**
Earnings per share in pence	8	1.2	23.1
Diluted earnings per share in pence	8	1.2	22.5

Consolidated statement of financial position

As at 30 September 2021

	Notes	2021 £'000	2020 (restated) £'000	As at 1 April 2019 (restated) £'000
Assets				
Non-current assets				
Property, plant and equipment	11	5,195	4,845	5,485
Right of use of assets	11	8,164	8,536	9,102
Intangible assets	12	714	870	1,228
Investments	13	–	–	–
Deferred tax assets	10	80	182	281
		14,153	14,433	16,096
Current Assets				
Inventories	15	15,151	11,159	10,607
Trade and other receivables	16	10,379	10,944	12,458
Cash and short term deposits	17	13,032	15,873	13,420
		38,562	37,976	36,485
Total assets		**52,715**	**52,409**	**52,581**
Current liabilities				
Trade and other payables	18	7,673	6,422	6,324
Lease liabilities	18	2,159	2,005	2,165
Interest bearing loans and borrowings		–	–	5,184
Income tax payable	18	61	1,157	689
		9,893	9,584	14,362
Net current assets		**28,669**	**28,392**	**22,123**
Non-current liabilities				
Accruals		–	–	130
Lease liabilities	19	6,442	7,094	7,572
Contract liabilities	19	119	153	–
Deferred tax liabilities	19	118	23	140
		6,679	7,270	7,842
Total liabilities		**16,572**	**16,854**	**22,204**
Net assets		**36,143**	**35,555**	**30,377**
Equity				
Issued capital	21	314	308	308
Share premium		4,892	4,892	4,892
Retained earnings		30,937	30,355	25,177
Total equity		**36,143**	**35,555**	**30,377**

The financial statements of Ramsdens Holdings PLC, registered number 08811656, were approved by the directors and authorised for issue on 17 January 2022 and signed on their behalf by:

M.A. Clyburn

M A CLYBURN
Chief Financial Officer

Consolidated statement of changes in equity

For the period ended 30 September 2021

	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
As at 1 April 2019		308	4,892	25,177	30,377
Profit for the year		–	–	7,118	7,118
Total comprehensive income		–	–	7,118	7,118
Transactions with owners:					
Dividends paid	22	–	–	(2,313)	(2,313)
Share based payments	25	–	–	398	398
Deferred tax on share-based payments		–	–	(25)	(25)
Total transactions with owners		–	–	(1,940)	(1,940)
As at 30 September 2020		308	4,892	30,355	35,555
As at 1 October 2020		308	4,892	30,355	35,555
Profit for the period		–	–	366	366
Total comprehensive income		–	–	366	366
Transactions with owners:					
Dividends paid	22	–	–	–	–
Issue of share capital		6	–	–	6
Share based payments	25	–	–	254	254
Deferred tax on share-based payments		–	–	(38)	(38)
Total transactions with owners		6	–	216	222
As at 30 September 2021		**314**	**4,892**	**30,937**	**36,143**

Consolidated statement of cash flows

For the period ended 30 September 2021

	Notes	12 months to 30 September 2021 £'000	18 months to 30 September 2020 (restated) £'000
Operating activities			
Profit before tax		564	9,221
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment	11	1,074	2,238
Depreciation and impairment of right of use assets	11	2,223	3,523
Profit on disposal of right of use assets	7	(45)	–
Amortisation and impairment of intangible assets	12	218	616
Loss on disposal of property, plant and equipment	7	140	185
Share based payments	25	254	398
Finance costs	6	472	795
Working capital adjustments:			
Movement in trade and other receivables and prepayments		565	1,631
Movement in inventories		(3,992)	(552)
Movement in trade and other payables		1,217	170
		2,690	18,225
Interest paid		(472)	(795)
Income tax paid		(1,135)	(1,678)
Net cash flows from operating activities		**1,083**	**15,752**
Investing activities			
Proceeds from sale of property, plant and equipment		10	4
Purchase of property, plant and equipment		(1,574)	(1,787)
Purchase of intangible assets		(62)	(258)
Net cash flows used in investing activities		**(1,626)**	**(2,041)**
Financing activities			
Issue of share capital	21	6	–
Dividends paid	22	–	(2,313)
Payment of principal portion of lease liabilities		(2,304)	(3,645)
Bank loans drawn down		–	2,600
Repayment of bank borrowings		–	(7,900)
Net cash flows from financing activities		**(2,298)**	**(11,258)**
Net decrease/increase in cash and cash equivalents		**(2,841)**	**2,453**
Cash and cash equivalents at 1 October/1 April		15,873	13,420
Cash and cash equivalents at 30 September	27	13,032	15,873

