RAMSDENS

HOLDINGS PLC

Annual Report and Accounts

Year ended 30 September 2022

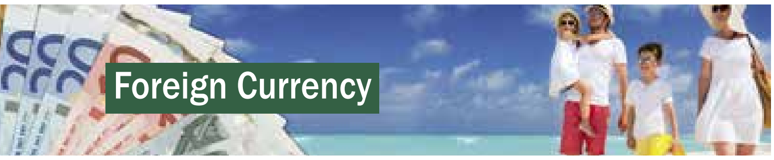
HELPING YOU WITH EVERYDAY LIFE


RAMSDENS
RAMSDENS
TRAVEL MONEY • WE BUY GOLD • PAWNBROKERS
NEW STOCK
TRAVEL MONEY
BEST RATES
GUARANTEED
NEW JEWELLERY

Contents

Our business

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



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 158 stores (including two 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 trused 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 crossselling to meet customer needs
- We have a first-class, robust, customercentric 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

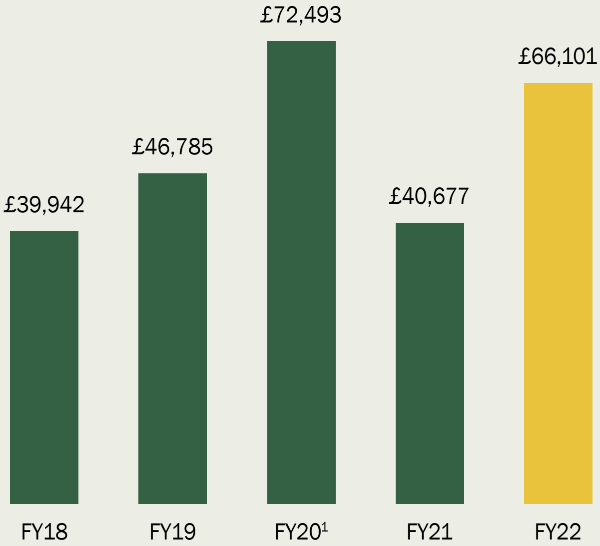
Trustpilot

Excellent

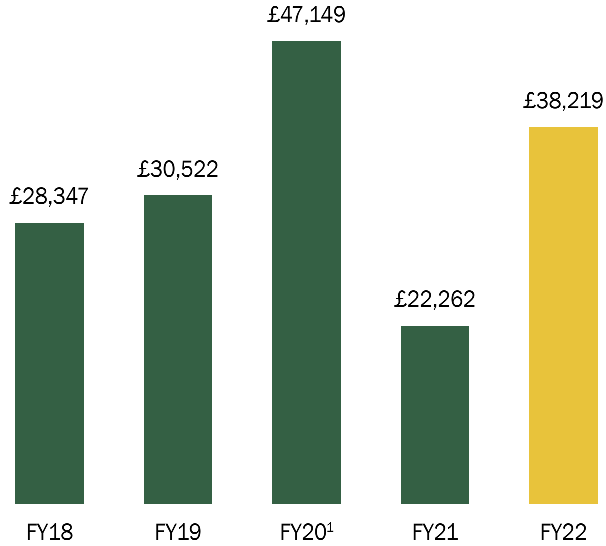
Trust Score **4.9 I 6,755** reviews

Financial highlights & store numbers

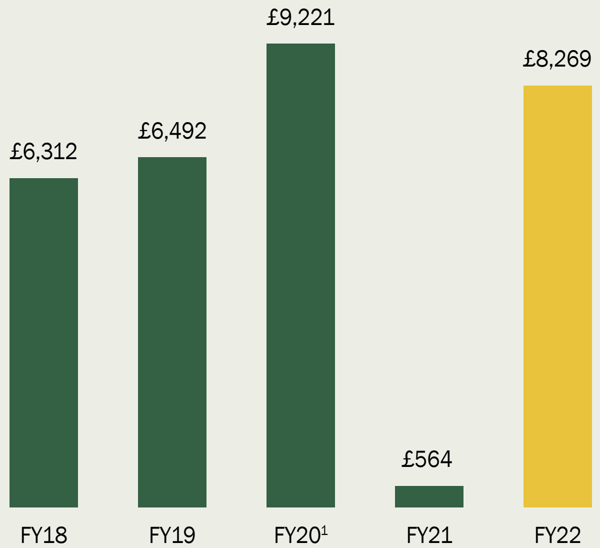
Revenue (£000's)



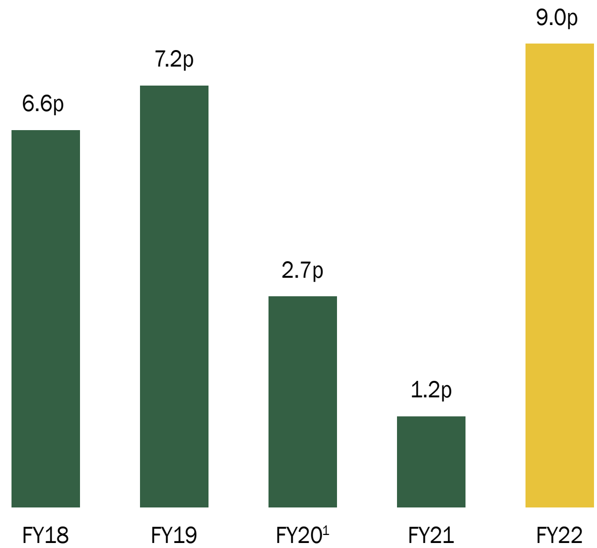
Gross Profit (£000's)



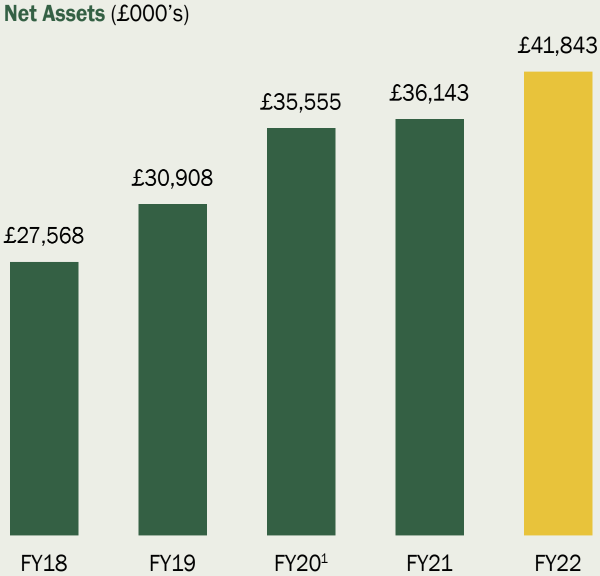
Profit Before Tax (£000's)



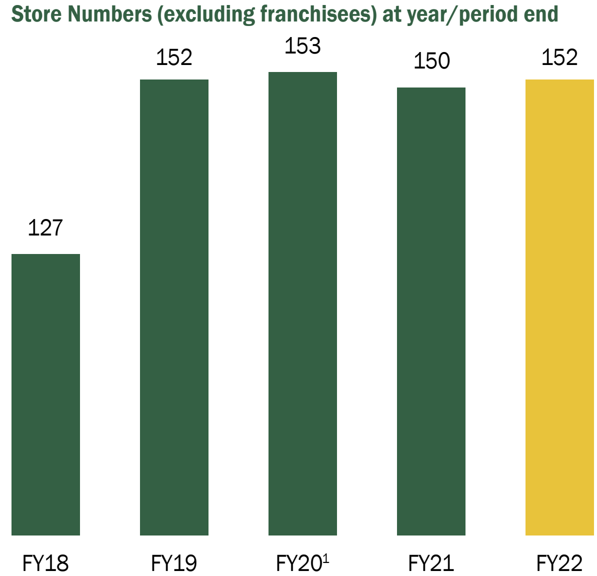
Dividend Decalred



Net Assets (£000's)



Store Numbers (excluding franchisees) at year/period end



[1] 18 month period

Strategic Report


CURRENCY
SERVICES

Chairman's statement

Andrew Meehan

I had every confidence that Ramsdens, underpinned by the strength of its diversified business model and value-for-money proposition, would emerge from the Covid-19 pandemic well-positioned for continued growth.

I am pleased to say this is the position we are now in.

This Annual Report covers the 12-month period to 30 September 2022 (FY22).

The financial results for FY22 are significantly ahead of FY21 as the latter were severely impacted by retail closures and reduced international travel resulting from the pandemic.

FY22 brought the challenges of the Covid-19 Omicron variant in H1, which impacted retail, particularly in the weeks prior to Christmas 2021, and also caused disruption to international travel. While these challenges eased in H2, the trading conditions did not return to those seen prior to the onset of the pandemic.

Despite these challenges, I am pleased to report that the Group has had an excellent recovery.

FINANCIAL RESULTS & DIVIDEND

The below table highlights the financial results:

£000's	FY22	FY21
Revenue	£66,101	£40,677
Gross Profit	£38,219	£22,262
Profit Before Tax	£8,269	£564
Net Assets	£41,843	£36,143
Net Cash*	£8,835	£13,032
EPS	20.9p	1.2p
Final dividend	6.3p	1.2p
Full year dividend	9.0p	1.2p

*cash minus bank borrowings

The Group achieved revenue of £66.1m (FY21: £40.7m) and Profit Before Tax of £8.3m (FY21: £0.6m). The Strategic Report and Financial Review that follow provide a more in-depth analysis of the Group's trading performance and financial results.

The Board has recommended a final dividend of 6.3p (FY21: 1.2p) for approval at the forthcoming AGM. The full year dividend, of 9.0p (FY21: 1.2p) assuming approval at the AGM, would represent 43% of the earnings per share. This payment recommences the Group's progressive dividend policy of paying approximately 50% of post-tax profits to shareholders, always subject to executing on the Group's growth opportunities. Subject to approval at the AGM, the final dividend is expected to be paid on 10 March 2023 for those shareholders on the register on 3 February 2023. The ex-dividend date will be 2 February 2023.

LOOKING AHEAD

The Board believes Ramsdens' diversified income streams provide defensive qualities against the macroeconomic challenges that lie ahead. The uncertainty caused by energy cost increases, general inflationary pressures and higher interest rates will prove a challenge to many businesses, and Ramsdens is no different.

However, we also see opportunities. We would hope that after three years of disruption to summer holidays, 2023 may see the level of holidays taken by consumers return to 2019 levels, although it is always possible that economic conditions may delay that.

Tougher economic conditions will no doubt lead to increased and sometimes unexpected bills for our customers. As an asset-backed loan, pawnbroking provides a solution to an immediate borrowing need and allows customers six months to repay their loans or to make longer term financial arrangements. We have seen the continued demand for this simple solution as the Ramsdens pawnbroking loan book finished the year end at a record high. Due to global economic uncertainty, the gold price is also expected to remain higher than long term averages, which will benefit both our pawnbroking and precious metals buying business segments. While there is greater uncertainty for the outlook on retail, as jewellery is often a discretionary spend, Ramsdens has been investing heavily in upskilling staff, building appropriate stock levels, stock presentation and replenishment systems and it is expected that the significant momentum we have seen during FY22 will support a continued strong performance in FY23.

Of course, the Group is not immune from rising costs. While energy prices for the vast majority of our stores are fixed until February 2024, stores opened since February 2021 are not part of that contract and have been subject to higher energy costs. The biggest cost to the business is also our most important asset: our people. We have a duty to look after our people and, in addition to professional development initiatives, opportunities for career progression and welfare programmes, we also want to reward our staff well. In addition to a one off 'thank you' bonus, our January 2023 pay review will again ensure that our staff are paid at least the Real Living Wage with the potential to earn more through attractive bonus schemes.

I am extremely proud of the Ramsdens team's skills and their 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 for their continued dedication.

During the year, Steve Smith took the decision to retire from Ramsdens prior to the 2023 AGM. The Nominations Committee undertook a recruitment process and I am pleased to report that Karen Ingham joined the Board on 1 November 2022. I would like to thank Steve for his contribution to Ramsdens and wish him all the best for the future and welcome Karen to our board.

Andrew Meehan
Non-Executive Chairman

16 January 2023

Chief Executive's Review

Peter Kenyon

Despite the challenges faced during the year, I am pleased that our diversified income streams have performed extremely well to deliver strong annual profits, in line with those achieved prior to the onset of the pandemic.

We started the year with optimism. We knew consumers had saved significant sums and paid down debts through the pandemic and that as restrictions were removed, normalised spending habits would resume, and as a result there would be a greater need to borrow.

The Covid-19 Omicron variant of coronavirus slowed down the return to more normalised trading conditions until after Christmas 2021. In early 2022 we saw the end of the red and green 'traffic light' destination lists and constraints on international travel reduced, most notably the uncertainty of a pre-departure Covid-19 test. However, it soon became clear that many airlines and airports were unable to manage the increased volume of consumers travelling during peak holiday months which led to a reduced number of international flights. As a result, our opportunity to sell foreign currency was more limited than we initially expected.

The war in Ukraine and the resulting energy crisis combined with other inflationary pressures has impacted on both our business and customers. However, the Group has fixed energy pricing across the majority of its estate until February 2024 which provides mitigation in the short term.

Our staff have once again delivered outstanding service to our growing customer base during the year for which I'm hugely grateful. I would like to take this opportunity to publicly thank them all for their commitment. We continue to invest in attracting, retaining and rewarding our staff as we develop what I believe to be the best team in the industry.

