

8 June 2022

## Ramsdens Holdings PLC

(“Ramsdens”, the “Group”, the “Company”)

### Interim Results for the six months ended 31 March 2022

Ramsdens, the diversified financial services provider and retailer, today announces its Interim Results for the six months ended 31 March 2022 (the “Period”).

#### Highlights

- A strong performance as trading conditions started to normalise, with Profit Before Tax of £2.2m (HY21: £0.1m loss)
- Gross revenue increased 51% to £29.3m (HY21: £19.3m)
- Jewellery retail revenue up 62% to £13.1m (HY21: £8.1m). Online jewellery retail sales increased by 48% year on year to £2.0m (HY21: £1.3m) and now represent 15% of total jewellery sold
- Pawnbroking loan book at the period end was £7.5m (HY21: £5.7m) as customers returned to normal spending habits and required short term cash flow assistance
- Foreign currency exchange improved as international travel restrictions eased, driving a significant increase in gross profit to £3.4m (HY21: £1.0m)
- Gross profit from the purchase of precious metals increased 34% to £3.1m (HY21: £2.3m)
- Net Assets increased £2.1m to £37.6m (HY21: £35.5m)
- As a result of improving trading conditions, the Board has approved an interim dividend of 2.7 pence per share (HY21: nil pence per share)
- Trading following the Period end has continued to improve. Foreign currency volumes have increased to approximately 85% of pre-pandemic levels, the pawnbroking loan book has continued to grow, the weight of precious metals purchased has increased and retail jewellery has remained strong.

#### Financial results for the six months ended 31 March 2022

Two prior comparable periods have been included below to demonstrate the impact of the pandemic. The six-month period ended 31 March 2020 was substantially pre-pandemic whereas the six-month period ended 31 March 2021 was impacted by retail lockdowns and significant travel restrictions.

	<b>6 months ended 31 March 2022 (unaudited)</b>	6 months ended 31 March 2021 (unaudited)	6 months ended 31 March 2020 (unaudited)
Gross Revenue	<b>£29.3m</b>	£19.3m	£25.3m
Gross Profit	<b>£15.7m</b>	£10.5m	£16.7m
Profit/(Loss) before tax	<b>£2.2m</b>	(£0.1m)	£2.3m
Basic EPS	<b>5.6p</b>	(0.3p)	5.5p

**Peter Kenyon, Chief Executive, commented:**

*"We are pleased with the Group's very strong performance during the Period, which was characterised by significant increases in customer demand for both our jewellery proposition and our foreign currency offer as customer behaviour continued to normalise.*

*Our growth strategy action plan remains on track and is working. Of the eight new stores planned to open this financial year, three stores were opened during the first half and have traded above expectations.*

*We are also encouraged by the increased demand for Ramsdens' foreign currency services since the Period end. We look forward to continuing this strong momentum through the important summer period".*

**ENDS**

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**About Ramsdens**

Ramsdens is a growing, diversified, financial services provider and retailer, operating in the four core business segments of foreign currency exchange, pawnbroking loans, precious metals buying and selling and retailing of second hand and new jewellery.

Ramsdens does not offer unsecured high-cost short term credit.

Headquartered in Middlesbrough, the Group operates from 156 stores within the UK (including 3 franchised stores) and has a growing online presence.

Ramsdens is fully FCA authorised for its pawnbroking and credit broking activities.

[www.ramsdensplc.com](http://www.ramsdensplc.com)

[www.ramsdensforcash.co.uk](http://www.ramsdensforcash.co.uk)

[www.ramsdensjewellery.co.uk](http://www.ramsdensjewellery.co.uk)

## **CHIEF EXECUTIVE'S REPORT**

This interim report covers the six months ended 31 March 2022 (the "Period"), which saw consumer behaviour continuing to transition back to that seen prior to the onset of Covid-19. The prior comparative period (six months to 31 March 2021 - HY21) featured trading with a retail lockdown environment for a substantial part of the six months. With that in mind to provide additional context, this segmental analysis also presents figures for HY20 (the six months to 31 March 2020), which saw the majority of trading take place prior to the onset of Covid-19.

The Group has delivered a profitable performance, supported by the marked uptick in demand for foreign currency as international travel restrictions eased and consumers became increasingly comfortable with travelling abroad.

We are pleased with the Group's performance and look forward to building on this through the remainder of the year.