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

Following a review, the Group has changed its accounting policy for pawnbroking loans that are in the course of realisation. The Board believes the change in accounting policy gives a more appropriate basis under IFRS 9. The Group previously recognised these assets as inventory, however the revised accounting policy treats all pawnbroking loans as financial assets under IFRS 9, on the basis that the derecognition criteria has not been met and therefore the asset values are classified as trade receivables and are recognised at amortised cost.

When a customer defaults on a pawnbroking loan, the pledged goods held as security are sold to repay the customer debt. At the point the pawnbroking loan becomes past due the loan is classified as in default and interest income is accrued net of expected credit losses per stage 3 of the expected credit loss model. At the start of the realisation process the expected credit loss calculation is re-performed based on the expected cash flows of the retail process, with any increase in expected credit losses recognised as a cost of sale. The expected credit loss calculation is based on an estimate of the time required to sell the pledged goods and an estimate of the retail price achieved, valued at amortised cost under IFRS 9 using the original effective rate of interest. The value of expected credit losses is updated at each reporting date to reflect any change in circumstances.

Under the previous accounting policy the sales proceeds of pledged goods were recognised as revenue and the cost of inventory recognised as a cost of sale under IFRS 15. However, under the new accounting policy the sales proceeds are outside the scope of IFRS 15 and are instead used to repay the trade receivable and therefore only incremental interest earned is recognised on the realisation of the pledged goods.

A prior period adjustment has been made to restate revenue and cost of sales in the Consolidated Income Statement, and to restate Inventories and Trade receivables in the Consolidated Statement of Financial Position. The Consolidated Statement of Cash Flows has also been restated for the prior period to reflect the reclassification of cash movements in Inventories and Receivables.

The prior period adjustment has not changed the Profit for the period, the Group's Net assets, or the Net Increase in Cash Equivalents for the period.

Note 3.16 details the revenue recognition of all pawnbroking loans including those in the course of realisation, and note 4.1 give further details on the estimates used in the amortised cost valuation.

Note 28 shows the full effect of the prior period adjustments.

Adoption of new and revised standards

At the date of authorisation of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and Interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Group. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. The impact of new standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The consolidated financial statements have been prepared on a historical cost basis. 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.

Notes to the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES continued

3.3 Going Concern

The Group 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 year ended September 2021 the Group generated cash from operations and traded profitably with profit before tax of £0.6m and its £10m debt facility was undrawn.

The Group has significant cash resources at 30 September 2021 of £13m and access to an undrawn £10m revolving credit facility with an expiry date of March 2024. The Group 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 2021 was c£1.6m. The Group was awarded business rates relief in respect of a number of its branches.

The Group's activities include services deemed essential services by the government and therefore the Group's stores are able to open in the event of a further lockdown. The Group's essential services include pawnbroking, foreign currency, money transfer and cheque cashing. The Group 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 has conducted an extensive review of forecast earnings and cash for the period to 31 January 2023 considering various scenarios and sensitivities given the COVID-19 situation and uncertainty around the future economic environment.

The Board has been able to conclude that it has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group continue to adopt the going concern basis in preparing the financial statements. The going concern assessment covers the period to 31 January 2023.

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 only goodwill 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

Notes to the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES continued

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.

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

- Leasehold improvements – 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 based on the independence of cash inflows. Central costs and assets are allocated to CGUs based on revenue. 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.

Notes to the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES continued

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. Goodwill is allocated to CGUs based on the price paid of the relevant acquisition.

3.8 Inventories

Inventories comprise of 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.

Where the Group takes title to pledged goods on default of pawnbroking loans up to the value of £75, cost represents the principal amount of the loan plus the term interest.

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.

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 Group 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 Group considers both quantitative and qualitative information that is reasonable and supportable including historical experience.

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 current and historical data. The loss on default is based on the assets gross carrying amount less any realisable security held.

