15 January 2024

Ramsdens Holdings PLC

("Ramsdens", the "Group", the "Company")

Annual Results for the year ended 30 September 2023

Milestone Profit Before Tax of £10.1m

Ramsdens, the diversified financial services provider and retailer, today announces its Annual Results for the year ended 30 September 2023 (the "Period").

	FY23	**FY22**	**% change**
Revenue	**£83.8m**	**£66.1m**	**27%**
Gross Profit	**£45.8m**	**£38.2m**	**20%**
Profit before tax	**£10.1m**	**£8.3m**	**22%**
Net Assets	**£48.2m**	**£41.8m**	**15%**
Basic EPS	**24.5p**	**20.9p**	**17%**
Final dividend	**7.1p**	**6.3p**	**13%**
Full year dividend	**10.4p**	**9.0p**	**16%**

Highlights:

- FY23 profit for the Group was driven by strong performances across all four key income streams.
- Foreign currency gross profit increased 8% year on year to £13.6m (FY22: 12.7m) and ahead of pre-covid levels.
- Jewellery retail revenue increased 23% to £33.5m (FY22: £27.1m) driven by good growth in each product category of new jewellery, second hand jewellery and premium watches.
- Demand for the Group's pawnbroking loans continued to grow. As at 30 September 2023, the active loan book had increased by almost 20% to £10.3m (FY22: £8.6m).
- The high gold price has helped precious metals buying volume and values. Revenue across this segment increased by almost 50% to £23.5m (FY22: £15.8m).
- Basic EPS increased by 17% to 24.5p per share (FY22: 20.9p).
- The Board is recommending a final dividend of 7.1p per share for approval at the forthcoming AGM, taking the total dividend for the Period to 10.4p per share (FY22: 9.0p) an increase of 16%, continuing its commitment to a progressive dividend policy.

Current Trading:

The Board is pleased to provide an update on Q1 FY24 trading (October to December 2023).

- Foreign currency (FX) gross profit is flat on last year. While we are encouraged by growing sales of FX, purchases of FX from returning holiday makers are still subdued, indicating they are keeping their leftover FX cash for another trip or have spent their cash while abroad.
- Ongoing demand for small sum short term credit has enabled the pawnbroking loan book to incrementally increase to £10.6m from the year end position of £10.3m.
- Jewellery retail revenue is broadly flat but gross profit is approximately 5% ahead of last year in this key retail quarter. There has been a mixed performance within the categories and channels. Our online premium watch sales on retail finance have reduced while we have seen strong sales of new, second-hand and diamond jewellery throughout our store network. This is testament to our improved offering and greater customer awareness of the value for money jewellery Ramsdens offers.
- The purchase of precious metals gross profit has increased by more than 10% on the prior year due to growing awareness of the service offered by Ramsdens and the continued high gold price.
- Following the year end, new stores have been opened in Cardiff, Poole and Blackburn, taking the store estate to 165 stores (including two franchised stores).

In summary, the Group is trading in line with the Board's expectations and continues to benefit from the diversification of its activities.

Peter Kenyon, Chief Executive, commented:

"Ramsdens has had a great year, delivering a milestone profit in excess of £10m.

I am hugely grateful for the Ramsdens team's dedication and commitment and wish to publicly thank them for their efforts and success. We also recognise their efforts with Company-wide bonus schemes and by paying the real living wage (RLW) as our entry level pay which will continue in FY24. At the heart of our business are our people. This has been recognised by the pawnbroking industry, with Ramsdens awarded the National Pawnbroker's Association Employer of the Year for 2023.

While we are very conscious of the tough economic conditions and the cost pressures of energy pricing, increased interest rates, and paying the RLW, we have confidence that our long-term strategy, which remains unchanged, will deliver long-term benefits for all stakeholders."

Availability of Report and Accounts

The Company confirms that the Annual Report and Financial Statements for the year ended 30 September 2023, together with notice of the Company's 2023 annual general meeting, will be published and posted to shareholders shortly and will be available to view on the Company's investor relations website: https://www.ramsdensplc.com/investor-relations/reports-and-presentations, in accordance with AIM Rule 20.

The information contained within this announcement is deemed by the Group to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019. The person responsible for making this announcement on behalf of the Company is Peter Kenyon.