I remain very optimistic for the future of Ramsdens given our diversified income streams, robust business model and strong balance sheet.

Business Review

Despite the external challenges faced during recent period, the Group has remained committed to its growth strategy.

Our continuous improvement ethos has led to the core store estate delivering growth across all income streams and gives us momentum as we move forward. Within the core estate, we have relocated four stores, namely Carlisle, Kilmarnock, Newcastle and Manchester. We opened new stores in Bolton and Glasgow and successfully expanded into the South East of England with a new store opening in Chatham. We acquired a further store on the South coast at Boscombe. All of the new stores and relocations have performed well.

Two stores have been closed and merged locally in line with our approach of regularly appraising individual store performance, new opportunities and return on investment, and we ended the financial year with 152 stores and two franchised locations.

Our online activities continue to grow. We commenced a project to refresh the retail jewellery website to improve the search facility for customers and for organic reach. The refreshed website went live in Q1 FY23. In H1 2023, we will have individual websites for our four key income streams, further improving the online customer journey.

During the year we acquired the freehold of our head office premises. This will allow us to expand this bespoke building to support our long-term growth plans as well as introduce a greener energy solution.

The performance of each of the Group's key income streams is discussed in greater detail on the next page.

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 international bank-to-bank payments through a third-party arrangement.

	FY22	FY21
Total Currency exchanged	£364m	£77m
Gross Profit	£12.7m	£3.3m
Online click and collect orders	£38.7m	£6.9m
Percentage of FX online	11%	9%
Percentage of Group gross profit	33%	15%

October 2021 volumes were approximately 30% of pre-pandemic levels, rising to over 80% in May 2022 before settling through the summer at circa 70% of pre-pandemic levels.

During this period of supressed volumes, the industry has widened margins, and Ramsdens has benefited from this while still offering attractive and competitive exchange rates to our customers. The overall margin achieved on all foreign currency exchanged was 3.5%, down from 4.2% due to the changes in mix of foreign currency sales and purchases.

The average foreign currency sale transaction value (ATV) was £469, an increase on the pre pandemic level of £401. 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.

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 2023.

International payments income continues to be relatively small in comparison to total foreign currency commission but we have a loyal repeat customer base using the service.

We strongly believe that customers' desire to go on holiday abroad remains high, especially after three summers of disruption. We are optimistic that more holiday makers will travel during summer 2023 than did during 2022, and that numbers may return to 2019 levels. However, it is also possible that economic conditions may delay the return to pre-pandemic levels.

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	FY22	FY21
Gross Profit	£7,533	£6,678
Total loan book* (capital value)	£8,648	£6,137
Past Due (capital value)	£721	£536
In date loan book* (capital value)	£7,927	£5,601
Percentage of Group gross profit	20%	30%

*excludes loans in the course of realisation

As Covid-19 restrictions eased, as expected, consumers started to spend more which resulted in an increase in some customers' short-term requirements for financial assistance. This occurred across both mainstream consumer credit, such as credit cards where card balances increased in the last 12 months, as well as across the consumer base using pawnbroker. At the same time, the number of small sum short term credit providers in the market reduced. As a consequence, demand for pawnbroking loans has increased and the loan book at the year-end was at a record high of £8.6m (FY21 £6.1m).

The average loan value as at 30 September 2022 was £303, up from £264 as at 30 September 2021. Our lending remains conservative in line with our long-term policy.

We predict that increased energy bills, high inflation and higher interest rates will squeeze household incomes in FY23 leading to an increased demand for consumer borrowing. If consumers have assets to pledge, pawnbroking can provide a short-term solution and therefore our loan book is expected to increase during FY23.

JEWELLERY RETAIL

The Group offers new and second-hand jewellery, including premium watches, for sale. The Board continues to believe 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.

The 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, new jewellery retailing enables the Group to attract customers who prefer not to buy second-hand.

£000's	FY22	FY21
Revenue	£27,107	£18,252
Gross Profit	£10,263	£6,965
Margin %	38%	38%
Jewellery retail stock	£19,683	£13,979
Online Sales	£3,904	£2,822
Percentage of sales online	14%	15%
Percentage of Group gross profit	27%	31%

The Group's retail performance is at a record high and continues to perform well following investments in stock levels, stock presentation, replenishment systems, staff training and our retail website over recent years.

Retail revenue is now approximately equally spread across three key categories of premium watches, new jewellery and preowned jewellery. Margins by product category have remained consistent as has the overall gross margin as all product categories have performed well.

Online growth remains strong with revenue increasing to £3.9m, up 38% for the year. Online sales represented 14% of all jewellery items sold.

As well as a profitable sales channel, the jewellery website also serves as a catalogue for our branches, assisting our staff with serving customers where stock choice in a branch may be limited. For example, our top watch sales branches have circa 60 watches in store but there are now over 1,800 watches available on our website for customers to browse, choose from and buy.

We believe there is an ongoing opportunity, instore and online, across our product categories, to develop and grow our jewellery retail business.

PURCHASE OF PRECIOUS METALS

Through our 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. If the items are not retailed, they are smelted and sold to a bullion dealer for their intrinsic value and the proceeds are reflected in the Group's accounts as precious metals buying income.

£000's	FY22	FY21
Revenue	£15,847	£10,369
Gross Profit	£6,626	£4,240
Percentage of Group gross profit	17%	19%

The Sterling price for 9ct gold has remained high in comparison to long run averages, at an average of £17.15 per gram during the year (FY21: £16.05).

While the first half of the year the weight of gold purchased was subdued in line with reduced footfall, during the second half year, the weight purchased has returned to pre-pandemic levels.

Given the wider global political and economic situation, we believe the gold price will remain high in the short to medium term, 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	FY22	FY21
Revenue	£1,114	£1,122
Gross Profit	£1,114	£1,122
Percentage of Group gross profit	3%	5%

This remains a steady source of income albeit we believe that cheque cashing will continue to decline over the medium term.

Strategy

Following an extensive review, the Board believes that its existing strategy, communicated over the last few years, remains the right course for growing our business and delivering value for all our stakeholders in a sustainable manner.

Our staff and their development are a core component of achieving our aims.

We continue to concentrate on:

1. Improving the performance of our existing store estate
2. Expanding the Ramsdens branch footprint in the UK
3. Developing our online proposition
4. Appraising opportunities presented by operating in a challenging market
5. Focusing on sustainability through our ESG policy

1. IMPROVING THE PERFORMANCE OF OUR EXISTING STORE ESTATE

All income segments have shown significant growth over FY21 levels, as the Group has recovered from the pandemic restrictions.

The strategic focus we have placed on attracting new customers and driving a higher wallet share from our repeat customers has led to a record pawnbroking loan book and record jewellery retail revenue. Our focus remains the same across the existing store estate.

Our costs are well controlled, with our largest cost being our staff. We fully understand the important role our staff play in achieving our strategic objectives and as a result we have budgeted for a positive pay review which has been brought forward to January 2023 from April. We are committed to ensuring that our staff remain not only productive but also feel rewarded in their careers at Ramsdens.

Rents continue to be negotiated downwards where there is an opportunity to do so, balanced with a desire for flexibility with lease expiry and break dates, especially if the town has some demographic challenges. In recognising this high street challenge, where the return on capital justifies a relocation, we will actively move a store to improve our footfall-reliant services of foreign currency exchange and jewellery retail while potentially reducing operating costs at the same time.

We believe our store estate performance is complemented by a strong online proposition. By investing in our retail jewellery website in recent years we have improved each store's access to a wider range of jewellery which has improved customer service levels and resulted in increased in-store sales.

In addition, we continually aim to improve the performance of our key income streams:

FOREIGN CURRENCY:

- The three key drivers for foreign currency remain trust, convenience and price. Having available stock and transparent pricing continues to build trust among consumers.
- By having branches conveniently located on high streets and in shopping centres, we will continue to attract consumers wanting foreign exchange services.
- By having competitive exchange rates, we will attract new and retain existing customers whilst continuing to manage margins closely, with due regard to local market conditions.
- By improving the frequency of contact we have with our foreign currency customers, we will stay in our customers' thoughts when they next need foreign currency.
- By developing a market-leading multi-currency travel card, we will seek to capture more of the customer's holiday spend while abroad.

PAWNBROKING:

- We have fully embraced the FCAs New Consumer Duty initiative. We have always had the consumer at the heart of what we do and this has been demonstrated by our loyal customer base. We will continue doing what we believe are the right things for our customers - this includes reducing interest rates for customers needing longer to pay and, if a customer defaults, by continuing 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 while examining 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:

- Stock levels have significantly increased over the last 18 months. This has been a deliberate strategy to give our customers more choice in-store and online and enable improved replenishment capabilities. This investment continues with the benefit of lessons learned during recent years and with the belief there is room for further improvement across 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 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:

- We are increasing the awareness amongst our existing customer base, primarily foreign currency exchange customers who are unaware of the service or the value held in damaged or simply unwanted or unworn jewellery.

2. EXPANDING THE BRANCH FOOTPRINT IN THE UK

The Group has a successful branch-based model. With diversified income streams, stores generate a good return on capital while leveraging the head office cost base. We have successful stores in small towns and large cities which gives us confidence that we can be successful on most high streets that have a nucleus of returning shoppers.

As at 30 September 2022, we had 152 stores plus two franchised stores.

During the year, we opened three greenfield sites and acquired a pawnbroker in Boscombe. We closed stores in Middlesbrough (secondary foreign currency kiosk) and Ripon; both of these stores were merged with other local Ramsdens stores.

The year also saw the first new store opened in the South East of England in Chatham, Kent. This store has had a good first year, well ahead of expectations, and we plan to open up to another seven stores in the South East in FY23.

Overall, we have targeted 12 locations to open in FY23. In Q1, we have now opened stores in Bootle in the North West, a second store in Bradford in Yorkshire, and Basildon in Essex. In Q2 we have stores scheduled to open in Croydon in Greater London, Maidstone in Kent and additional stores in Yorkshire and the North West of England.

Branch footprint in the UK (Jan 2023)

SCOTLAND
Aberdeen
Airdrie
Alloa
Arbroath
Ayr
Bathgate
Bellshill
Clydebank
Coatbridge
Cumbernauld
Dalkeith
Dumbarton
Dumfries
Dundee
Dunfermline
East Kilbride
Edinburgh
Elgin
Falkirk
Fraserburgh
Glasgow,
- Argyle Street
- Argyll Arcade
- The Forge
- Queens Park

Glenrothes
Grangemouth
Greenock
Hamilton
Inverness
Irvine
Kilmarnock
Kirkcaldy
Kirkintilloch
Leith
Livingston
Motherwell
Musselburgh
Newton Mearns
Paisley
Partick
Perth
Peterhead
Rutherglen
Saltcoats
Springburn
Stirling
Wishaw

ENGLAND
Altrincham
Ashington
Barnsley
Barrow
Basildon
Berwick
Billingham
Bishop Auckland
Blyth
Bolton
Boscombe
Boston
Bradford,
- Broadway Centre
- Kirkgate Centre

Bridlington
Bristol
Byker
Carlisle
Castleford
Chatham
Chester Le Street
Chesterfield
Chippenham
Consett
Cramlington
Croydon
Darlington
Derby
Doncaster
Durham
Eston
Gateshead
Goole
Grimsby
Guisborough
Halifax
Harrogate
Hartlepool
Huddersfield
Hull,
- Hessle Road
- Holderness Road

Jarrow
Keighley
Kendal
Killingworth
Lancaster
Leeds
Lincoln
Liverpool,
- Bootle
- Norris Green
- Old Swan
- Whitechapel

Manchester
Middlesbrough,
- Coulby Newham
- Hillstreet Centre
- Linthorpe Road

Morley
Newcastle,
- Benwell
- Eldon Square

Newton Aycliffe
North Shields
Northallerton
Oldham
Otley
Peterlee
Preston
Redcar
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
Whitby

3. DEVELOPING OUR ONLINE PROPOSITION

JEWELLERY RETAIL WEBSITE

www.ramsdensjewellery.co.uk

We continue to make good progress with the online sales of jewellery items. Sales have increased to £3.9m, up 38% from £2.8m in FY21. This performance excludes jewellery sales in branches which used the in-store digital facility to access the website as a catalogue of stock.

As part of our ongoing review of performance, the retail website was refreshed in Q1 FY23. This review improved the website layout and should significantly increase the success rates of our search and filter functions. Together with improved search engine visibility, investment in pay per click advertising, social media and affiliate advertising, use of differing payment options, improved photography and descriptions and learning from integrated AI, this should drive ongoing retail jewellery sales growth.

We see the development of our online retail jewellery website as complementary to our store estate and both will benefit as the store estate expands and the website generates increased brand recognition.

WEBSITE STRATEGY - OTHER KEY INCOME STREAMS

www.ramsdensforcash.co.uk

The ramsdensforcash website is currently being updated to create a portal to individual websites for each of our four key income streams.

Three new websites for foreign currency exchange, gold buying and pawnbroking will launch early in 2023 and will be supported by investment in search engine optimisation. By having this broadened online offering we hope to enhance our online channel revenues and profitability as well as support the performance of the branch estate in these segments.