When a customer defaults on a pawnbroking loan, the pledged goods held as security are sold to repay the customer debt. At the point the pawnbroking loan becomes past due the loan is classified as in default and interest income is accrued net of expected credit losses per stage 3 of the expected credit loss model. At the start of the realisation process the expected credit loss calculation is re-performed based on the expected cash flows of the retail process, with any increase in expected credit losses recognised as a cost of sale. The expected credit loss calculation is based on an estimate of the time required to sell the pledged goods and an estimate of the retail price achieved, valued at amortised cost under IFRS 9 using the original effective rate of interest. The value of expected credit losses is updated at each reporting date to reflect any change in circumstances.

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.

Notes to the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES continued

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.

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. SIGNIFICANT ACCOUNTING POLICIES continued

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.

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.

Notes to the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES continued

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. The expense is recognised in the entity in which the beneficiary is remunerated. Further details are provided in note 25.

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 loans comprises interest earned over time by reference to the principal 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. When a customer defaults on a pawnbroking loan, the pledged goods held as security are sold to repay the customer debt. At the point the loan becomes overdue the loan is classified as in default and interest income is accrued net of expected credit losses. At the start of the realisation process the expected credit loss calculation is re-performed based on the expected cash flows of the retail process, with any increase in expected credit losses recognised as a cost of sale. Further details of the expected credit loss calculations are provided in note 4.1.

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.

3. SIGNIFICANT ACCOUNTING POLICIES continued

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 at the point in time 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.

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.

	2021 £'000	2020 £'000
Other income	134	725
Administrative expenses	1,472	2,769
Total	1,606	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, the ultimate realisation value for the pledge assets supporting those loans and the time taken to realise assets relating to loans in default. An assessment is made on a pledge by pledge basis of the amortised cost value to identify any expected credit losses. The principal estimates within the amortised cost calculation are;

1. Non Redemption Rate

This is based upon current and historical data

2. Realisation Value

This 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.

3. Time taken to sell assets relating to loans in default

This is based upon current and historical data

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

Notes to the consolidated financial statements

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

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.

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%.

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. If outcomes within the next financial year are different from the assumptions made in relation to future cash flows, this could lead to 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.

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:

Lease term

For leases which contain a break clause an assessment is made on entering a lease on the likelihood that the lease break would be exercised. If the lease break is not expected to be exercised the break clause is ignored in establishing the lease term.

5. SEGMENTAL ANALYSIS

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

	12 months to 30 September 2021 £'000	18 months to 30 September 2020 (restated) £'000
Revenue		
United Kingdom	40,665	72,411
Other	12	82
	40,677	72,493

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.

	12 months to 30 September 2021 £'000	18 months to 30 September 2020 (restated) £'000
Revenue		
Contracts with customers	33,151	58,027
Pawnbroking interest income	7,526	14,466
	40,677	72,493

Pawnbroking interest income is recognised over time as each loan progresses whereas all other revenue is recognised at a point in time.

Notes to the consolidated financial statements

5. SEGMENTAL ANALYSIS continued

	12 months to 30 September 2021 £'000	18 months to 30 September 2020 (restated) £'000
Revenue		
Pawnbroking	7,526	14,466
Purchases of precious metals	10,369	23,024
Retail Jewellery sales	18,252	17,109
Foreign currency margin	3,408	14,859
Income from other financial services	1,122	3,035
Total revenue	40,677	72,493
Gross profit		
Pawnbroking	6,678	12,248
Purchases of precious metals	4,240	9,856
Retail Jewellery sales	6,965	7,701
Foreign currency margin	3,257	14,859
Income from other financial services	1,122	2,485
Total gross profit	22,262	47,149

	12 months to 30 September 2021 £'000	12 months to 30 September 2020 £'000
Total gross profit	22,262	47,149
Other income	284	725
Administrative expenses	(21,510)	(37,858)
Finance costs	(472)	(795)
Profit before tax	564	9,221

Income from other financial services comprises of cheque cashing fees, 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.

In addition to the segmental reporting on products and services the Group also manages each branch as a separate CGU and makes local decisions on that basis.