ENDS

Enquiries:

Ramsdens Holdings PLC Tel: +44 (0) 1642 579957
Peter Kenyon, CEO
Martin Clyburn, CFO

Liberum Capital Limited, Nominated Adviser,
Financial Adviser and Broker Tel: +44 (0) 20 3100 2000
Richard Crawley
Lauren Kettle

Hudson Sandler (Financial PR) Tel: +44 (0) 20 7796 4133
Alex Brennan
Lucy Wollam-Coles
Emily Brooker

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 165 stores within the UK (including 2 franchised stores) and has a growing online presence.

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

www.ramsdensplc.com
www.ramsdensforcash.co.uk

CHAIRMAN'S STATEMENT

This Annual Report covers the 12-month period to 30 September 2023 (FY23).

I am pleased to report that the Group has achieved a milestone profit before tax of more than £10m for the first time. These strong results are reflective of the benefits of the Group's diversified income streams and, in particular, the positive impact from the investments the Group has made in its retail activities over recent years.

FINANCIAL RESULTS & DIVIDEND

The below table highlights the financial results:

£000's	FY23	FY22
Revenue	£83,805	£66,101
Gross Profit	£45,759	£38,219
Profit Before Tax	£10,105	£8,269
Net Assets	£48,167	£41,843
Net Cash*	£5,039	£8,835
EPS	24.5p	20.9p
Final dividend	7.1p	6.3p
Full year dividend	10.4p	9.0p

*cash minus bank borrowings

The Group achieved revenue of £83.8m (FY22: £66.1m) and Profit Before Tax of £10.1m (FY22: £8.3m). 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 is recommending a final dividend of 7.1p (FY22: 6.3p) for approval at the forthcoming AGM. Pending approval, the full year dividend of 10.4p (FY22: 9.0p) would represent an increase of 16% year on year and 42% of the earnings per share. Subject to shareholder approval, the final dividend is expected to be paid on 22 March 2024 for those shareholders on the register on 16 February 2024. The ex-dividend date will be 15 February 2024.

LOOKING AHEAD

While the business is very well positioned to build upon its achievements, the Board remains cognisant of the macroeconomic challenges currently impacting consumer-facing businesses in the UK. The Group's diversified income streams provide defensive qualities in the current environment characterised by higher interest rates and levels of inflation.

The Group is not immune from rising costs, in particular in relation to staff and energy costs. The Group's fixed energy pricing ends in February 2024 which will result in an increase in costs of approximately £0.4m in FY24. Ramsdens also strives to reward its staff fairly and previously took the decision to pay at least the Real Living Wage (RLW) to everyone in the business. The RLW will increase by 10% from May 2024 and we will continue to offer this entry level of pay for our people, who provide a tremendous service looking after our customers. I believe we have a fantastic team and would like to publicly thank them for their efforts over the last year.

Notwithstanding these cost pressures, the Group still has significant opportunities to grow each of its income streams. In the year ahead the ongoing global economic uncertainty is expected to benefit the gold price, which should remain higher than long term averages. This will continue to benefit both our pawnbroking and precious metals buying business segments. Our pawnbroking loan book grew by approximately 20% in FY23 and there is built up latent interest income to come through in FY24, as well as an opportunity to further grow our lending as customer demand for a small sum short term loan remains high.

The investments made in our retail operations, including our instore and online offering, produced revenue growth of 25% during FY23 despite the economic conditions and squeeze on discretionary spending. This resulted in our online jewellery department contributing £1m of net profit in FY23. This strong momentum and planned further investment gives us confidence for continued growth in FY24.

Foreign currency income grew year-on year by 8%, albeit the summer of 2023 was a little disappointing after a particularly good first six months of the year. In last year's Annual Report, we commented that economic conditions had the potential to delay a full recovery in our foreign currency income division and that would appear to have been the case in the summer months. While the numbers of customers we served increased over 2022, economic challenges led to our customers taking slightly less cash on holiday with them. This lower average transaction value on sales also led to less currency being exchanged back into sterling when customers returned. We are hopeful that travel numbers and holiday durations in summer 2024 continue to increase back towards 2019 levels. We recently launched the Ramsdens Mastercard® Multi-Currency Card to support our foreign currency segment and capture a greater share of our customers' holiday spending.