## **FINANCIAL REVIEW**

The Group reported a Profit Before Tax of £2.2m (HY21: loss of £0.1m). Gross revenue increased by 51% to £29.3m (HY21: £19.3m) as trading activity increased in line with the easing of Covid-19 restrictions.

Administration expenses increased by 27% to £13.3m (HY21: £10.4m) as stores returned to standard opening hours and variable costs increased in line with this higher level of trading. The cessation of Government furlough support and reduction in business rates support increased costs by c.£1.2m.

The Group's balance sheet remains strong, with net assets of £37.6m (HY21: £35.5m). The Group's main assets are cash (including foreign currency), pawnbroking loans secured on gold jewellery and watches, and retail jewellery stock. The reduction in net cash at 31 March 2022 to £9.3m (HY21 £15.0m) was due to the Group investing heavily in its jewellery stock and the rebuilding of the pawnbroking loan book.

Capital expenditure in the Period totalled £0.8m (HY21: £0.9m) including the cost of opening two new stores and relocating one store. In addition, the Group invested £0.9m acquiring a jewellery and pawnbroking business based in Boscombe.

The Group has the benefit of a £10.0m revolving credit facility which expires in March 2024 and had drawn £1.5m of this facility at the end of the Period to support currency stock increases.

The Board is pleased to announce an interim dividend of 2.7 pence per share (HY21: nil pence per share). The dividend will be payable on 30 September 2022 to those shareholders on the register on 2 September 2022. The ex-dividend date will be 1 September 2022.

## REVIEW

### **Foreign Currency Exchange**

The foreign currency exchange (FX) segment primarily comprises the sale and purchase of foreign currency notes to holidaymakers.

	HY22	HY21	YOY	HY20
Total currency exchanged	£94m	£20m	372%	£181m
Gross profit	£3.4m	£1.0m	236%	£4.7m
Online C&C orders	£10.0m	£1.6m	547%	£18.5m
% of online FX	11%	8%		10%
Segment as a % of total gross profit	22%	10%		28%

The easing of travel restrictions in the UK and abroad has increased confidence and encouraged more people to travel. As a result, the demand for foreign currency has increased despite the Omicron variant of Covid-19 impacting travel in Q1.

By the end of the Period, daily foreign currency exchange volumes had increased to approximately 60% of pre-pandemic levels. In addition, we continue to be able to manage our margin to minimise the impact to profitability of the lower volumes.

As we look forward, the income from this service is anticipated to grow in line with the continued growth of international travel. We strongly believe that customers' desire to travel abroad remains high.

### **Pawnbroking**

Pawnbroking is a small subset of the consumer credit market in the UK and a simple form of asset-backed lending that dates back to the foundations of banking. In a pawnbroking transaction an item of value, known as a pledge (in Ramsdens' case this is jewellery and watches) is held by the pawnbroker as security against a six-month loan. Customers pay interest on this loan, repay the capital sum borrowed and recover their pledged item. If a customer defaults on 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	HY22	HY21	YOY	HY20
Gross profit	£3,694	£3,480	6%	£4,706
Total loan book	£7,506	£5,749	31%	£7,747
Past Due	£567	£893	(37%)	£1,115
In date loan book	£6,939	£4,856	43%	£6,632
Percentage of GP	23%	33%		28%

The pawnbroking loan book grew in line with expectations during the Period.

The loan to value on plain gold was approximately two thirds of the gold price at the period end. The average loan value at 31 March 2022 was £286 (31 March 2021: £265).

With restrictions in the availability of other forms of credit, and the squeeze on household incomes, we believe that the ease and simplicity of pawnbroking will lead to further loan book growth in the coming year.

### ***Jewellery Retail***

The Group retails new and second-hand jewellery to customers both in store and online. The Board continues to believe there is further growth potential for Ramsdens in this segment which can be achieved by leveraging the Group's store estate and e-commerce operations, by cross-selling to existing customers and through acquiring new customers.

Retailing of new jewellery products complements the Group's second-hand offering, giving customers greater choice in both breadth of products and price. In addition, the Group continues to build its reputation for the sale of premium second-hand watches.