Notes to the consolidated financial statements

5. SEGMENTAL ANALYSIS continued

	2021 £'000	2020 £'000
Other information		
Tangible & intangible capital additions (*)	1,636	2,045
Depreciation and amortisation (*)	3,515	6,377
Assets		
Pawnbroking	9,173	9,685
Purchase of precious metals	1,172	1,664
Retail Jewellery sales	14,306	9,707
Foreign currency margin	5,314	5,692
Income from other financial services	139	145
Unallocated (*)	22,611	25,516
	52,715	52,409
Liabilities		
Pawnbroking	492	375
Purchase of precious metals	21	3
Retail Jewellery sales	3,433	2,130
Foreign currency margin	1,335	471
Income from other financial services	541	438
Unallocated (*)	10,750	13,437
	16,572	16,854

(*) 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. Restated - see note 2 and 28 for further details.

6. FINANCE COSTS

	12 months to 30 September 2021 £'000	18 months to 30 September 2020 £'000
Interest on debts and borrowings	84	181
Lease charges	388	614
Total finance costs	472	795

Notes to the consolidated financial statements

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

	12 months to 30 September 2021 £'000	18 months to 30 September 2020 £'000
Items reported within Other income -		
Compensation for surrendering a lease	(150)	–
Retail grants	(134)	(725)
Items reported within Cost of sales -		
Cost of inventories recognised as an expense	17,416	22,576
Pawnbroking expected credit losses	848	2,218
Items reported within Administrative expenses -		
Depreciation of property, plant and equipment	1,073	2,004
Impairment of property, plant and equipment	1	234
Depreciation of right of use of assets	2,223	3,483
Impairment of right of use of assets	–	40
Profit on disposal of right of use assets	(45)	–
Amortisation of intangible assets	172	524
Impairment of intangible assets	46	92
Loss on disposal of property, plant and equipment	140	185
Staff costs (see note 9)	11,452	19,374
Foreign currency exchange losses/(gains)	135	212
Auditor's remuneration	140	189
Short term lease payments	441	296
Share based payments (see note 25)	254	398

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.

8. EARNINGS PER SHARE

	12 months to 30 September 2021 £'000	18 months to 30 September 2020 £'000
Profit for the period/year	366	7,118
Weighted average number of shares in issue	31,161,726	30,837,653
Earnings per share (pence)	1.2	23.1
Weighted average number of dilutive shares	481,481	805,554
Effect of dilutive shares on earnings per share (pence)	(0.0)	(0.6)
Fully Diluted earnings per share (pence)	1.2	22.5

Notes to the consolidated financial statements

9. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments (£'000)

	12 months to 30 September2021				18 months to 30 September 2020			
	Emoluments	Pension	LTIP	Total	Emoluments	Pension	LTIP	Total
Executive								
Peter Kenyon	201	10	–	211	361	15	–	376
Martin Clyburn	134	13	204	351	253	21	–	274
Non Executive								
Andrew Meehan	66	–	–	66	99	–	–	99
Simon Herrick	48	–	–	48	72	–	–	72
Steve Smith	40	–	–	40	60	–	–	60
Total	489	23	204	716	845	36	–	881

	12 months to 30 September 2021 £'000	18 months to 30 September 2020 £'000
Included in administrative expenses:		
Wages and salaries	10,011	16,852
Social security costs	856	1,665
Share option scheme	254	398
Pension costs	331	459
Total employee benefits expense	11,452	19,374

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

	12 months to 30 September 2021 No.	18 months to 30 September 2020 No.
Head Office and management	106	103
Branch Counter staff	586	647
	692	750

10. INCOME TAX

The major components of income tax expense are:

Consolidated statement of comprehensive income

	12 months to 30 September 2021 £'000	18 months to 30 September 2020 £'000
Current income tax:		
Current income tax charge	32	2,060
Adjustments in respect of current income tax of previous year	7	86
	39	2,146
Deferred tax:		
Relating to origination and reversal of temporary differences	159	(43)
Income tax expense reported in the statement of comprehensive income	198	2,103

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

	12 months to 30 September 2021 £'000	18 months to 30 September 2020 £'000
Profit before income tax	564	9,221
UK corporation tax rate at 19% (2020 19%)	107	1,752
Expenses not deductible for tax purposes	84	265
Prior period adjustment	7	86
Income tax reported in the statement of comprehensive income	198	2,103

Deferred tax

Deferred tax relates to the following:

	2021 £'000	2020 £'000
Deferred tax assets		
Share based payments	80	182
Deferred tax assets	80	182
Deferred tax liabilities		
Accelerated depreciation for tax purposes	112	13
Other short-term differences	6	10
Deferred tax liabilities	118	23

Notes to the consolidated financial statements

10. INCOME TAX continued

Reconciliation of deferred tax (asset)/liabilities net

	2021 £'000	2020 £'000
Opening balance as of 1 October/1 April	(159)	(141)
Deferred tax recognised in the statement of comprehensive income	159	(43)
Other deferred tax	38	25
Closing balance as at 30 September	38	(159)

Factors affecting tax charge

The standard rate of UK corporation tax for the period was 19% (2020: 19%). An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021.