Our business is underpinned by a great culture of 'doing things right' and our proven growth strategy remains unchanged. We strive to operate sustainably, look after our people, play our part in the communities where we operate and reward our shareholders. Our dividend policy continues to be progressive with the full year dividend increasing by 16%. Our long-term dividend strategy is to move towards distributing approximately 50% of earnings to shareholders, subject always to the growth opportunities of the Group.

Andrew Meehan
Non-Executive Chairman
14 January 2024

CHIEF EXECUTIVE'S REVIEW

The Group has had a great year delivering record profit before tax of £10.1m.

As well as the externally visible achievements of this record profitability, new stores, new websites and the launch of the Ramsdens Mastercard® Multi-Currency Card, a significant amount of work has gone into developing the culture and sustainability of the business. During the year, a full review of our ESG strategy was undertaken to ensure we are challenging ourselves and continuing to raise the bar higher. Further details can be found in the ESG report on page 26 of the Annual Report.

At the heart of our business are our people. They continue to be engaged, motivated and look after our customers with great care, listening to them and giving them support with whatever they want or need. Our colleagues serve a diverse mix of customers by offering support with short term pawnbroking loans, helping to find that special jewellery item, exchanging travel money for holidaymakers or helping customers get cash for their unwanted jewellery. I am hugely grateful for this dedication and commitment and wish to publicly thank them for their efforts and success. I believe they are the best team in the industry. We want to be an employer of choice and therefore offer support and development, career opportunities, achievable bonus schemes and the real living wage as our entrant level pay. Ramsdens was recognised by the pawnbroking industry as a great place to work after being awarded the National Pawnbroker's Association Employer of the Year award for 2023.

BUSINESS REVIEW

Our clear growth strategy has remained consistent since our quotation on the London Stock Exchange's AIM in 2017 and we have delivered very positive results in FY23.

We have achieved growth across all four of our key income streams as a result of our ongoing focus on continuous improvement. Within the core estate, we have relocated two stores to more attractive locations in Kendal and Dundee. The stores that were opened in FY22 are all performing well and those relocated in FY22 have seen positive results, generating the benefits expected in retail and / or foreign currency.

We have expanded our South East presence in Kent and Essex with three new store openings in Croydon, Basildon and Maidstone as well as the acquisition of a store in Bexleyheath. We also opened five stores in Yorkshire and the North West, in Bootle, Bradford, Warrington, Southport as well as a second store in York. The second store in York, while offering all services, is aimed at lifting our retail offering even further. We are pleased to say that all new stores are trading well, with several well ahead of expectations. We ended the year with 160 stores and two franchised stores.

Our online retail business comprises online jewellery sales where goods are shipped direct to customers, with sales of goods that are sourced online but transacted in store accounted for within our branch profits. Our online retail activities continue to achieve strong growth and delivered profit contribution of over £1m during the year. We believe we have a strong foundation to continue to scale this online retail business in the coming years.

We launched our new Ramsdens currency website in July 2023 and we are encouraged by the early results, albeit this new revenue stream will need time to develop and grow. Our new pawnbroking website will go live in Q1 2024 and a new gold buying website shortly after. These product focused websites will support improved SEO performance, thereby improving overall profitability.

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

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 and launched the Ramsdens Mastercard® multi-currency card in September 2023 just before the year end.

	FY23	FY22
Total Currency exchanged	£408m	£364m
Gross profit	£13.6m	£12.7m
Online click and collect orders	£42.0m	£38.7m
Percentage of FX online	10%	11%
Percentage of Group gross profit	30%	33%

While changes to purchasing habits in the UK have reduced the use of cash to c14% of UK transactions, the vast majority of the customers buying foreign currency are holidaying in Portugal, Italy, Greece and Spain where cash usage is well in excess of 50% of all transactions. We have confidence that UK travellers will continue to take cash abroad for both convenience and to assist with budgeting whilst on holiday.

The Gross Profit from FX increased by 8% which is a solid result, albeit the key summer period was slower than originally anticipated. Transaction volumes increased by 18% to approximately 1 million but remain 30% lower than pre pandemic levels.

The average transaction value for selling currency fell from £469 to £446 but remained well ahead of the pre pandemic average value of £401.

As anticipated, as volumes increased, we experienced some pressure on margins as we sought to maintain our great value for money proposition. However, FX margins remained higher than pre pandemic levels and we believe that going forward margins will be at least at FY23 levels.