4. APPRAISING OPPORTUNITIES PRESENTED BY OPERATING IN A CHALLENGING MARKET

The high street retail landscape has been challenging for a number of years. Following on from the impact of the pandemic, retailers are more likely to have higher debt burdens and now face increased energy costs and increased staff costs at a time when consumer income is being squeezed by high levels of inflation and increasing interest rates. This will impact some travel agents and jewellers who may leave the high street or indeed the market altogether, presenting opportunities for Ramsdens to attract new customers, takeover prime retail locations or acquire businesses.

Our estimate of the number of pawnbroking outlets in the UK remains at approximately 870 - operated by circa 130 pawnbroking businesses. The Ramsdens operating board are well networked within the industry and should a pawnbroking business come up for sale in the UK, we would expect to hear of it and then evaluate the opportunity against our target rate of return. This was evidenced by the purchase of Geo A Payne & Sons pawnbrokers in Boscombe in February 2022. This business has performed well and in line with expectations since acquisition.

While most pawnbrokers have seen increased lending levels in the last 12 months and have optimism for future lending given the macro-economic conditions, the administration and cost burden of increased regulation may mean some participants seek to exit the industry, which may present further acquisition and expansion opportunities.

The South East has the highest concentration of pawnbroking outlets in the UK and presents a compelling expansion opportunity for the Group. Our continued expansion into the South East is aimed at creating a nucleus of Ramsdens stores that build brand recognition and then, as opportunities arise, acquiring further pawnbroking outlets or loan books to supplement our organic growth.

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 and 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.

When looking at new town and relocation opportunities, investments will only be made in new stores after significant research of footfall and adjacent retailer quality. The demise of certain retailers in a town can however provide an opportunity to obtain reductions in rental levels in certain towns while not compromising on location.

5. FOCUSING ON SUSTAINABILITY THROUGH OUR ESG POLICIES

Our ESG policies are detailed on page 24.

Our long-term strategic aims will only be delivered if we have good foundations.

We remain:

- conscious of the impact of our activities on the environment and aim to reduce our energy use and recycle where we can;
- focused on our place in the communities in which we operate; how we look after our staff; how we play a wider societal role with respect to our customers, suppliers and charitable organisations; and
- committed to having the highest standards of governance throughout the business.

LOOKING AHEAD

With the gradual removal of restrictions put in place during the pandemic, FY22 saw the Group recommence the growth journey which it had been on since its IPO in February 2017.

The graphs overleaf set out the Group's performance in adjusted profit before tax and in each of the four main income streams since the IPO.

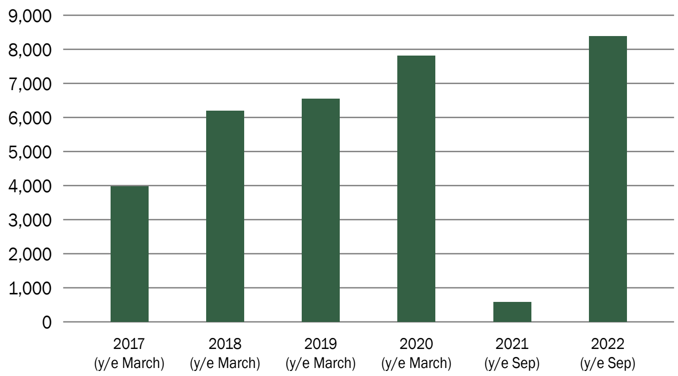
To enhance comparability, the profit before tax below, has been adjusted in 2017 by adding back the IPO fees and in 2020 by removing the one-off profit from scrapping of aged stock. In addition, the six-month period from April to September 2020, which was the period severely impacted by the pandemic including the closure of all stores and furloughing of 692 colleagues, has been excluded from the graphs.

The graphs show the adjusted profit before tax, pawnbroking gross profit, purchase of precious metals gross profit and foreign currency exchange gross profit trajectories being interrupted by the pandemic and the growth in jewellery retail revenue throughout the time period as a result of the ongoing self-help investments.

ADJUSTED PROFIT BEFORE TAX

The graph below demonstrates the growth in profit before tax over the period and shows that profitability has now returned to pre-Covid levels, despite performance in the first six months of FY22 being impacted by Covid-related restrictions.

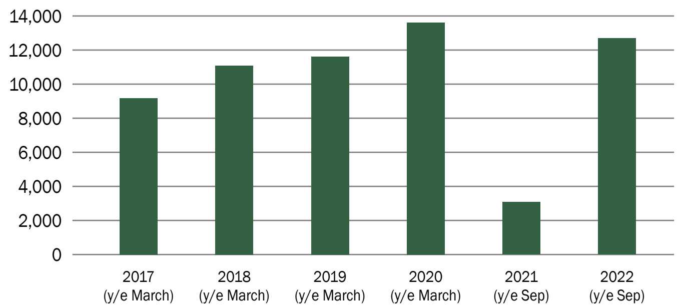
Adjusted profit before tax (£'000)



FOREIGN CURRENCY EXCHANGE

The expected number of international travellers in FY23 is subject to some debate given the squeeze on household incomes, but with disrupted holiday travel over the past three years it is anticipated that summer 2023 will bring normalised levels of demand. Due to rising costs for bureau de change operators, we believe that the margins will remain higher than pre-pandemic levels.

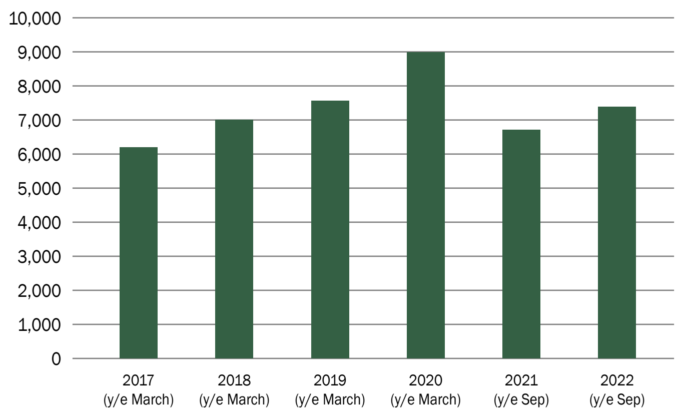
Foreign currency gross profit (£'000)



PAWNBROKING

It is reasonable to expect that the demand for pawnbroking loans may continue to be high in FY23 due to the cost-of-living increases and the squeeze on household incomes at a time when there are fewer providers of short-term loans. There is potentially a greater risk of default on the repayment of loans but the pawnbroker is secured and would sell the jewellery to repay the loan, potentially at a value which can return surplus funds to borrowers.

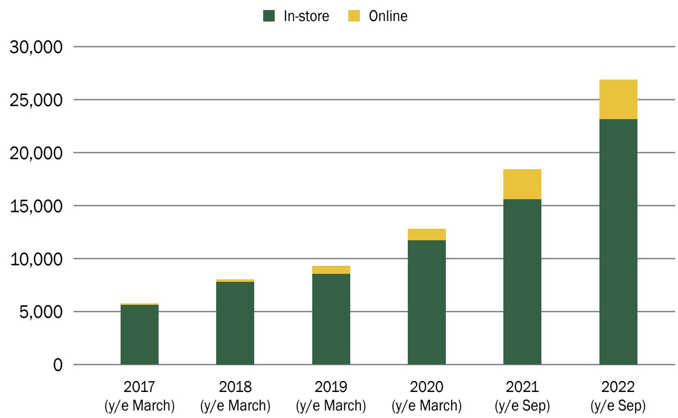
Pawnbroking gross profit (£'000)



JEWELLERY RETAIL

Our jewellery retail segment may experience the greatest headwinds in FY23 as a result of the inflationary environment and rising cost of living, but we are pleased to be starting from a strong position. This will be enhanced by several 'self-help' initiatives – higher stock levels, staff training, improved window displays and a website refresh, which means we have momentum to navigate those headwinds and the confidence to continue to grow.

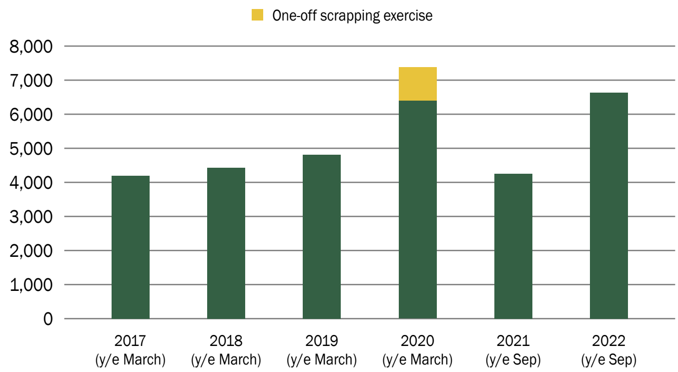
Retail revenue (£'000)



PURCHASE OF PRECIOUS METALS

We believe the gold price will remain high and with increasing footfall over recent years our ability to cross sell should enable gold purchases to remain strong in FY23.

Purchase of precious metals gross profit (£'000)



SUMMARY

Our diversified income streams and our strong financial base have allowed the Group to trade through the pandemic successfully. We believe we have made good progress as a business since the Group's IPO in 2017 and are well positioned for the future particularly with regards to our well-invested staff development and our pipeline of new stores.

The Board has continued optimism for the future and confidence in our ability to deliver on our growth strategy for the long-term benefit of all our stakeholders.

Peter Kenyon
Chief Executive Officer

16 January 2023

Financial Director's Review

Martin Clyburn

FINANCIAL RESULTS

For the year ended 30 September 2022, the Group's reported Revenue increased by 63% to £66.1m (FY21: £40.7m) with growth across each of the four key income streams.

Gross profit increased by £16.0m (72%) to £38.2m (FY21: £22.3m).

The Group's administrative expenses increased by £7.9m (37%) to £29.4m (FY21: £21.5m), reflecting an increase in staff costs as the business returned to more normalised trading operating levels. Finance costs remained low reflecting the seasonal use of the Group's revolving credit facility during peak holiday periods.

Profit before tax increased to £8.3m (FY21: £0.6m) as the Group benefited from improved trading conditions.

The Group's cash position remains strong with £8.8m net cash at the year-end (FY21: £13.0m), with the reduction in the period reflecting increased investment into jewellery stock and the recovery of the pawnbroking loan book.

The table below shows the headline financial results:

£000's	FY22	FY21
Revenue	£66,101	£40,677
Gross Profit	£38,219	£22,262
Profit Before Tax	£8,269	£564
Net Assets	£41,843	£36,143
Net Cash*	£8,835	£13,032
EPS	20.9p	1.2p

*Cash less bank borrowings

EARNINGS PER SHARE AND DIVIDEND

The statutory basic earnings per share for FY22 was 20.9p, up from 1.2p in the previous year.

The Board is recommending a final dividend of 6.3p in respect of FY22 (FY21: 1.2p). Subject to approval at the AGM, the final dividend is expected to be paid on 10 March 2023 for those shareholders on the register on 3 February 2023. The ex-dividend date will be 2 February 2023. This brings the total dividend for FY22 to 9.0p (FY21: 1.2p). This dividend is in line with the Board's progressive dividend policy reflecting the cash flow generation and earnings potential of the Group.

This dividend represents a 43% pay-out ratio of FY22 EPS. The FY22 ratio is mindful of the forthcoming changes to the rate of corporation tax and allows for future dividends to be increased incrementally in line with profits generated and our stated policy of approximately 50% of post-tax profits being distributed.

Moving forward, the Board intends to pay interim dividends in October and final dividends in March in the approximate proportion of one third and two thirds respectively, subject always to the financial performance of the Group and growth opportunities.

FINANCIAL POSITION

At 30 September 2022, cash and cash equivalents amounted to £15.3m (FY21: £13.0m) and the Group had net assets of £41.8m (FY21: £36.1m).

CAPITAL EXPENDITURE

During the reporting period, the Group invested in the store estate by opening three new stores and relocating four existing stores. Capital expenditure for tangible and intangible assets was £2.8m which also included the purchase of the head office building for £0.5m. A business in Boscombe was acquired during the year for £0.9m which included its pawnbroking loan book and jewellery stock.

CASH FLOW

Working capital outflows in the year include the significant investment in stock of £7.2m, and the growth of the pawnbroking loan book which has resulted in trade and other receivables increasing by £2.6m. Trade and other payables increased by £1.1m mainly due to the increased currency creditor which was lower in the prior year due to the impact of Covid-19. The net cash flow from operating activities for the year was £2.9m (FY21: £1.1m)

Net cash at the period end was £8.8m (FY21: £13.0m).

The Group continues to have access to its £10m revolving credit facility which expires in March 2024. The Group has one covenant of 1.5x cash cover. At 30 September 2022, this facility was £6.5m drawn to support the currency cash held. The cash position and headroom on the bank facility provide the Group with the funds required to continue to deliver its current stated strategy.

TAXATION

The tax charge for the period was £1.7m (FY21: £0.2m) representing an effective rate of 20% (FY21: 33%). The tax rate was higher than the standard UK rate of corporation tax mainly due to 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 £314,000 (FY21: £254,000). This charge relates to the Long-Term Incentive Plans (LTIP) and Company Share Option Plans (CSOP). Both schemes are discretionary share incentive schemes under which the Remuneration Committee can grant options to purchase ordinary shares. The shares under option in the LTIP scheme can be purchased at a nominal 1p cost to Executive Directors and other senior management subject to certain performance and vesting conditions. The shares under option in the CSOP scheme can be purchased at their issue price of 200.5p.