000's	HY22	HY21	YOY	HY20
Revenue	£13,085	£8,074	62%	£7,054
Gross Profit	£4,923	£3,168	55%	£3,113
Margin %	38%	39%		44%
Jewellery retail stock	£20,070	£10,810		£8,919
Online sales	£1,963	£1,323	48%	£654
% of sales online	15%	16%		9%
Percentage of GP	31%	30%		19%

The retail segment achieved significant growth due to the Group's continued investment during the Period. We invested in the presentation of our jewellery with improved in-store concept design window displays which have resulted in a wider, clearer choice for our customers and greater stock levels all supported by improvements in our stock replenishment systems.

The investment in our e-commerce activities continued to deliver improved results during the Period, increasing retail revenue by 48% to £2.0m (HY21: £1.3m). Online jewellery sales now account for 15% (HY20: 9%) of the Group's total retail sales. Further improvements to the customer journey and how we promote and market the website ([www.ramsdensjewellery.co.uk](http://www.ramsdensjewellery.co.uk)) are in the planning and early implementation stages. The e-commerce department is managed as a separate business unit and is profitable.

Watch sales grew 176% year on year. Watch sales attract new customers to the Group and this product offering has received significant investment in stock, presentation and staffing levels during the Period, which benefits buying, lending and retailing.

As we look forward, despite the anticipated macro challenges that higher inflation and rising interest rates will bring, we believe there is an ongoing opportunity for improving and growing our jewellery retail business.

### ***Purchases of Precious Metals***

Through this service, Ramsdens buys unwanted jewellery, gold and other precious metals from customers for cash. 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. The Group has second-hand dealer licences and other permissions and adheres to the approved "gold standard" for buying precious metals.

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

000's	HY22	HY21	YOY	HY20
Revenue	£7,779	£5,623	38%	£7,499
Gross Profit	£3,112	£2,330	34%	£3,214
Average gold price in £	£16.44	£16.45		£14.41
Percentage of GP	20%	22%		19%

As customer behaviour and spending patterns have normalised, more people have sold their unwanted jewellery. As the Group's foreign currency volumes have improved, so too has the opportunity to cross sell this service, leading to improved gold buying volumes during the Period.

The Sterling gold price has remained high as a result of the Ukraine / Russia war and the strength of the US dollar. This is also encouraging more customers to sell unwanted jewellery as the selling price is more favourable.

In the short to medium term, we expect the gold price to remain high and as a result to benefit this area of the business.

### **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	HY22	HY21	YOY	HY20
Revenue	£557	£540	3%	£1,029
Gross Profit	£557	£540	3%	£937
Percentage of GP	4%	5%		6%

This remains a steady source of income to the Group.

## **OPERATIONAL REVIEW**

Our retail estate continues to be actively managed. Lease renewals have generally resulted in rent reductions, greater flexibility or sometimes both. On occasion it has been necessary to relocate to take advantage of lower rents in a much better footfall location. Our store in Carlisle was relocated in the Period, with two further stores, in Newcastle and Durham, relocated in May. A further four stores are in the legal and planning process for relocating later in 2022.

During the Period, new stores were opened in Chatham and Glasgow and a new store was acquired in Boscombe. We anticipate opening five new stores in the second half of the financial year and have a healthy pipeline of targeted new stores for FY23 and beyond.

The Group has, like other businesses, experienced staffing challenges with higher-than-normal staff turnover and challenges in recruitment. The Ramsdens team is happy and engaged, as evidenced by our staff survey results, but the impact of Covid-19 has caused

many to review their lifestyle choices. While Ramsdens' head office staff have greater flexibility in their working arrangements, high street retail presents challenges in this regard, with relatively fixed opening hours and a need to be in-store. We have awarded significant pay rises to reward loyal staff and to retain Ramsdens' position as an attractive place to come and work.

I would like to take this opportunity to thank each and every staff member for their dedication, commitment, willingness to strive for continuous improvement, and their steadfast focus on delivering fantastic service to our customers every day.

## **OUTLOOK**

We believe that FY22 is a transitional year, with an expected return to substantially normal trading conditions by the end of the financial year, albeit against a trading environment that is experiencing a number of wider global macroeconomic events. Despite these challenges, the Board is confident in the Group's ability to withstand the inflationary impact to the cost base and anticipates delivering growth across all of the Group's income streams over the medium term.

The Board is confident that Ramsdens is well-placed to continue to grow and deliver our strategy to create value for all stakeholders.