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £'000	Leasehold improvements £'000	Fixtures & Fitting £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 October 2020	–	6,099	3,533	715	40	10,387
Additions	210	796	400	141	27	1,574
Disposals	–	(539)	(304)	(16)	(14)	(873)
At 30 September 2021	210	6,356	3,629	840	53	11,088
Depreciation						
At 1 October 2020	–	3,439	1,680	403	20	5,542
Depreciation charge for the year	2	547	422	95	7	1,073
Impairment	–	–	1	–	–	1
Disposals	–	(468)	(236)	(12)	(7)	(723)
At 30 September 2021	2	3,518	1,867	486	20	5,893
Net book value						
At 30 September 2021	208	2,838	1,762	354	33	5,195
At 30 September 2020	–	2,660	1,853	312	20	4,845

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 October 2020	11,758	301	12,059
Additions	2,504	2	2,506
Disposals	(1,343)	(129)	(1,472)
At 30 September 2021	12,919	174	13,093
Depreciation			
At 1 October 2020	3,360	163	3,523
Depreciation Charge for the year	2,128	95	2,223
Disposals	(688)	(129)	(817)
At 30 September 2021	4,800	129	4,929
Net Book Value			
At 30 September 2021	8,119	45	8,164
At 30 September 2020	8,398	138	8,536

12. INTANGIBLE ASSETS

	Customer relationships £'000	Website £'000	Goodwill £'000	Total £'000
Cost				
At 1 October 2020	2,130	92	526	2,748
Additions	49	13	–	62
At 30 September 2021	2,179	105	526	2,810
Amortisation				
At 1 October 2020	1,730	75	73	1,878
Amortisation charge for the year	162	10	–	172
Impairment	46	–	–	46
At 30 September 2021	1,938	85	73	2,096
Net book value				
At 30 September 2021	241	20	453	714
At 30 September 2020	400	17	453	870

Customer relationship additions relate to £49,000 paid for the pawnbroking customer lists purchased during the period.

Notes to the consolidated financial statements

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.

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 2021	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 at amortised cost	–	9,723	–	9,723	9,723
Cash and cash equivalents	–	13,032	–	13,032	13,032
Financial liabilities					
Trade and other payables	–	–	(7,514)	(7,514)	(7,514)
Lease liabilities	–	–	(8,601)	(8,601)	(8,601)
Net financial assets/(liabilities)	**–**	**22,755**	**(16,115)**	**6,640**	**6,640**

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 at amortised cost	–	10,321	–	10,321	10,321
Cash and cash equivalents	–	15,873	–	15,873	15,873
Financial liabilities					
Trade and other payables	–	–	(6,083)	(6,083)	(6,083)
Lease liabilities	–	–	(9,099)	(9,099)	(9,099)
Net financial assets/(liabilities)	**–**	**26,194**	**(15,182)**	**11,012**	**11,012**

Financial assets at amortised cost 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 as disclosed in notes 18 & 19.

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.

	2021			2020		
Category	Gross amount £'000	Loss allowance £'000	Net carrying amount £'000	Gross amount £'000	Loss allowance £'000	Net carrying amount £'000
Performing	6,747	173	6,574	5,553	127	5,426
In default	3,127	528	2,599	5,653	1,394	4,259
Total	9,874	701	9,173	11,206	1,521	9,685

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 loans £'000
At 1 April 2019	713
Statement of comprehensive income charge	2,218
Utilised in the period	(1,410)
At 30 September 2020	1,521
Statement of comprehensive income charge	847
Utilised in the period	(1,667)
Balance at 30 September 2021	701

Expected credit losses were high in 2020 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. The position has normalised by 30 September 2021.

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 £6k/(£6k).

A one month increase/(decrease) in the Group's estimate of the expected time to sell pledge goods in the course of realisation from the balance sheet date is a reasonably possible variance based on historical trends and would result in an impact on Group pre-tax profit of (£80k)/£80k.