During the year, the LTIP award from 2018 did not meet the performance criteria and therefore none of the share options vested. 250,000 share options, which vested in the 2017 LTIP scheme, were exercised during the year.

GOING CONCERN

The Board has conducted an extensive review of forecast earnings and cash over the next 12 months, considering various scenarios and sensitivities given the ongoing economic challenges and has concluded that it has adequate resources to continue in business for the foreseeable future. For this reason, the Board has been able to conclude the going concern basis is appropriate in preparing the financial statements.

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 four 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 July 2022 77% of Ramsdens employees completed the 2022 staff engagement survey • Regional Roadshow for all managerial grade staff. The most recent regional roadshow took place in November 2022 **Further information is included in the Governance section, Principle 3 of the QCA Corporate Governance Code and the ESG Policies section**
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 with 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 Policies section.**
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 and our staff are located • 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 Policies section**
Suppliers & Franchisees	• The Group has established long term key suppliers and enjoys 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 at least twice a year **Further information is included in the Governance section, Principle 3 of the QCA Corporate Governance Code and the ESG Policies section**
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 FCA New Consumer Duty • 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 Policies section**

KEY BOARD DECISIONS IN THE REPORTING PERIOD

BOARD DECISION	CONSIDERATIONS
The Board took the decision to purchase its head office building, Birchwood House	Due to space constraints at the Ramsdens head office, consideration was given to either purchasing the freehold of Birchwood House to expand the building or relocating to a new purpose-built building. Having considered both solutions, purchasing and expanding the existing building gave the best solution given the existing infrastructure and the ability to incorporate a green energy solution into the expansion. The purchase price and analysis of the return on investment from the potential saving of future rents was discussed. From this the Board felt that the investment required to buy the freehold of the exisiting building was merited.
The Board took the decision to approve an interim dividend of 2.7p and has recommended a final dividend for the year of 6.3p	The Group has returned to pre-pandemic levels of profitability and has therefore reinstated the interim dividend and recommended a final dividend. Further consideration was given to the amount of the dividend with the Board recommending that the dividend should return to our policy of paying up to 50% of post-tax profit subject to being able to execute the Group's growth opportunities.
The Board approved eight new greenfield store openings during the year. Three were opened by the year end with the process for the other five scheduled to complete in FY23. The Board approved six store relocations in the year. Four relocations completed by the year end with the remaining two scheduled to complete in FY23.	Consideration was given to the longer-term growth of the Group, the cash position and future cash generation. Each opportunity was carefully assessed to meet the required return on capital employed the Board sets for new store openings and relocations.
Purchase of loan book and certain assets from Geo A Payne & Sons Limited.	The Board agreed to purchase the business assets after carefully considering 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 was given to the feedback from employees who completed the survey. The Board actively listens to its employees and where possible implements good suggestions for improved employee wellbeing and rewards.

ESG Policies

ENVIRONMENT

For several years we have continuously reviewed our environmental impact and what we can do to improve it.

Our ethos is for the Ramsdens team to be better citizens by being more environmentally aware, and where possible to reduce energy use, recycle and reuse.

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

The services offered by Ramsdens have a sustainability and recycling theme. Customers use already owned assets to obtain a loan or cash and those assets, if left with, or sold to Ramsdens, are repurposed, reducing the need to mine new gold, diamonds or other precious stones and thereby reducing the environmental impact.

While the expectation of a pawnbroking customer is to repay the loan in order to be able to borrow again, if they do not, the asset pledged is either refurbished and recycled by 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 precious 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 metals service. We buy from customers unwanted, damaged or un-hallmarked jewellery items. Those items are assessed for retail potential and refurbished, recycled and hallmarked accordingly or melted for their intrinsic value.

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. We have also introduced paper bags for customers and have where possible recycled older plastic bags.

As part of our foreign currency exchange service, we have moved from a clear plastic bag, which was specifically designed to meet the airport security standards for carry on liquids, to a paper wallet.

Energy & water usage including greenhouse gas emissions

Our main energy use is the heating and lighting of our premises. Smart meters are fitted in many 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 requirement. Water meters are installed at all stores where possible.

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 2022 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 CO2	Year ended 30 September 2022	Year ended 30 September 2021
Scope 2 Emissions	992	907
Per Employee	1.44	1.21
Energy Consumption (MWh)	2,633	2,346

In summary, we use energy as we need to heat and light our stores. Our energy use has increased in the last year as our stores have been open for longer as the pandemic restrictions have eased.

We use energy efficient LED lighting in all new stores and have a programme of converting older stores to use more energy efficient LED lighting.

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. We have continued to make greater use of video conferencing thereby reducing business travel but face to face meetings, especially for training purposes, are still required.

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.

In 2023, we will reward our branch teams for reduced energy use, creating an incentive to do so for the years ahead.

As part of the purchase of our head office building, we are now able to invest for the long term in renewable energy. We expect to undertake expansion works in 2023 which will involve the fitting of solar panels with the hope that the building can be self-sufficient in energy use.

Packaging and waste

The Group now uses cardboard and wood boxes plus paper bags within our jewellery retail operations. We also now use paper wallets for the issue of foreign currency notes and have stopped re-ordering our re-useable clear plastic wallets which had an alternative use of carrying liquids through airport security checks.

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 'Think Green' initiative continues 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, and to create new behaviours towards energy use and waste at work and at home, we are confident that collectively the Ramsdens team can play its 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 Team 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 and welcomes the FCA's New Consumer Duty initiative.

Ramsdens considers itself a responsible lender, offering transparent straightforward 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.

Pawnbroking loans are typically small sum and are served face to face which results in a high cost to deliver with interest rates varying from 1.99% - 9.90% per month depending on the loan value. Our mean average loan issued during the year was £271 and our median average loan was £149. Interest is charged on a daily basis so the quicker a customer can repay the less interest is paid. To help facilitate this, 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, thereby saving customer's 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, a process that we believe achieves 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 the customer.

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 appreciates that at times things go wrong. The Ramsdens philosophy is to see every complaint from the customer's perspective and 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. In addition, from time to time Ramsdens undertakes customer pulse surveys through its branch network to obtain customer feedback. The data is used to improve the Group's communication strategies.

Employee relations, engagement and development
The people within the business are the reason for the success that the Group has enjoyed and are the fundamental platform on which Ramsdens builds its strategic ambitions. 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 our teams can grow and develop, be looked after, well rewarded and well respected for their contribution.

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 which have been implemented include changes to the Group's core IT system which have improved the customer experience and information to the business, as well as suggested changes to the Group's marketing initiatives, environmental initiatives and staff rewards.

The Group has an Employee Forum which met four times in FY22. 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 July 2022, saw 77% of staff members complete the survey. The Board is grateful for 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.

The key findings in 2022 were:
57 questions were repeated from 2021 and for 53 of those questions the 2022 responses were more positive than the previous survey which itself had very positive answers. Notably:

92% of employees say their branch / department is a happy place to work (2021 - 90%)

94% of employees believe they have job security (2021 - 86%)
87% of the employees said they look forward to coming to work and are enthusiastic about the job they do (2021 - 84%)

Twice a year, all employees have a face-to-face discussion with their line managers. The discussion focuses on each individual's happiness and wellbeing, and how supported they feel. The discussion then develops the staff member's understanding of expectations in their role and staff development activity is agreed in order that the staff member can be more successful in their career. A bespoke training and development plan is then created for that individual.

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, FCA 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 jewellery retail results.

Training is also provided on staff wellbeing. The courses are supplemented by an Employee Assistance Program provided by Health Assured. This programme provides hints and tips to manage and improve a staff member's health and wellbeing but also includes confidential expert advice and support if and when needed.

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 Group has two executive committees. One committee is focused on compliance and risk matters and consists of seven people aged 33 to 57. The committee comprises people in various roles encompassing audit, IT, people and finance. Of the seven members one is currently female. The second committee, which is tasked with delivering the Group's strategic plan, consists of 15 people representing all disciplines across the Group. The members are aged 33 to 60 and four are female. The committee continues to have great constructive and diverse input to how we move forward.

During the year, the business restructured the management of its store estate, going from four regional managers to three. One regional manager was promoted to Head of People, a key role that will support the Group in delivering its staff development objectives. The three Regional Managers and 15 Area Managers range from 28 to 61 in age. 50% of these roles were promoted from within the business and this level has an equal gender split. Our other key influencers are our field audit team. Three of the six auditors are female and five of the team were promoted from branch roles. 78% of the branch managers are female.

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 when only approximately 15% of the employees had service of less than one year. The recruitment and retention situation throughout FY22 has been challenging, in line with other retailers. At the year end, approximately 30% of all employees had less than 12 months' service. The fact that the Group has been able to produce such good results is testament to the staff development programmes, quality of training and the systems which are in place to help new employees serve customers to the best of their ability.

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 and 20 years' service and beyond, with additional holidays and financial rewards at those milestones. We were pleased to recognise 31 members of staff who celebrated their 10 years' service award in 2022.

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

The Group has a philosophy of wanting to share the financial success of the business with staff. In recognition of the strong recovery, staff members with at least six months' service received a 'thank you' bonus. This payment was in addition to the other available bonus schemes; cross selling success, branch manager performance bonus and a head office bonus scheme.

Following pay reviews in November 2021, January 2022, and April 2022, all staff were paid at least the recommended Real Living Wage. The pay review in January 2023 will again increase the minimum pay to that of the Real Living Wage. Once trained, staff receive an increase to the basic level of their pay and subject to ongoing progression in their careers, incremental pay awards are available. We are very conscious that the pay of our branch managers and middle managers within head office has been squeezed in recent years as the focus has been on new entrant pay. The pay review in January 2023 will seek to address this. As we move forward, every staff member has 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 as well as the additional bank holidays.

Our philosophy with the Group's long term remuneration incentives is to have wider participation across various senior managers, currently 21 participants. The Group offers a Long Term Incentive Plan (LTIP) which is awarded according to performance against targets for EPS growth and total shareholder return, and a Company Share Option Plan scheme (CSOP).

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 believes it has an obligation to give back where it can and has a programme of supporting local and national charities.

This support has included directly donating, raffle and auction prizes, sponsoring events and the collection of foreign coins. The Group also uses its expertise, including IT skills, to help smaller local businesses and charities.

Some of the charities supported are listed below:

Breast Cancer UK

Cancer Research UK

Disasters Emergency Committee

Great North Air Ambulance Service

Macmillan. Cancer Support

Mind for better mental health

Parkinson's UK Change attitudes. Find a cure. Join us.

Save the Children

WesternUnion WU Foundation

In FY22, the Group has raised, donated or helped charities directly raise over £19,000. The encashment of the foreign coin collection was delayed beyond the year end and will be included in FY23 figures

Supplier relationships including franchisees

The Group has a limited number of key trade suppliers. Strong relationships have been built up over many years, with the supplier and Ramsdens working 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 at www.ramsdensplc.com.

The Group has two franchisees operating two franchised stores. All franchised businesses are well established and were 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 those 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. As a result of those deliberations in FY22, Karen Ingham was appointed to the board on 1 November 2022. Further details are included in the Nominations Committee report on page 42.

Principal Risks & 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 The roll out of the vaccine to tackle the coronavirus appears to have allowed daily lives to return to normal with most of the world having few restrictions. There is a possibility of another severe outbreak of the virus as seen in China throughout 2022. As seen in 2020, the implications of an outbreak of Covid-19 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	While the pandemic and restrictions would be outside the Group's control, 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 • 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 the risk of the pandemic restrictions recurring to be low but is mindful of the impact of a future pandemic being significant.
Economic Risk Almost all of the Group's revenue is generated in the UK from UK customers. The UK is suffering from high energy prices, double digit levels of inflation and increasing interest rates. This 'cost-of-living' crisis may adversely affect consumer confidence to travel abroad, buy luxury items or be able to repay loans. Those increased costs also have an adverse impact on Ramsdens directly. Ramsdens uses energy to heat and light its store estate and the increased cost will impact the Group. The 'cost-of-living' crisis and labour shortages are leading to higher salary costs. The Group's suppliers will have higher costs and as such may pass those costs on to Ramsdens.	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. The Group could pass on increased costs to the customer by raising jewellery prices. The Group could pass on increased costs by increasing margins on its foreign currency exchanged. The Group could pass on increased costs to customers by increasing pawnbroking interest rates. The Group has a substantial number of its properties with agreed fixed energy pricing through to February 2024. The Group only uses its RCF facility during the peak FX summer season and as such its interest costs are low and increased rates will have minimal impact.	High inflation, high energy costs and increasing interest rates suggest a recession is highly likely. The 'cost-of-living' crisis could impact the business negatively through reduction in international travel, less jewellery sold and customers having difficulty in repaying loans albeit the Group holds readily realisable security. At the same time, it should be noted that pawnbroking may have an opportunity to grow due to a reduction in the supply of alternative consumer credit. The Group's jewellery offering is focused on value for money. New customers may be attracted to the lower price points available at Ramsdens. The Group has budgeted for an 8% pay review commencing January 23.

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 damage to the Ramsdens reputation. 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 the Covid-19 pandemic. 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 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
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.
Exchange Rate Risk While 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 that there has been no change in the risk.
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.	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 global energy crisis and the war in Ukraine give general concerns over global macro factors and have resulted in a high sterling 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 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.