**Peter Kenyon**  
**Chief Executive Officer**

## Interim Condensed Financial Statements

### Unaudited condensed consolidated statement of comprehensive income

#### For the six months ended 31 March 2022

		6 months Ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 (restated) Unaudited £'000	12 months ended 30 September 2021 Audited £'000
	Note			
Revenue	2	29,265	19,326	40,677
Cost of sales		(13,532)	(8,781)	(18,415)
<b>Gross profit</b>	2	<b>15,733</b>	<b>10,545</b>	<b>22,262</b>
Other income		-	-	284
Administrative expenses		(13,287)	(10,446)	(21,510)
<b>Operating profit</b>		<b>2,446</b>	<b>99</b>	<b>1,036</b>
Finance costs	3	(230)	(232)	(472)
<b>Profit / (loss) before tax</b>		<b>2,216</b>	<b>(133)</b>	<b>564</b>
Income tax expense		(465)	29	(198)
<b>Total comprehensive income / (loss) for the period</b>		<b>1,751</b>	<b>(104)</b>	<b>366</b>
Basic earnings per share in pence	4	5.6	(0.3)	1.2
Diluted earnings per share in pence	4	5.6	(0.3)	1.2



## Unaudited condensed consolidated statement of changes in equity

For the six months ended 31 March 2022

	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	12 months ended 30 September 2021 Audited £'000
Opening total equity	36,143	35,555	35,555
Total comprehensive income for the period	1,751	(104)	366
Transactions with shareholders:			
Share capital issued	2	6	6
Dividends paid	(377)	-	-
Share based payments	155	103	254
Deferred tax on share based payments	(51)	(42)	(38)
Total transactions with shareholders	(271)	67	222
Closing total equity	37,623	35,518	36,143

## Unaudited condensed consolidated statement of financial position

### At 31 March 2022

	Note	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 (restated) Unaudited £'000	12 months ended 30 September 2021 Audited £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		5,343	5,207	5,195
Intangible assets		850	807	714
Investments		-	-	-
Right-of-use assets		9,055	8,286	8,164
Deferred tax assets		-	76	80
		<u>15,248</u>	<u>14,376</u>	<u>14,153</u>
<b>Current Assets</b>				
Inventories		21,279	11,576	15,151
Trade and other receivables		11,853	9,797	10,379
Cash and short term deposits		10,718	14,996	13,032
		<u>43,850</u>	<u>36,369</u>	<u>38,562</u>
<b>Total assets</b>		<b><u>59,098</u></b>	<b><u>50,745</u></b>	<b><u>52,715</u></b>
<b>Current liabilities</b>				
Trade and other payables		9,885	6,169	7,673
Lease liability		2,206	1,745	2,159
Interest bearing loans and borrowings		1,423	-	-
Income tax payable		403	70	61
		<u>13,917</u>	<u>7,984</u>	<u>9,893</u>
<b>Net current assets</b>		<b><u>29,933</u></b>	<b><u>28,385</u></b>	<b><u>28,669</u></b>
<b>Non-current liabilities</b>				
Lease liability		7,313	7,049	6,442
Accruals and deferred income		93	133	119
Deferred tax liabilities		152	61	118
		<u>7,558</u>	<u>7,243</u>	<u>6,679</u>
<b>Total liabilities</b>		<b><u>21,475</u></b>	<b><u>15,227</u></b>	<b><u>16,572</u></b>
<b>Net assets</b>		<b><u>37,623</u></b>	<b><u>35,518</u></b>	<b><u>36,143</u></b>
<b>Equity</b>				
Issued capital	5	316	314	314
Share premium		4,892	4,892	4,892
Retained earnings		32,415	30,312	30,937
<b>Total equity</b>		<b><u>37,623</u></b>	<b><u>35,518</u></b>	<b><u>36,143</u></b>