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

	2021 £'000	2020 £'000
Within contractual term	5,601	4,989
Past due	536	1,559
	6,137	6,548

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:

i) 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.

ii) 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.

iii) 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.

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. The Company uses monthly forward contracts to hedge against adverse exchange rate movements in its two key currencies, Euros and US dollars. There are no contracts in place at the year end.

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 2021	<3 months £'000	3-12 months £'000	1-5 years £'000	>5 years £'000	Total £'000
Lease Liabilities	621	1,757	5,388	2,579	10,345
Trade payables	5,406	–	–	–	5,406
Total	6,027	1,757	5,388	2,579	15,751

As at 30 September 2020	<3 months £'000	3-12 months £'000	1-5 years £'000	>5 years £'000	Total £'000
Lease Liabilities	442	2,006	5,642	2,369	10,459
Trade payables	3,153	–	–	–	3,153
Total	3,595	2,006	5,642	2,369	13,612

Although the Group is currently not utilising its bank facility, 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 and in the event that the Group requires to utilise the borrowing facility. 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

	2021 £'000	2020 (restated) £'000
New and second hand inventory for resale (at lower of cost or net realisable value)	15,151	11,159

Restated - see note 2 and 28 for further details.

16. TRADE AND OTHER RECEIVABLES

	2021 £'000	2020 (restated) £'000
Trade receivables – Pawnbroking	9,173	9,685
Trade receivables – other	489	372
Other receivables	61	264
Prepayments	656	623
	10,379	10,944

Pawnbroking accrued income is disclosed net of expected credit losses, details of which are shown in note 14.
Restated - see note 2 and 28 for further details.

17. CASH AND CASH EQUIVALENTS

	2021 £'000	2020 £'000
Cash and cash equivalents	13,032	15,873

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)

	2021 £'000	2020 £'000
Trade payables	5,406	3,153
Other payables	767	594
Other taxes and social security	277	566
Accruals	1,170	2,069
Contract liabilities	53	40
Subtotal	7,673	6,422
Lease liabilities	2,159	2,005
Income tax liabilities	61	1,157
	9,893	9,584

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.

18. TRADE AND OTHER PAYABLES (CURRENT) continued

Bank borrowings

The RCF facility was renewed during 2021 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 2024
Utilisation	The £10m facility is available subject to the ratio of cash at bank and 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 2021 the group had available £10m of undrawn committed facilities.

19. NON-CURRENT LIABILITIES

	2021 £'000	2020 £'000
Lease liabilities	6,442	7,094
Contract liabilities	119	153
Deferred tax (note 10)	118	23
	6,679	7,270

20. LEASE LIABILITY

	2021 £'000	2020 £'000
Lease Liabilities as at 1 October/1 April	9,099	9,737
Additions	2,506	3,304
Disposals	(700)	(297)
Interest	388	614
Payments	(2,692)	(4,259)
As at 30 September	8,601	9,099
Current lease liability	2,159	2,005
Non-current lease liability	6,442	7,094

Notes to the consolidated financial statements

20. LEASE LIABILITY continued

The cash flows relating to financing activities for repayment of lease principal amounts is £2,304,000 (2020: £3,645,000). Amounts repaid in the year are shown in the consolidated Statement of Cash Flows.

Short term lease payments recognised in administrative expenses in the year total £441,000 (2020: £296,000). 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 30 September 2020	30,837,653	308
Issued during the year	555,554	6
At 30 September 2021	31,393,207	314

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:

	2021 £'000	2020 £'000
No final dividend for the year ended 30 September 2020 (31 March 2019 of 4.8p per share)	–	1,480
No interim dividend for the period ended 30 September 2021 (30 September 2020 of 2.7p per share)	–	833
	–	2,313
Amounts proposed and not recognised:		
Final dividend for the year ended 30 September 2021 (No final dividend for 30 September 2020)	408	–

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 2021 are £57,000 (2020: £57,000).