RISK AND IMPACT	MITIGATING FACTORS	IMPACT AND CHANGE IN 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 programmes 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 18,000 customers and the average pawnbroking loan is £303 as at 30 September 22.	The Board considers that there has been no change in the 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, cybercrime 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 with a more uncertain economic environment the risk has increased.
Retention and Recruitment The Group is at risk of having insufficient staff resources to achieve its strategic goals. Where new staff are recruited they may not initially be as skilled to serve customers and cross sell as experienced members of staff.	The Group mitigates risk by having strong staff engagement. Through that, the Group has received great feedback on staff being happy working for Ramsdens. The retention issue during and shortly after the pandemic has been generally as a result of lifestyle choices as opposed to changing career or moving to another employer within a retail environment. The Group is focused on staff development and has an extensive induction programme offering classroom, elearning and on the job training to enable new staff to add value in the shortest possible timeframe. The Group has excellent IT systems that assist new staff members to process transactions while offering prompts and inbuilt control parameters to minimize errors and meet regulatory requirements.	The Board considers this to be a new risk on which to report. While it has not had a material impact to date on the Group, it is an operational area the business is focused on.

The Strategic Report, as set out on pages 4 to 31, has been approved by the Board

By order of the Board

Peter Kenyon

Peter Kenyon
Chief Executive Officer
16 January 2023

Corporate Governance

Board of Directors

Executive directors

PETER EDWARD KENYON (57)

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 (41)

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 and undertakes a board observer role within a private equity backed company. Martin holds a degree in Mathematics, Operations Research, Statistics and Economics from Warwick University.

External appointments
None.

Non-Executive directors

ANDREW DAVID MEEHAN (67)

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, Shaw Education Trust and Wessex Children's Hospice Trust. He is a Director of Lanthorne Ltd, and Cheviot Court (Luxborough Street) Ltd.

SIMON EDWARD HERRICK (59)

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, Darty plc and PA Consulting Limited and CEO of Northern Foods plc. Since leaving Debenhams, Simon has undertaken consultancy work in a number of sectors and has a portfolio of Non Executive Director roles. Simon is a Fellow of the Institute of Chartered Accountants 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 (65)

NON-EXECUTIVE DIRECTOR

Steve joined the board of the Company on 1 January 2017 and will be retiring from his role on 1 February 2023. 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.

KAREN INGHAM (57)

NON-EXECUTIVE DIRECTOR

Karen joined the board of the Company on 1 November 2022. Karen has extensive experience across several leading consumer-facing and financial services businesses as well as a proven track record in developing and improving brands' customer experience to support their profitable growth. Since 2017 Karen has held the position of Vice President at Expedia Group in commercial sales and support, the online travel and shopping company.

External appointments

Karen is a Director of Newcastle Building Society and Newcastle Strategic Solutions Limited.

Chairman's Introduction

The Board is committed to supporting high standards of corporate governance and during the financial year ended 30 September 2022 the Board continued to operate in line with 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, 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 and its values of being trusted, open and passionate. The Board welcomes the New Consumer Duty initiative by the FCA and observes 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 in 2017. 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 attend AGMs to ask questions or at any time through our investor relations channels by emailing IR@ramsdensplc.com directly. Videos have been produced to give an insight into the Group. In addition, videos have been produced to explain the interim and year end results and the Executive Directors, through the Investor Meet Company platform, offer a live webinar where questions can be asked. 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.

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 the 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.

At the year end the Board was comprised of five Directors, three Non-Executive Directors, who are all considered independent and two Executive Directors. Those five Directors have a mix of skills, experience and backgrounds. As part of the annual board effectiveness review and as part of the Group's long term succession planning, Steve Smith will stand down as Non-Executive Director on 1 February 2023. The Nominations Committee and the CEO undertook an extensive recruitment process and Karen Ingham was appointed to the board as a Non-Executive Director on 1 November 2022. For a three-month period the board will consist of six Directors before reverting to five Directors. Karen Ingham has started an extensive induction programme to the Group involving conversations with the 15 members of the operational executive committee responsible for delivering the strategic aims and objectives.

The Nominations Committee meet at least annually and their report is on page 42.

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 receive support from a dedicated management team and professional advisers. The Directors receive specialist advice from regulatory advisers and lawyers when required. During the last year this advice has included anti money laundering, FCA regulations, GDPR, AIM rules 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.

Having recently changed the Board composition, 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. The Chairman and Non-Executive Directors meet with the wider senior management team to evaluate progress on the Group's strategic objectives and additionally meet regularly without the Executive Directors being present.

As part of the annual board effectiveness review and as part of the Group's long term succession planning, Steve Smith will stand down as Non-Executive Director on 1 February 2023. The Nominations Committee and the CEO undertook an extensive recruitment process and Karen Ingham was appointed to the board as a Non-Executive Director on 1 November 2022.

Having recently changed the Board composition, the Board believes that it has the appropriate experience, skills and capability for a FCA regulated business of its size.

The Nominations Committee meet at least annually and their report is on page 42.

PRINCIPLE 8

PROMOTE A CORPORATE CULTURE THAT IS BASED ON ETHICAL VALUES AND BEHAVIOURS

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

The business operates with 3 core values of being trusted, open and passionate and challenges 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. The Board has embraced the FCA's New Consumer Duty initiative and fully expects to meet its timetable and requirements.

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

The data gathered from complaints, compliments and trust pilot reviews 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.

During the year, the Board comprised 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	4/4	6/6	1/1
Simon Herrick	11/11	4/4	6/6	1/1
Steve Smith	11/11	4/4	6/6	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 40.

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 programme 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 managed the Group through the last two years of varying trading restrictions maintaining all system and compliance overviews to the highest standards.

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 27 February 2023. 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

On behalf of the Board, I am pleased to present the Audit and Risk Committee Report for the year to 30 September 2022.

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 during the year consisted of myself as Chair and my two fellow Non-Executive Directors, Stephen Smith and Andrew Meehan. The Committee has met four times in the period. The Board is satisfied that I, as Chair of the Committee have recent and relevant financial experience. I am a chartered accountant and recently served as Chief Financial Officer at Blancco Technology Group PLC 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;
- 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 risks presented by the Covid-19 pandemic and the consequential changes in the labour market.

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. This year is the second set of financial statements audited by Grant Thornton UK LLP. The Committee remains reassured that they are independent and by their approach and objectivity. 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, identifies significant and other risks associated with the audit (including Key Audit Matters) and prepares an 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, covering the adequacy of controls and any judgemental areas. The Auditor's report can be found on pages 52 to 59.

One issue has been raised by the Auditor as Key Audit Matters, requiring more substantive audit work and verification.

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.

For active pawnbroking loans (loans not in the course of realisation) the Group estimates the exepcted credit losses. An assessment is made on a pledge by pledge basis of the carrying value represented by original capital loaned plus accrued interest to date and its corresponding realisation value on sale of unredeemed pledges to identify any credit losses. The key estimates within the expected credit loss calculation are;

1. Non-Redemption Rate:
   This is based upon current and historical data held in respect of non-redemption rates.

2. Realisation Value:
   This is based upon either;

   - The current price of the metal that will be received through the sale of the metal content via disposal through a bullion dealer.

   - The expected resale value of those jewellery items within the pledge that can be retailed through the branch network.

For pawnbroking loans in the course of realisation the Group estimates the expected credit losses based on the expected outcome from selling the pledged goods. The key estimates within the expected credit loss calculation are;

1. Proceeds of sale:
   This is based upon the retail price the goods are offered for sale at.

2. Time to sell:
   This is based upon current and historical data in respect of the average time to sell.

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 pawnbroking loans. This includes the impact of changes to the key credit loss assumptions listed. The Committee is satisfied that the recognition of pawnbroking revenue and pawnbroking credit losses 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 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 2022.

MEMBERS OF THE NOMINATION COMMITTEE

The Nomination Committee during the year consisted of myself and my fellow 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 taking into account the current and future needs of the Group, its culture and strategic objectives. As part of that review and future succession planning for the Board, Steve decided that he would not stand for re-election at the 2023 AGM. A recruitment process was started in the spring of 2022. The Group received over 40 applications with a diverse range of excellent skills. Following a diligent selection process, Karen Ingham was recruited as the best person for the role. Karen's consumer facing background, both online and in a financial services bricks and mortar organisation, made her the ideal candidate to bring greater cognitive diversity to the Board. Karen joined the Board on 1st November 2022. Karen will join all of the Group committees.

The Committee also discussed the long-term succession planning and emergency cover at Board level and of the Senior Management Team. On a medium-term basis, the senior management team remains relatively young and the Committee is fully supportive of the leadership development plans in place which continue to further develop the team and identify potential senior leaders of the future.

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

Andrew Meehan
Chair of the Nominations Committee

Remuneration Committee

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 30 September 2022 which sets out the remuneration policy and the remuneration paid to the Directors for the period.

COMPOSITION AND ROLE

The Remuneration Committee during the year consisted 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 six 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 2022.

	Salary	Pension	PHI	Fixed Pay	Bonus	LTIP	Variable Pay	Total FY22	Total FY21
Executive									
Peter Kenyon	£206,057	£10,000	£1,654	£217,711	£221,000	£82,293	£303,293	£521,004	£272,681
Martin Clyburn	£139,816	£11,720	£761	£152,297	£155,000	£53,987	£208,987	£361,284	£183,868
Non-Executive									
Andrew Meehan	£67,559	-	-	£67,559	-	-	-	£67,559	£65,911
Simon Herrick	£49,344	-	-	£49,344	-	-	-	£49,344	£48,140
Stephen Smith	£41,120	-	-	£41,120	-	-	-	£41,120	£40,117
Aggregate remuneration	**£503,896**	**£21,720**	**£2,415**	**£528,031**	**£376,000**	**£136,280**	**£512,280**	**£1,040,311**	**£610,718**

The financial profitability of the Group was in excess of the stretching targets set at the beginning of FY22. As a result, the Directors have earned the full entitlement of their bonus scheme.

All of the Directors basic annual remuneration has been reviewed and effective from January 2023 will be as follows;

	Base Salary (including pension)	Private Health Insurance	Bonus
Executive			
Peter Kenyon	£250,000	Yes	Up to 100%
Martin Clyburn	£175,000	Yes	Up to 100%
Non-Executive			
Andrew Meehan	£69,206	-	-
Simon Herrick	£50,547	-	-
Stephen Smith	£42,122	-	-
Karen Ingham	£40,000	-	-

The bonus opportunities for the FY23 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% of year-end base salary 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.

Peter Kenyon was the last participant to exercise his option and he did this during the year, exercising the option to acquire and subsequently sell 250,000 shares.

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

As expected, due to the impact of the Covid-19 pandemic, this scheme lapsed with no options vesting.

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 19.2p.

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 to change the period for assessing whether the performance criteria have been met from the 12 months ending 31 March 2022 to the 12 months ending 30 September 2022.

It is anticipated that approximately 30% of the total options will vest based on EPS performance and TSR will be determined following publication of the Annual Report.

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 for FY23 with the maximum award vesting at 22p. A sliding scale will apply between 19.5p and 22p.

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

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

LTIP 5 FY21– FY24

A further scheme was introduced following the publication of the FY21 Annual Report. This scheme had two elements, an LTIP as per previous years with performance conditions and a new CSOP which had only employment service conditions. The scheme includes 21 members of the senior team in line with the Group's strategy to align the senior managers with the shareholders.

The performance conditions of the LTIP scheme are:
TSR - Fifty percent of the award is based on the total shareholder return (share price movement and the value of dividends) over the period from FY21 results to 30 September 2024 with no award being made if the return rate is less than 31% over the period. A sliding scale will apply with 100% of the award vesting if 60% growth is achieved over the period. The base share price is £1.665

EPS - 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 21.1p for FY24 with the maximum award vesting at 23p. A sliding scale will apply between 21.1p and 23p.

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

Peter Kenyon was awarded 100,000 share options and Martin Clyburn 70,000 share options under the LTIP scheme. An additional 168,000 LTIP share options were allocated to 10 Group employees.

The CSOP scheme includes 110,000 shares options, at an option price of £2.005. This was issued to 18 participants. Peter and Martin and not included in the CSOP scheme.

A total of 448,000 share options are included in the long term incentive schemes for the period FY21 to FY24.

LTIP 6 FY22– FY25

It is the Board's intention to issue a further scheme within 42 days of the publication of this Annual Report. This scheme, which will include an LTIP with performance criteria and CSOP with service criteria, 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 LTIP scheme will follow the principles of the 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 long term incentive scheme.

A summary of the scheme share option awards is below;

Name of Director	LTIP 3	LTIP 4	LTIP 5
Testing Date	January 2023	January 2024	January 2025
Exercise by date	July 2029	February 2031	February 2032
Peter Kenyon	50,000	120,000	100,000
Martin Clyburn	25,000	80,000	70,000
Other beneficiaries (LTIP)	160,000 (17 beneficiaries)	262,500 (19 beneficiaries)	168,000 (10 beneficiaries)
Other beneficiaries (CSOP)			110,000 (18 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 2021	Acquired in the financial period	Sold in the financial period	As at 30 September 2022
Executive					
Peter Kenyon*	1p ordinary	1,152,507	-	-	1,152,507
Martin Clyburn*	1p ordinary	209,375	-	-	209,375
Non Executive					
Andy Meehan*	1p ordinary	347,320	-	-	347,320
Simon Herrick	1p ordinary	19,950	-	-	19,950
Steve Smith*	1p ordinary	71,348	-	-	71,348

*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 2022

The Directors have pleasure in presenting their report and the financial statements of the Group for the year ended 30 September 2022.