## Unaudited condensed consolidated statement of cash flows

### For the six months ended 31 March 2022

	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 (restated) Unaudited £'000	12 months ended 30 September 2021 Audited £'000
<b>Operating activities</b>			
Profit / (loss) before tax	2,216	(133)	564
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant & equipment	655	506	1,074
Depreciation of right-of-use assets	1,116	1,080	2,223
Profit on disposal of right-of-use assets	-	-	(45)
Amortisation and impairment of intangible assets	64	76	218
Loss on disposal of property, plant and equipment	10	10	140
Share based payments	155	103	254
Finance costs	230	232	472
Working capital adjustments:			
Movement in trade and other receivables and prepayments	(1,249)	1,257	565
Movement in inventories	(5,736)	(417)	(3,992)
Movement in trade and other payables	2,186	(273)	1,217
	(353)	2,441	2,690
Interest paid	(230)	(232)	(472)
Income tax paid	(60)	(1,066)	(1,135)
<b>Net cash flows from operating activities</b>	<b>(643)</b>	<b>1,143</b>	<b>1,083</b>
<b>Investing activities</b>			
Proceeds from sales of property, plant and equipment	-	10	10
Purchase of property, plant and equipment	(798)	(888)	(1,574)
Purchase of intangible assets	-	(13)	(62)
Acquisitions	(909)	-	-
<b>Net cash flows used in investing activities</b>	<b>(1,707)</b>	<b>(891)</b>	<b>(1,626)</b>
<b>Financing Activities</b>			
Dividends paid	(377)	-	-
Share capital issued	2	6	6
Payment of lease liabilities	(1,089)	(1,135)	(2,304)
Bank loans drawn down	1,500	-	-
Repayment of bank borrowings	-	-	-
<b>Net cash flows from financing activities</b>	<b>36</b>	<b>(1,129)</b>	<b>(2,298)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(2,314)</b>	<b>(877)</b>	<b>(2,841)</b>
Cash and cash equivalents at start of period	13,032	15,873	15,873
<b>Cash and cash equivalents at end of period</b>	<b>10,718</b>	<b>14,996</b>	<b>13,032</b>

# Unaudited notes to the interim condensed financial statements

## For the six months ended 31 March 2022

### 1. Basis of preparation

The interim condensed financial statements of the group for the six months ended 31 March 2022, which are neither audited or reviewed, have been prepared in accordance with the International Financial Reporting Standards ('IFRS') accounting policies adopted by the group and set out in the annual report and accounts for the year ended 30 September 2021. As permitted, this interim report has been prepared in accordance with the AIM rules and not in accordance with IAS 34 "Interim financial reporting". While the financial figures included in this preliminary interim earnings announcement have been computed in accordance with IFRS's applicable to interim periods, this announcement does not contain sufficient information to constitute an interim financial report as that term is defined in IFRS's.

The financial information contained in the interim report also does not constitute statutory accounts for the purpose of section 434 of the Companies Act 2006. The financial information for the period ended 30 September 2021 is based on the statutory accounts for period ended 30 September 2021 which have been filed with the Registrar of Companies and are available on the group's website [www.ramsdensplc.com](http://www.ramsdensplc.com). The auditors, Grant Thornton UK LLP, reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The financial information for the 6 months ended 31 March 2021 is based on the unaudited interim financial information for that period. Due to a change in accounting policy for pawnbroking loans in the course of realisation, certain figures have been restated for this period as detailed in note 7.

The Board have conducted an extensive review of forecast earnings and cash over the next twelve months, considering various scenarios and sensitivities given the Covid-19 situation and uncertainty around the future economic environment. At 31 March 2022 the Group had cash resources of c£11m and a £10m RCF facility expiring in March 2024, of which £1.5m was drawn.

The Group's activities include services deemed essential services by the government and therefore the Group's stores are likely to be able to open in the event of a further lockdown. The Group's essential services include pawnbroking, foreign currency, money transfer and cheque cashing. The Group has a strong asset base and the ability to generate cash quickly through the sale of jewellery stock for its intrinsic value or by restricting new pawnbroking lending. The Group has shown resilient trading through the last year of Covid-19 restrictions, assisted by government support.

The Board have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the interim condensed financial statements.

## Unaudited notes to the interim condensed financial statements (continued)

For the six months ended 31 March 2022

### 2. Segmental Reporting

	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 (restated) Unaudited £'000	12 months ended 30 September 2021 Audited £'000
<b>Revenue</b>			
Pawnbroking	4,248	4,062	7,526
Purchases of precious metals	7,779	5,623	10,369
Retail Jewellery sales	13,085	8,074	18,252
Foreign currency margin	3,596	1,027	3,408
Income from other financial services	557	540	1,122
<b>Total revenue</b>	<b>29,265</b>	<b>19,326</b>	<b>40,677</b>
<b>Gross profit</b>			
Pawnbroking	3,694	3,480	6,678
Purchases of precious metals	3,112	2,330	4,240
Retail Jewellery sales	4,923	3,168	6,965
Foreign currency margin	3,447	1,027	3,257
Income from other financial services	557	540	1,122
<b>Total gross profit</b>	<b>15,733</b>	<b>10,545</b>	<b>22,262</b>
Other income	-	-	284
Administrative expenses	(13,287)	(10,446)	(21,510)
Finance costs	(230)	(232)	(472)
<b>Profit / (loss) before tax</b>	<b>2,216</b>	<b>(133)</b>	<b>564</b>