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:

	12 months to 30 September 2021 £'000	18 months to 30 September 2020 £'000
Short term employee benefits	688	1,183
Post employment benefits	39	61
Share based payments	139	240
	866	1,484

25. SHARE BASED PAYMENTS

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

	12 months to 30 September 2021 £'000	18 months to 30 September 2020 £'000
LTIP	254	398

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	462,500	–
Forfeited during the period	–	–
Exercised during the period	(555,554)	1
Outstanding at the end of the period	932,500	

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	08/02/2021	08/02/2021	16/07/2019	16/07/2019	02/07/2018	02/07/2018
Share Price	£1.48	£1.48	£1.88	£1.88	£1.75	£1.75
Exercise Price	£0.01	£0.01	£0.01	£0.01	£0.01	£0.01
Vesting period	2.64 years	2.64 years	2.71 years	2.71 years	2.75 years	2.75 years
Risk Free return	0.01%	0.01%	0.5%	0.5%	0.7%	0.7%
Volatility	51%	51%	26%	26%	30%	30%
Dividend Yield	0.0%	0.0%	3.9%	3.9%	4.0%	4.0%
Fair value of Option (£)	0.64	1.47	0.52	1.68	0.46	1.56

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.

27. CASH AND CASH EQUIVALENTS

	30 September 2021 £'000	30 September 2020 £'000
Sterling cash and cash equivalents	7,747	10,204
Other currency cash and cash equivalents	5,285	5,669
	13,032	15,873

28. PRIOR PERIOD ADJUSTMENT

Following a review, the Group has changed its accounting policy for pawnbroking loans in the course of realisation, on the basis that the derecognition criteria under IFRS9 has not been met. Note 2 provides further details of this change. The change in accounting policy has resulted in a prior period adjustment to previously reported results as follows:

Consolidated statement of comprehensive income For the 18 month period ended 30 September 2020	Reported £'000	Adjustment £'000	Restated £'000
Revenue	76,938	**(4,445)**	**72,493**
Cost of sales	(29,789)	4,445	(25,344)
Gross profit	47,149	**–**	**47,149**
Other income	725	**–**	**725**
Administrative expenses	(37,858)	–	(37,858)
Operating profit	10,016	**–**	**10,016**
Finance costs	(795)	–	(795)
Profit before tax	9,221	**–**	**9,221**
Income tax expense	(2,103)	–	(2,103)
Profit for the year / period	7,118	**–**	**7,118**
Other comprehensive income	–	**–**	**–**
Total comprehensive income	7,118	**–**	**7,118**

Notes to the consolidated financial statements

28. PRIOR PERIOD ADJUSTMENT continued

Restated consolidated statement of financial position	As at 30 September 2020 Reported £'000	As at 30 September 2020 Adjustment £'000	As at 30 September 2020 Restated £'000	As at 01 April 2019 Reported £'000	As at 01 April 2019 Adjustment £'000	As at 01 April 2019 Restated £'000
Assets						
Non-current assets	14,433	–	14,433	16,096	–	16,096
Current Assets						
Inventories	13,360	(2,201)	11,159	12,658	(2,051)	10,607
Trade and other receivables	8,743	2,201	10,944	10,407	2,051	12,458
Cash and short term deposits	15,873	–	15,873	13,420	–	13,420
	37,976	–	37,976	36,485	–	36,485
Total assets	**52,409**	**–**	**52,409**	**52,581**	**–**	**52,581**
Current liabilities	9,584	–	9,584	14,362	–	14,362
Net current assets	**28,392**	**–**	**28,392**	**22,123**	**–**	**22,123**
Non-current liabilities	7,270	–	7,270	7,842	–	7,842
Total liabilities	**16,854**	**–**	**16,854**	**22,204**	**–**	**22,204**
Net assets	**35,555**	**–**	**35,555**	**30,377**	**–**	**30,377**

Restated consolidated statement of cash flows For the period ended 30 September 2020	Reported £'000	Adjustment £'000	Restated £'000
Operating activities			
Profit before tax	9,221	–	9,221
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment	2,238	–	2,238
Depreciation and impairment of right of use assets	3,523	–	3,523
Profit on disposal of right of use assets	–	–	–
Amortisation and impairment of intangible assets	616	–	616
Loss on disposal of property, plant and equipment	185	–	185
Share based payments	398	–	398
Finance costs	795	–	795
Working capital adjustments:			
Movement in trade and other receivables and prepayments	1,781	(150)	1,631
Movement in inventories	(702)	150	(552)
Movement in trade and other payables	170	–	170
	18,225	–	18,225
Interest paid	(795)	–	(795)
Income tax paid	(1,678)	–	(1,678)
Net cash flows from operating activities	15,752	–	15,752
Net cash flows used in investing activities	(2,041)	–	(2,041)
Net cash flows from financing activities	(11,258)	–	(11,258)
Net decrease / increase in cash and cash equivalents	2,453	–	2,453