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 6.3p following an interim dividend of 2.7p paid on 30 September 2022.

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 2022 were as shown in the table below.

Name of holder	number	% of voting rights in the issued share capital
Otus Capital Mgt.	3,890,178	12.29
Close Asset Management	3,536,872	11.18
Downing LLP	3,166,890	10.01
Hargreaves Lansdown Asset	2,390,970	7.56
Interactive Investor	2,136,061	6.75
Rowan Dartington	1,975,118	6.24
Peter Kenyon (CEO)	1,152,507	3.68

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
Andrew Meehan
Stephen Smith
Simon Herrick
Karen Ingham, appointed 1 November 2022

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 Group has prepared the financial statements on a going concern basis, with due consideration to the present economic situation.

The Board have conducted an extensive review of forecast earnings and cash for the period to 31 January 2024 considering various scenarios and sensitivities given the residual effects Covid-19 and the ongoing cost of living crisis and uncertainty it has produced around the future economic environment.

At 30 September 2022 the Group has significant cash balances of £15.3m, readily realisible stock of gold jewellery and access to the £3.5m unutilised element of a £10m revolving credit facility with an expiry date of March 2024. In the year ended 30 September 2022 the Group has traded profitably and generated cash from operations.

The Board have been able to conclude that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis in preparing the financial statements. The going concern assessment covers the period to 31 January 2024.

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 27 February 2023.

POLITICAL DONATIONS

No political contributions were made during the period (FY21: £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 16 January 2023

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 UK adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

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.


RAMSDENS
TRAVEL MONEY • WE BUY GOLD • PAWNBROKERS
WWW.RAMSDENSJEWELLERY.co.uk
ROLEX
OMEGA
BREITLING
Cartier
JEWELLERY BARGAINS

Financial Statements


PAWNBROKING LOANS
how does it work?
Ask staff for details
RAMSDENS
NEW JEWELLERY
WIN £1000
in our monthly competition

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 2022, 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, the 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 the 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 UK adopted International Accounting Standards. 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 2022 and of the Group’s profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- 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 their assessment of the Group’s and the parent company’s ability to meet obligations in a worst-case scenario.

The worst-case scenario analysis supported the directors’ 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 and forecasts. This risk has been addressed by performing the following procedures:

- Obtaining management’s base case cash flow forecasts covering the period to 31 January 2024, 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 customer loss 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 were 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 the increasing cost of energy and high inflation rates, 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.

OUR APPROACH TO THE AUDIT

OVERVIEW OF OUR AUDIT APPROACH

Overall materiality:

Group: £525,000, which represents approximately 7.5% of the Group's profit before tax based on the expected value at the planning stage. Parent company: £244,000, which represents approximately 2% of the parent company's total assets..

One key Group audit matter was identified:

- Pawnbroking revenue may be misstated due to fraud and error – same as prior year.

Our auditor's report for the year ended 30 September 2021 included one Group key audit matter that has not been reported as a key audit matter in the current year's report. This relates to:

- Impairment of goodwill and other non-current assets.

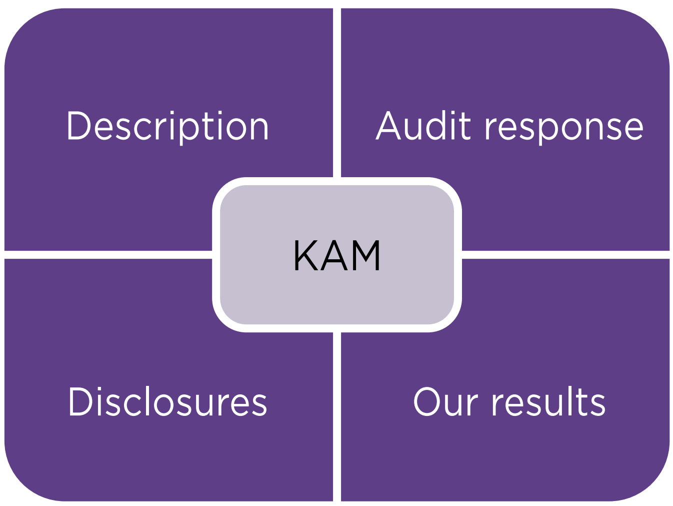
This risk is no longer considered to be a key audit matter for the Group as the forecast performance of the individual CGUs, as supported by actual performance during the year demonstrated greater headroom compared to the prior year so did not require significant management judgement.

There were no key audit matters identified in relation to the parent company.

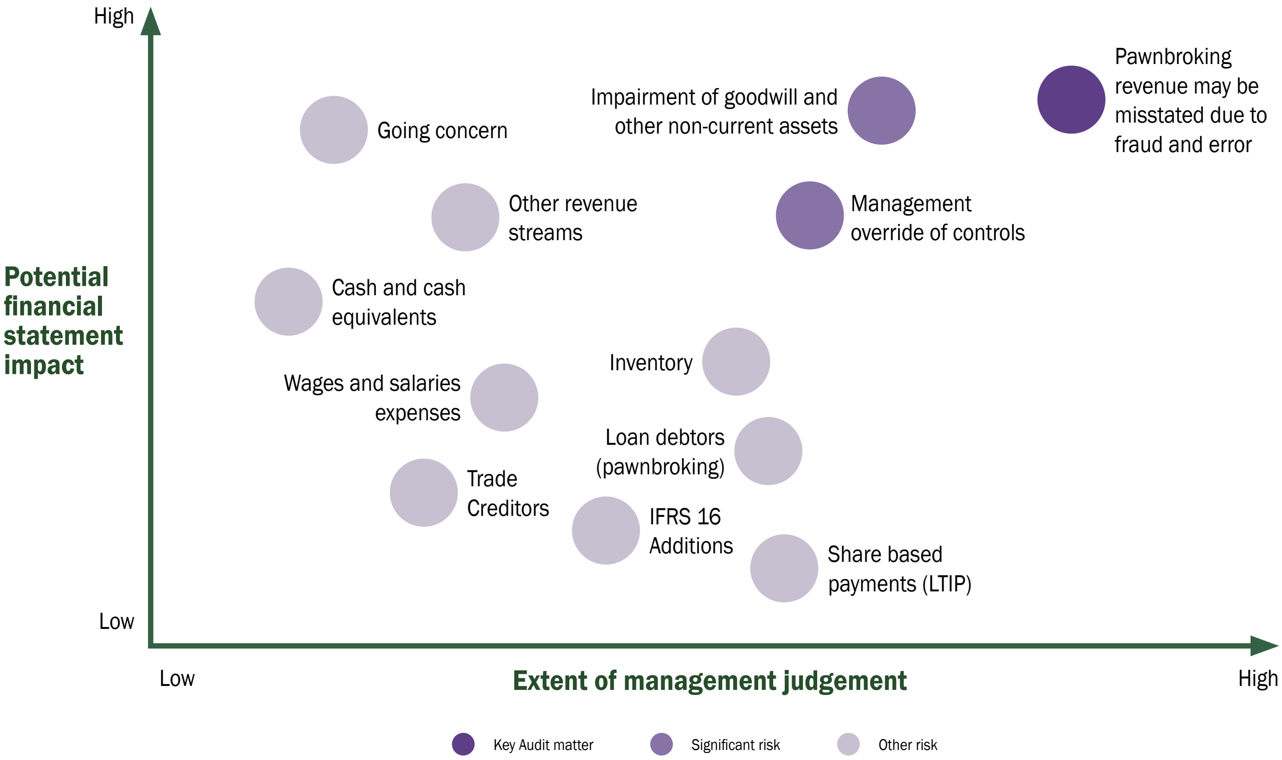
We performed an audit of one or more classes of transactions in relation to the parent company and an audit of the financial information of its subsidiary company, using component materiality (full scope audit). The operations that were subject to full-scope audit procedures made up 100 per cent of the consolidated revenue and 99 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 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 2022, pawnbroking revenue of £9.0m (30 September 2021: £7.5m) 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 application of the accounting policy following a policy change in the prior year; • Testing the operating effectiveness of controls relating to pawnbroking revenue, including the related IT controls, by testing a sample to evidence of operation of the control; • Selecting a sample of pawnbroking revenue recognised in the year and agreeing to supporting documentation to verify the occurrence of revenue; • Evaluating the reasonableness of the expected credit loss calculation through checking management's calculations and challenging the key assumptions made in the model by comparing to the known outcome of last year's credit loss provision and to other historic outcomes, for both the live loan book and in relation to pledges that have now expired; • Testing the recognition of revenue in the current year by testing interest recognition on open loans at year end; and • Performing analytical review on the revenue recorded in the period by comparing revenue year on year, overall and at branch level, and assessing monthly trends to identify potentially unusual trends.
Relevant disclosures in the Annual Report and Accounts to 30 September 2022 • Financial statements: Note 3, Significant accounting policies • Financial statements: Note 5, Segmental analysis	**Our results** Based on the work performed, we have not found any material misstatements within the pawnbroking revenue balance.

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.

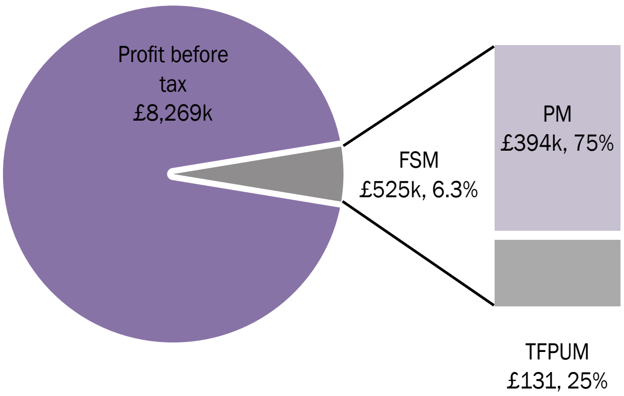
Materiality was determined as follows:

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	£525,000, which represented approximately 7.5% of the Group's profit before tax based on the expected value at the planning stage. We chose not to revise our materiality once the final profit before tax was known.	£244,000, which is approximately 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 the first financial highlight on page 3 of the Annual Report and Accounts. Materiality in the prior year was based upon four years' average profit before tax due to the impact of Covid-19 on 2020 and 2021 trading. Materiality for the current year is higher than the level that was determined in prior year to reflect an increase in the profit base. The same 7.5% threshold has been applied.	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 consistent with prior year.
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	£393,750, which is 75% of financial statement materiality.	£183,000, which is 75% 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 assessment of the design and implementation of controls in prior year and current year planning; • the effect of misstatements identified in previous audits; and • no significant issues were noted in prior year that have not been addressed or are expected to reoccur. Therefore, we consider the performance materiality percentage to be appropriate. In the prior year the performance materiality percentage was set at 70% of financial statement materiality to reflect our lack of accumulated knowledge in our first year's audit.	In determining performance materiality, we made the following significant judgements: • the strength of the control environment based on our assessment of the design and implementation of controls in prior year and current year planning; • the effect of misstatements identified in previous audits; and • no significant issues were noted in prior year that have not been addressed or are expected to reoccur. Therefore, we consider the performance materiality percentage to be appropriate. In the prior year the performance materiality percentage was set at 70% of financial statement materiality to reflect our lack of accumulated knowledge in our first year's audit.

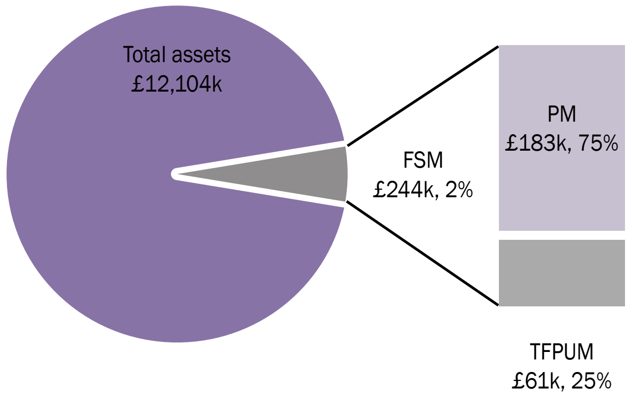
MATERIALITY MEASURE	GROUP	PARENT COMPANY
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected 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 • Identified related party transactions outside of the normal course of business.	We determined a lower level of specific materiality for the following area: • Directors' remuneration; and • Identified related party transactions outside of the normal course of business.
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	£26,250 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£12,200 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



FSM: Financial statements materiality, PM: Performance materiality, TFPUM: Tolerance for potential uncorrected misstatements

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 and implementation of these.

Identifying significant components

- we identified one significant component within the Group, being the one and only trading subsidiary. 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 was not considered a significant component. There are no other components in 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 an audit of one or more classes of transactions over the financial statements of the parent company, and full-scope audit of the financial information of the subsidiary undertaking, thereby including 100% coverage of the key audit matters and group significant risks and testing 99% of the Group's revenue and profit before tax.