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

The Group is unable to meaningfully allocate administrative expenses or financing costs between the segments because these expenses include the cost of staff and stores which undertake all services. Accordingly, the Group is unable to disclose an allocation of items included in the Consolidated Statement of Comprehensive Income below Gross profit, which represents the reported segmental results.

## Unaudited notes to the interim condensed financial statements (continued)

For the six months ended 31 March 2022

### 2. Segmental Reporting (continued)

	6 months ended 31 March 2022 Unaudited £'000	6 months Ended 31 March 2021 Unaudited £'000	12 months ended 30 September 2021 Audited £'000
<b>Other information</b>			
Capital additions (*)	1,013	1,742	1,636
Depreciation and amortisation (*)	1,845	1,672	3,515
<b>Assets</b>			
Pawnbroking	10,837	8,557	9,173
Purchases of precious metals	120	768	1,172
Retail Jewellery sales	21,590	11,005	14,306
Foreign currency margin	5,903	3,345	5,314
Income from other financial services	150	175	139
Unallocated (*)	20,498	26,895	22,611
	59,098	50,745	52,715
<b>Liabilities</b>			
Pawnbroking	531	434	492
Purchases of precious metals	1	3	21
Retail Jewellery sales	4,845	3,061	3,433
Foreign currency margin	1,626	70	1,335
Income from other financial services	357	469	541
Unallocated (*)	14,115	11,190	10,750
	21,475	15,227	16,572

(\*) The Group is unable to meaningfully allocate this information by segment because all segments operate from the same stores and the assets and liabilities are common to all segments.

Fixed assets are therefore included in unallocated assets and lease liabilities are included in unallocated liabilities.

## Unaudited notes to the interim condensed financial statements (continued)

### For the six months ended 31 March 2022

#### 3. Finance costs

	6 months ended 31 March 2022 Unaudited £'000	6 months ended 31 March 2021 Unaudited £'000	12 months ended 30 September 2021 Audited £'000
Interest on debts and borrowings	42	42	84
Interest on right-of-use assets	188	190	388
<b>Total finance costs</b>	<b>230</b>	<b>232</b>	<b>472</b>

#### 4. Earnings per share

	6 months ended 31 March 2022 Unaudited	6 months ended 31 March 2021 Unaudited	12 months ended 30 September 2021 Audited
Profit for the period (£'000)	1,751	(104)	366
Weighted average number of shares in issue	31,476,540	30,930,245	31,161,762
Earnings per share (pence)	5.6	(0.3)	1.2
Fully diluted earnings per share (pence)	5.6	(0.3)	1.2

#### 5. Issued capital and reserves

Ordinary shares issued and fully paid	No.	£'000
<b>At 30 September 2021</b>	31,393,207	314
Share capital issued	250,000	2
<b>At 31 March 2022</b>	31,643,207	316

During the period 250,000 (2021: 555,554) ordinary 1p shares were issued at par pursuant to the Group's Long Term Incentive Plan (LTIP).

## **Unaudited notes to the interim condensed financial statements (continued)**

### **For the six months ended 31 March 2022**

#### **6. Dividends**

The final dividend for the year ended 30 September 2021 of 1.2p per share was paid 10 March 2022 totaling £377,000.

#### **7. Change in accounting policy**

As detailed in notes 2 & 28 in the Annual Report for the year ended 30 September 2021 the Group changed its accounting policy for the treatment of pawnbroking loans in the course of realisation. This change was made after the publication of the interim results to 31 March 2021, therefore certain figures for that period, shown as a comparative period in these financial statements, have been restated under the new accounting policy. The main impact is a reduction in both revenue and cost of sales for the pawnbroking segment, however this change has no effect on gross profit or net assets.

Pawnbroking loans in the course of realisation are recognised in the statement of financial position as trade receivables rather than as inventories under the previous accounting policy.