Parent company statement of financial position

As at 30 September 2021

	Notes	2021 £'000	2020 £'000
Assets			
Non-current assets			
Investments	D	8,205	8,046
Deferred tax	E	80	182
		8,285	8,228
Current assets			
Receivables	F	450	4,438
Cash and short term deposits		3,968	7
		4,418	4,445
Total assets		**12,703**	**12,673**
Current liabilities			
Trade and other payables	G	94	293
		94	293
Net current assets		**4,324**	**4,152**
Total assets less current liabilities		12,609	12,380
Net assets		**12,609**	**12,380**
Equity			
Issued capital	H	314	308
Share Premium		4,892	4,892
Retained earnings		7,403	7,180
Total equity		**12,609**	**12,380**

The profit after tax for the Company for the year ended 30 September 2021 was £55,000 (2020: £2,765,000).

These financial statements were approved by the directors and authorised for issue on 17 January 2022 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 year ended 30 September 2021

	Share Capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
As at 1 April 2019	308	4,892	6,334	11,534
Profit for the year	–	–	2,765	2,765
Total comprehensive income	–	–	2,765	2,765
Transactions with owners:				
Dividends paid	–	–	(2,313)	(2,313)
Share based payments	–	–	398	398
Deferred tax on share based payments	–	–	(4)	(4)
Total transactions with owners	–	–	(1,919)	(1,919)
As at 30 September 2020	308	4,892	7,180	12,380
As at 1 October 2020	308	4,892	7,180	12,380
Profit for the period	–	–	55	55
Total comprehensive income	–	–	55	55
Transactions with owners:				
Issue of share capital	6	–	–	6
Share based payments	–	–	254	254
Deferred tax on share based payments	–	–	(86)	(86)
Total transactions with owners	6	–	168	174
As at 30 September 2021	**314**	**4,892**	**7,403**	**12,609**

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 the Directors' Report.

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. The expense is recognised in the entity in which the beneficiary is remunerated. The share based payment expense in the period which relates to subsidiaries increases the carrying value of the investment held.

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:

	12 months to 30 September 2021 £'000	18 months to 30 September 2020 £'000
Remuneration receivable	489	845
Social security cost	90	186
Value of company pension contributions to money purchase schemes	23	36
Share based payments	95	156
	697	1,223

Some of the directors of the Company are also directors of Ramsdens Financial Ltd. These directors did not receive remuneration from Ramsdens Financial Limited and amounts paid through the Company were £519,000 (2020: £905,000). The directors do not believe it is practicable to apportion this amount between their services as directors of the Company and other group companies.

Remuneration of the highest paid director:

	12 months to 30 September 2021 £'000	18 months to 30 September 2020 £'000
Remuneration receivable	201	361
Value of company pension contributions to money purchase schemes	10	15
Share Based Payments	60	102
	271	478

The number of directors accruing retirement benefits under the money purchase scheme is 2 (2020: 2).

D. INVESTMENTS

Shares in subsidiary undertakings

	2021 £'000	2020 £'000
Cost		
Cost brought forward	8,046	7,804
Additions – Share based payments	159	242
Cost carried forward	8,205	8,046

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

Notes to the parent company financial statements

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:

	2021 £'000	2020 £'000
Deferred tax assets		
Share based payments	80	182
	80	182

Reconciliation of deferred tax assets

	2021 £'000	2020 £'000
Opening balance as of 1 October/1 April	182	167
Deferred tax credit recognised in the statement of comprehensive income	(64)	19
Other deferred tax	(38)	(4)
Closing balance as at 30 September	80	182

F. RECEIVABLES

	2021 £'000	2020 £'000
Amounts owed by subsidiary companies	439	4,426
Prepayments	11	12
	450	4,438

Amounts owed by subsidiary companies is payable on demand and no interest is charged.

G LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Trade Payables	10	20
Other Creditors	63	139
Other taxes and Social Security	21	86
Current tax liabilities	–	48
	94	293

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	Grant Thornton UK LLP No 1 Whitehall Riverside Whitehall Road Leeds LS1 4BN
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

Ramsdens Holdings PLC
Unit 16
The Parkway Centre
Coulby Newham
Middlesbrough TS8 0TJ

01642 579957

www.ramsdensplc.com