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 and verifying the physical existence of cash and pledged items 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 other matters prescribed by the Companies Act 2006 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 UK adopted International Accounting Standards, (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 Financial Conduct Authority (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 FCA 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 identi fying 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
Leeds

16 January 2023

Consolidated statement of comprehensive income

For the year ended 30 September 2022

	Notes	2022 £'000	2021 £'000
Revenue	5	**66,101**	**40,677**
Cost of sales		(27,882)	(18,415)
Gross profit	5	**38,219**	**22,262**
Other income	7	**1**	**284**
Administrative expenses		(29,392)	(21,510)
Operating profit		**8,828**	**1,036**
Finance costs	6	(559)	(472)
Profit before tax		**8,269**	**564**
Income tax expense	10	(1,683)	(198)
Profit for the year		**6,586**	**366**
Other comprehensive income		**-**	**-**
Total comprehensive income		**6,586**	**366**
Earnings per share in pence	8	20.9	1.2
Diluted earnings per share in pence	8	20.7	1.2

Consolidated statement of financial position

As at 30 September 2022

	Notes	2022 £'000	2021 £'000
Assets			
Non-current assets			
Property, plant and equipment	11	6,681	5,195
Right of use of assets	11	9,551	8,164
Intangible assets	12	779	714
Investments	13	-	-
Deferred tax assets	10	-	80
		17,011	14,153
Current assets			
Inventories	15	22,764	15,151
Trade and other receivables	16	13,264	10,379
Cash and short-term deposits	17	15,278	13,032
		51,306	38,562
Total assets		**68,317**	**52,715**
Current liabilities			
Trade and other payables	18	8,905	7,673
Interest bearing loans and borrowings	18	6,443	-
Lease liabilities	18	2,086	2,159
Income tax payable	18	932	61
		18,366	9,893
Net current assets		**32,940**	**28,669**
Non-current liabilities			
Lease liabilities	19	7,871	6,442
Contract liabilities	19	88	119
Deferred tax liabilities	19	149	118
		8,108	6,679
Total liabilities		**26,474**	**16,572**
Net assets		**41,843**	**36,143**
Equity			
Issued capital	21	316	314
Share premium		4,892	4,892
Retained earnings		36,635	30,937
Total equity		**41,843**	**36,143**

The financial statements of Ramsdens Holdings PLC, registered number 08811656, were approved by the directors and authorised for issue on 16 January 2023 and signed on their behalf by:

M A Clyburn
Chief Financial Officer

Consolidated statement of changes in equity

For the year ended 30 September 2022

	Notes	Issued capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
As at 1 October 2020		308	4,892	30,355	35,555
Profit for the year		-	-	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
As at 1 October 2021		314	4,892	30,937	36,143
Profit for the period		-	-	6,586	6,586
Total comprehensive income		-	-	6,586	6,586
Transactions with owners:					
Dividends paid	22	-	-	(1,231)	(1,231)
Issue of share capital	21	2	-	-	2
Share based payments	25	-	-	314	314
Deferred tax on share-based payments		-	-	29	29
Total transactions with owners		2	-	(888)	(886)
As at 30 September 2022		**316**	**4,892**	**36,635**	**41,843**

Consolidated statement of cash flows

For the year ended 30 September 2022

	Notes	2022 £'000	2021 £'000
Operating activities			
Profit before tax		8,269	564
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment	11	1,265	1,074
Depreciation and impairment of right of use assets	11	2,261	2,223
Profit on disposal of right of use assets	7	(81)	(45)
Amortisation and impairment of intangible assets	12	163	218
Loss on disposal of property, plant and equipment	7	78	140
Share based payments	25	314	254
Finance costs	6	559	472
Working capital adjustments:			
Movement in trade and other receivables and prepayments		(2,583)	565
Movement in inventories		(7,221)	(3,992)
Movement in trade and other payables		1,144	1,217
		4,168	2,690
Interest paid		(559)	(472)
Income tax paid		(672)	(1,135)
Net cash flows from operating activities		**2,937**	**1,083**
Investing activities			
Proceeds from sale of property, plant and equipment		3	10
Purchase of property, plant and equipment	11	(2,817)	(1,574)
Purchase of intangible assets	12	(28)	(62)
Payment for acquisition	26	(909)	-
Net cash flows used in investing activities		**(3,751)**	**(1,626)**
Financing activities			
Issue of share capital	21	2	6
Dividends paid	22	(1,231)	-
Payment of principal portion of lease liabilities		(2,211)	(2,304)
Bank loans drawn down		8,000	-
Repayment of bank borrowings		(1,500)	-
Net cash flows from financing activities		**3,060**	**(2,298)**
Net increase / decrease in cash and cash equivalents		**2,246**	**(2,841)**
Cash and cash equivalents at 1 October		**13,032**	**15,873**
Cash and cash equivalents at 30 September	28	**15,278**	**13,032**

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

There are no changes to accounting policies in the current year. There are no future changes in accounting standards which would materially impact the Group

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with UK adopted international accounting standards.

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.

3.3 Going Concern

The Group has prepared the financial statements on a going concern basis, with due consideration to the present economic situation.

The Board have conducted an extensive review of forecast earnings and cash for the period to 31 January 2024 considering various scenarios and sensitivities given the residual effects Covid-19 and the ongoing cost of living crisis and uncertainty it has produced around the future economic environment.

At 30 September 2022 the Group has significant cash balances of £15.3m, readily realisable stock of gold jewellery and access to the £3.5m utilised element of a £10m revolving credit facility with an expiry date of MArch 2024. In the year ended 30 September 2022 the Group has traded profitably and generated cash from operations.

The Board have been able to conclude that they a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements. The going concern assessment covers the period to 31 January 2024.

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.

Notes to the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES continued

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.
Amortisation is calculated over the estimated useful lives of the assets as follows:
- Customer relationships - 40% reducing balance
- Software - 20% straight line

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

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

Depreciation is calculated over the estimated useful lives of the assets as follows:
- Freehold property - 2% straight line
- 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.

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. SIGNIFICANT ACCOUNTING POLICIES continued

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.

When the Group takes title to pledged goods on default of pawnbroking loans up to the value of £75, cost representsthe principal amount of the loan plus 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. Debit/credit card receipts are recognised as cash at point of transaction

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

Impairment of financial assets

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

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

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

The measurement of expected credit losses is a function of the probability of default, and the loss (if any) on default. The assessment of the probability of default is based on historical data. The loss on default is based on the assets gross carrying amount less any realisable security held. The expected credit loss calculation considers both the interest income and the capital element of the pawnbroking loans. Interest on loans in default is accrued net of expected credit losses. 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. Pawnbroking loans in the course of realisation continue to be recognised as loan receivables until the pledged items are realised.

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.

Notes to the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES continued

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

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

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

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

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

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

Derecognition

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

Offsetting of financial instruments

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

3.10 Fair value measurement

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

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

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

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES continued

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

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

3.12 Leases

At inception 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 identified 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.

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.

Notes to the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES continued

The majority of the Group's premises are leased and 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 exit 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 heald as security are sold to repay the sutomer 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.

Contractual interest earned:

Contractual interest is earned on pledge loans up to the point of redemption or the end of the primary contract term. Interest receivable on loans is recognised as interest accrues by reference to the 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.

Revenue arising from the disposal of unredeemed pledge contracts:

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

Foreign currency exchange income

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

Sale of precious metals acquired via over the counter purchases

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

Jewellery retail sales

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

Other financial income

Other financial income comprises cheque cashing 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.

Notes to the consolidated financial statements

3. SIGNIFICANT ACCOUNTING POLICIES continued

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

	2022 £'000	2021 £'000
Other income	1	134
Administrative expenses	-	1,472
Total	1	1,606

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

Pawnbroking loans interest and impairment

The group recognises interest on pawnbroking loans as disclosed in note 3.16. For active pawnbroking loans (loans not in the course of realisation) the Group estimates the expected credit losses. An assessment is made on a pledge by pledge basis of the carrying value represented by original capital loaned plus accrued interest to date and its corresponding realisation value on sale of unredeemed pledges to identify any credit losses. The key estimates within the expected credit loss calculation are;

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

2. Realisation Value
   This based upon either;
   The current price of the metal that will be received through the sale of the metal content via disposal through a bullion dealer.
   The expected resale value of those jewellery items within the pledge that can be retailed through the branch network.

For pawnbroking loans in the course of realisation the Group estimates the expected credit losses based on the expected outcome from selling the pledged goods. The key estimates within the expected credit loss calculation are;

1. Proceeds of sale - This is based upon the retail price the goods are offered for sale at
2. Time to sell - This is based upon current and historical data in respect of the avergae time to sell

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 pre-tax 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.

Notes to the consolidated financial statements

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

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:

	2022 £'000	2021 £'000
Revenue		
United Kingdom	65,948	40,665
Other	153	12
	66,101	40,677

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.

	2022 £'000	2021 £'000
Revenue		
Contracts with customers	57,134	33,151
Pawnbroking interest income	8,967	7,526
	66,101	40,677

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

	2022 £'000	2021 £'000
Revenue		
Pawnbroking	8.967	7,526
Purchase of precious metals	15,847	10,369
Retail Jewellery sales	27,107	18,252
Foreign currency margin	13,066	3,408
Income from other financial services	1,114	1,122
Total Revenue	**66,101**	**40,677**
Gross profit		
Pawnbroking	**7,533**	**6,678**
Purchases of precious metals	6,626	4,240
Retail jewellery sales	10,263	6,965
Foreign currency margin	12,683	3,257
Income from other financial services	1,114	1,122
Total gross profit	**38,219**	**22,262**
Other income	1	284
Administrative expenses	(29,392)	(21,510)
Finance costs	(559)	(472)
Profit before tax	8,269	564

Income from other financial services comprises of cheque cashing fees and agency commissions on miscellaneous financial products.

5. SEGMENTAL ANALYSIS continued

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.

	2022 £'000	2021 £'000
Other information		
Tangible & intangible capital additions (*)	3,060	1,636
Depreciation and amortisation (*)	3,689	3,515
Assets		
Pawnbroking	11,853	9,173
Purchases of precious metals	3,081	1,172
Retail jewellery sales	20,125	14,306
Foreign currency margin	10,123	5,314
Income from other financial services	139	139
Unallocated (*)	22,996	22,611
	68,317	52,715
Liabilities		
Pawnbroking	613	492
Purchases of precious metals	3	21
Retail jewellery sales	2,012	3,433
Foreign currency margin	2,042	1,335
Income from other financial services	392	541
Unallocated (*)	21,412	10,750
	26,474	16,752

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

Fixed assets are therefore included in the unallocated assets balance.

6. FINANCE COSTS

	2022 £'000	2021 £'000
Interest on debts and borrowings	163	84
Lease charges	396	388
Total finance costs	**559**	**472**

Notes to the consolidated financial statements

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

	2022 £'000	2021 £'000
Items reported within Other income -		
Compensation for surrendering a lease	-	(150)
Retail grants	(1)	(134)
Items reported within Cost of sales -		
Cost of inventories recognised as an expense	26,065	17,416
Pawnbroking expected credit losses	1,434	848
Items reported within Administrative expenses -		
Depreciation of property, plant and equipment	1,265	1,073
Impairment of property, plant and equipment	-	1
Depreciation of right of use of assets	2,261	2,223
Profit on disposal of right of use assets	(81)	(45)
Amortisation of intangible assets	163	172
Impairment of intangible assets	-	46
Loss on disposal of property, plant and equipment	78	140
Staff costs (see note 9)	16,643	11,452
Foreign currency exchange losses/(gains)	265	135
Auditor's remuneration	145	140
Short term lease payments	470	441
Share based payments (see note 25)	314	254

The Company paid an additional £5,000 to the auditor in respect of non-audit services for a first half of the year review.

8. EARNINGS PER SHARE

	2022 £'000	2021 £'000
Profit for the year	6,586	366
Weighted average number of shares in issue	31,559,874	31,161,726
Earnings per share (pence)	20.9	1.2
Weighted average number of dilutive shares	291,939	481,481
Effect of dilutive shares on earnings per share (pence)	(0.2)	(0.0)
Fully Diluted earnings per share (pence)	20.7	1.2

9. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments (£'000)

	2022				2021			
	Emoluments	Pension	LTIP	Total	Emoluments	Pension	LTIP	Total
Executive								
Peter Kenyon	427	10	435	872	201	10	-	211
Martin Clyburn	295	12	-	307	134	13	204	351
Non Executive								
Andrew Meehan	68	-	-	68	66	-	-	66
Simon Herrick	49	-	-	49	48	-	-	48
Steve Smith	41	-	-	41	40	-	-	40
Total	880	22	435	1,337	489	23	204	716

	2022 £'000	2021 £'000
Included in administrative expenses:		
Wages and salaries	14,890	10,011
Social security costs	1,089	856
Share option scheme	314	254
Pension costs	350	331
Total employee benefits expense	**16,643**	**11,452**

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

	2022 £'000	2021 £'000
Head office and management	115	106
Branch counter staff	578	586
	693	692

10. INCOME TAX

The major components of income tax expense are:

Consolidated statement of comprehensive income

	2022 £'000	2021 £'000
Current income tax:		
Current income tax charge	1,552	32
Adjustments in respect of current income tax of previous year	(9)	7
	1,543	39
Deferred tax:		
Relating to origination and reversal of temporary differences	140	159
Income tax expense reported in the statement of comprehensive income	1,683	198

Notes to the consolidated financial statements

10. INCOME TAX continued

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

	2022 £'000	2021 £'000
Profit before income tax	8,269	564
UK corporation tax rate at 19% (2021 19%)	1,571	107
Expenses not deductible for tax purposes	122	84
Prior period adjustment	(10)	7
Income tax reported in the statement of comprehensive income	1,683	198

Deferred tax
Deferred tax relates to the following:

	2022 £'000	2021 £'000
Deferred tax assets		
Share based payments	-	80
Deferred tax assets	-	80
Deferred tax liabilities		
Accelerated depreciation for tax purposes	180	112
Other short-term differences	(31)	6
Deferred tax liabilities	149	118

Reconciliation of deferred tax (asset) / liabilities net

	2022 £'000	2021 £'000
Opening balance as of 1 October	38	(159)
Deferred tax recognised in the statement of comprehensive income	140	159
Other deferred tax	(29)	38
Closing balance as at 30 September	149	38

Factors affecting tax charge
The standard rate of UK corporation tax for the year was 19% (2021: 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 2021	210	6,356	3,629	840	53	11,088
Additions	485	1,280	926	126	-	2,817
Acquisition (note 26)	-	-	15	-	-	15
Disposals	-	(623)	(389)	(370)	-	(1,382)
At 30 September 2022	695	7,013	4,181	596	53	12,538
Depreciation						
At 1 October 2021	2	3,518	1,867	486	20	5,893
Depreciation charge for the year	9	622	520	106	8	1,265
Disposals	-	(617)	(341)	(343)	-	(1,301)
At 30 September 2022	11	3,523	2,046	249	28	5,857
Net book value						
At 30 September 2022	684	3,490	2,135	347	25	6,681
At 30 September 2021	208	2,838	1,762	354	33	5,195

Right of use of assets

	Leasehold Property £'000	Motor Vehicles £'000	Total £'000
Cost			
At 1 October 2021	12,919	174	13,093
Additions	4,039	-	4,039
Disposals	(2,659)	(129)	(2,788)
At 30 September 2022	14,299	45	14,344
Depreciation			
At 1 October 2021	4,800	129	4,929
Depreciation Charge for the year	2,221	40	2,261
Disposals	(2,268)	(129)	(2,397)
At 30 September 2022	4,753	40	4,793
Net Book Value			
At 30 September 2022	9,546	5	9,551
At 30 September 2021	8,119	45	8,164

12. INTANGIBLE ASSETS

	Customer relationships £'000	Website £'000	Goodwill £'000	Total £'000
Cost				
At 1 October 2021	2,179	105	526	2,810
Additions	28	-	-	28
Acquisition (note 26)	200	-	-	200
At 30 September 2022	2,407	105	526	3,038
Amortisation				
At 1 October 2021	1,938	85	73	2,096
Amortisation charge for the year	158	5	-	163
Impairment	-	-	-	-
At 30 September 2022	2,096	90	73	2,259
Net book value				
At 30 September 2022	311	15	453	779
At 30 September 2021	241	20	453	714

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 2022	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					
Financial assets at amortised cost	-	12,683	-	12,683	12,683
Cash and cash equivalents	-	15,278	-	15,278	15,278
Financial liabilities					
Trade and other payables	-	-	(8,700)	(8,700)	(8,700)
Interest bearing loans and borrowings	-	-	(6,443)	(6,443)	(6,443)
Lease liabilities	-	-	(9,957)	(9,957)	(9,957)
Net financial assets/(liabilities)	**-**	**27,961**	**(25,100)**	**2,861**	**2,861**

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
	£'000	£'000	£'000	£'000	£'000
Financial assets					
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)**	**6,440**	**6,440**

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

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.

Notes to the consolidated financial statements

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

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.

	2022			2021		
Category	Gross amount £'000	Loss allowance £'000	Net carrying amount £'000	Gross amount £'000	Loss allowance £'000	Net carrying amount £'000
Performing	9,510	178	9,332	6,747	173	6,574
Default	3,366	844	2,522	3,127	528	2,599
Total	12,876	1,022	11,854	9,874	701	9,173

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

	Pawnbroking loans £'000
At 1 October 2020	1,521
Statement of comprehensive income charge	847
Utilised in the period	(1,667)
At 30 September 2021	701
Statement of comprehensive income charge	1,434
Utilised in the period	(1,113)
Balance at 30 September 2022	1,022

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 time to sell assumption is a reasonably possible variance based on historical trends and would result in an impact on Group pre-tax profit of (£100k)/£100k.

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.

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

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.

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

1. A lower gold price will adversely affect the scrap disposition margins on existing inventory, whether generated by pledge book forfeits or direct purchasing. While scrap profits will be impacted immediately, retail margins may be less impacted in the short term.
2. While the Group's lending rates do not track gold price movements in the short term, any sustained fall in the price of gold is likely to cause lending rates to fall in the longer term thus potentially reducing future profitability.
3. A lower gold price may reduce the attractiveness of the Group's gold purchasing operations.

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

Financial assets

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

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

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 2022	<3 months £'000	3-12 months £'000	1-5 years £'000	>5 years £'000	Total £'000
Lease liabilities	422	1,664	6,426	1,445	9,957
Trade payables	4,870	-	-	-	4,870
Interest bearing loans and borrowings	6,443	-	-	-	6,443
Total	11,735	1,664	6,426	1,445	21,270

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

Notes to the consolidated financial statements

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

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

15. INVENTORIES

	2022 £'000	2021 £'000
New and second-hand inventory for resale (at lower of cost or net realisable value)	22,764	15,151

16. TRADE AND OTHER RECEIVABLES

	2022 £'000	2021 £'000
Trade receivables - Pawnbroking	11,854	9,173
Trade receivables - other	601	489
Other receivables	228	61
Prepayments	581	656
	13,264	10,379

Trade receivables - Pawnbroking is disclosed net of expected credit losses, details of which are shown in note 14.

17. CASH AND CASH EQUIVALENTS

	2022 £'000	2021 £'000
Cash and cash equivalents	15,278	13,032

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)

	2022 £'000	2021 £'000
Trade payables	4,870	5,406
Other payables	844	767
Other taxes and social security	293	277
Accruals	2,858	1,170
Contract liabilities	40	53
Subtotal	8,905	7,673
Lease liabilities (note 20)	2,086	2,159
Interest bearing loans and borrowings	6,443	-
Income tax liabilities	932	61
	18,366	9,893

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

Details of the RCF 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 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 base 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 base 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 2022 the group had available £3.5m of undrawn committed facilities.

19. NON-CURRENT LIABILITIES

	2022 £'000	2021 £'000
Lease liabilities (note 20)	7,871	6,442
Contract liabilities	88	119
Deferred tax (note 10)	149	118
	8,108	6,679

20. LEASE LIABILITY

	2022 £'000	2021 £'000
Lease Liabilities as at 1 October	8,601	9,099
Additions	4,039	2,506
Disposals	(472)	(700)
Interest	396	388
Payments	(2,607)	(2,692)
As at 30 September	9,957	8,601
Current lease liability	2,086	2,159
Non-current lease liability	7,871	6,442

The cash flows relating to financing activities for repayment of lease principal amounts is £2,211,000 (2021: £2,304,000). 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 £470,000 (2021: £441,000). 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.

Notes to the consolidated financial statements

21. ISSUED CAPITAL AND RESERVES

	No.	£'000
Ordinary shares issued and fully paid		
At 30 September 2021	31,393,207	314
Issued during the year	250,000	2
At 30 September 2022	31,643,207	316

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.

22. DIVIDENDS

Amounts recognised as distributions to equity holders in the year:

	2022 £'000	2021 £'000
Final dividend for the year ended 30 September 2021 of 1.2p per share	377	-
Interim dividend for the period ended 30 September 2022 of 2.7p per share (30 September 2020 Nil)	854	-
	1,231	-
Amounts proposed and not recognised:		
Final dividend for the year ended 30 September 2022 of 6.3p per share (Final dividend for 30 September 2021 of 1.2p per share)	1,994	377

The proposed final dividend is subject to approval at the Annual General Meeting and 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 2022 are £62,000 (2021: £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:

	2022 £'000	2021 £'000
Short term employee benefits	880	688
Post employment benefits	22	39
Share based payments	136	139
	1,038	866

25. SHARE BASED PAYMENTS

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

	2022 £'00	2021 £'000
LTIP	314	254

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	1,126,500	-
Granted during the year	338,000	-
Forfeited during the year	(220,000)	-
Exercised during the year	(250,000)	1
Outstanding at the end of the year	994,500	

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

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:

Notes to the consolidated financial statements

25. SHARE BASED PAYMENTS continued

	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	17/03/22	17/03/22	08/02/2021	08/02/2021	16/07/2019	16/07/2019
Share Price	£1.67	£1.67	£1.48	£1.48	£1.88	£1.88
Exercise Price	£0.01	£0.01	£0.01	£0.01	£0.01	£0.01
Vesting period	2.5 years	2.5 years	2.64 years	2.64 years	2.71 years	2.71 years
Risk Free return	1.4%	1.4%	0.01%	0.01%	0.5%	0.5%
Volatility	53%	53%	51%	51%	26%	26%
Dividend Yield	3.5%	3.5%	0.0%	0.0%	3.9%	3.9%
Fair value of Option (£)	0.77	1.51	0.64	1.47	0.52	1.68

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. FAIR VALUE OF ACQUISITION

On the 14th February 2022 the company purchased the trade and certain assets of Geo A Payne & Son Limited for a total consideration of £909,000, which was fully paid in cash. The fair value of the assets acquired were as follows:

	£'000
Tangible fixed assets (fixtures and fittings)	15
Intangible assets (customer relationships)	200
Trade receivables - Pawnbroking	302
Inventories	392
Net assets acquired	909

27. POST BALANCE SHEET EVENTS

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

28. CASH AND CASH EQUIVALENTS

	30 September 2022 £'000	30 September 2021 £'000
Sterling cash and cash equivalents	5,190	7,747
Other currency cash and cash equivalents	10,088	5,285
	15,278	13,032

Parent Company statement of financial position

As at 30 September 2022

	Notes	2022 £'000	2021 £'000
Assets			
Non-current assets			
Investments	D	8,383	8,205
Deferred tax	E	37	80
		8,420	8,285
Current assets			
Receivables	F	3,683	450
Cash and short-term deposits		1	3,968
		3,684	4,418
Total assets		**12,104**	**12,703**
Current liabilities			
Trade and other payables	G	409	94
		409	94
Net current assets		**3,275**	**4,324**
Total assets less current liabilities		11,695	12,609
Net assets		**11,695**	**12,609**
Equity			
Issued capital	H	316	314
Share Premium		4,892	4,892
Retained earnings		6,487	7,403
Total equity		**11,695**	**12,609**

The loss after tax for the Company for the year ended 30 September 2022 was £9,000 (2021: Profit £55,000)

These financial statements were approved by the directors and authorised for issue on 16 January 2023 and signed on their behalf by:

M A Clyburn
Chief Financial Officer

Company Registration Number: 8811656

Parent Company statement of changes in equity

For the year ended 30 September 2022

	Share Capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
As at 1 October 2020	308	4,892	7,180	12,380
Profit for the year	-	-	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
As at 1 October 2021	314	4,892	7,403	12,609
Loss for the period	-	-	(9)	(9)
Total comprehensive income	-	-	(9)	(9)
Transactions with owners:				
Issue of share capital	2	-	-	2
Dividends paid (Note I)	-	-	(1,231)	(1,231)
Share based payments	-	-	314	314
Deferred tax on share based payments	-	-	10	10
Total transactions with owners	2	-	(907)	(905)
As at 30 September 2022	**316**	**4,892**	**6,487**	**11,695**

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.

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.

Notes to the parent company financial statements

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

	2022 £'000	2021 £'000
Remuneration receivable	880	489
Social security cost	65	90
Value of company pension contributions to money purchase schemes	22	23
Share based payments	136	95
	1,103	697

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 £947,000 (2021: £519,000). 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:

	2022 £'000	2021 £'000
Remuneration receivable	427	201
Value of company pension contributions to money purchase schemes	10	10
Share Based Payments	82	60
	519	271

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

D. INVESTMENTS

Shares in subsidiary undertakings

	2022 £'000	2021 £'000
Cost		
Cost brought forward	8,205	8,046
Additions - Share based payments	178	159
Cost carried forward	8,383	8,205

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

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

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

Notes to the parent company financial statements

E. DEFERRED TAX

Deferred tax relates to the following:

	2022 £'000	2021 £'000
Deferred tax assets		
Share based payments	37	80
	37	80

Reconciliation of deferred tax assets

	2022 £'000	2021 £'000
Opening balance as of 1 October / 1 April	80	182
Deferred tax credit recognised in the statement of comprehensive income	(53)	(64)
Other deferred tax	10	(38)
Closing balance as at 30 September	37	80

F. RECEIVABLES

	£'000	£'000
Amounts owed by subsidiary companies	3,671	439
Prepayments	12	11
	3,683	450

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

Notes to the parent company financial statements

G. LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Trade Payables	10	10
Other Creditors	379	63
Other taxes and Social Security	20	21
Current tax liabilities	-	-
	409	94

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. DIVIDENDS

Amounts recognised as distributions to equity holders in the year:

	2022 £'000	2021 £'000
Final dividend for the year ended 30 September 2021 of 1.2p per share	377	-
Interim dividend for the period ended 30 September 2022 of 2.7p per share (30 September Nil)	854	-
	1,231	-

Amounts proposed and not recognised:

Final dividend for the year ended 30 September 2022 of 6.3p per share (final dividend for 30 September 2021 of 1.2p per share)	1,994	377

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

J. 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) Karen Ingham (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

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