International payments income continues to be relatively small in comparison to total foreign currency commission and the income from the new multi-currency card was minimal in FY23 following its launch in September 2023. The new multi-currency card is supported by a dedicated easy-to-use mobile app and will allow Ramsdens to capture more of the total holiday expenditure by our customers. The card offers 18 currencies with the benefit of Ramsdens' great exchange rates.

Our FX gross profit was 4% ahead of pre pandemic levels and we are optimistic about future performance as more people travel and volumes grow.

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.

If consumers have assets to pledge, pawnbroking can provide a short-term solution or give the customer time to put in place longer term financial arrangements. Pawnbroking is simple to understand and is quick and easy to arrange. It also benefits from there being no further debt consequences should the customer be unable to repay the loan when due, although Ramsdens works with our customers to try and ensure repayment where possible so the customer is able to borrow again should they need to.

000's	FY23	FY22
Gross profit	£10,043	£7,533
Total loan book* (capital value)	£10,264	£8,648
Past due (capital value)	£859	£721
In date loan book* (capital value)	£9,405	£7,927
Percentage of Group gross profit	22%	20%

*excludes loans in the course of realisation

Customer demand for small sum short term credit remains strong, in part driven by the increased costs the UK consumer has faced this year. While more traditional providers of short term credit have reduced in number (e.g. home collected credit, guarantor loans and payday lenders), some of this capacity has moved to unregulated 'lending' including through buy now pay later and salary advance providers.

Due to the contraction in traditional short-term lenders, and Ramsdens pawnbroking service being readily accessible in store or online, new customer volumes have increased by 11% compared to FY22.

The average loan value as at 30 September 2023 was £325, up from £303 as at 30 September 2022. Our median loan value is £174 across the UK but £230 in our southern branches. The broader demographics seen in the southern communities in which we operate allows for higher loan values with higher carats of gold jewellery offered as security for a loan.

Our lending remains conservative in line with our long-term policy and repayment rates are in line with long run averages.

We believe that economic conditions will remain challenging for the UK consumer in the year ahead and while we are expecting the loan book to continue to grow, we are not anticipating growth to be as high in FY24 as the 20% we achieved in 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	FY23	FY22
Revenue	£33,474	£27,107
Gross Profit	£12,058	£10,263
Margin %	36%	38%
Jewellery retail stock	£24,289	£19,683
Online sales	£6,656	£3,904
Percentage of sales online	20%	14%
Percentage of Group gross profit	26%	27%

A 23% increase in revenue despite the challenging economic conditions in the year was achieved following our investments in stock levels, stock presentation, replenishment systems, staff training and our retail website.

Retail revenue is now relatively equally spread across three key categories of premium watches (38% of revenue), new jewellery (31%) and preowned jewellery (31%). Margins by product category have remained consistent but the overall gross margin has fallen slightly due to an increase in the contribution of premium watch sales to the overall sales mix, which carry a slightly lower margin.

Online growth continued to be strong with revenue increasing to £6.7m (FY22: £3.9m), up 70% against the prior year. Online sales represented 20% of all jewellery items sold and the online channel contributed profit in excess of £1m.

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 120 watches in store but there are approximately 2,000 watches available on our website for customers to browse 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	FY23	FY22
Revenue	£23,522	£15,847
Gross Profit	£9,161	£6,626
Percentage of Group gross profit	20%	17%

Revenue from our purchase of precious metals grew by 48% with the gross profit growing by 38%. The Sterling price for 9ct gold has remained high in comparison to long run averages, which of course helps the divisional performance - during FY23 the average price for 9ct gold was £18.48 per gram (FY22: £17.15).

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 Western Union money transfer and receives franchise fees. Up to April 2023, the Group also received income for cheque cashing services and small commissions for credit broking, however these services were stopped to enable greater focus on the key services. In FY22, income from the now ceased services was approximately £0.35m.

000’s	FY23	FY22
Revenue	£849	£1,114
Gross Profit	£849	£1,114
Percentage of Group gross profit	2%	3%

STRATEGY

Following an extensive review, the Board believes that its existing strategy remains the right one to grow our business and deliver sustainable value for all our stakeholders. Included in that review was an in-depth review of our ESG strategy. See page 26 of the Annual Report for further details.

We continue to concentrate on:

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

1. Improving the performance of the existing store estate

The Group's established stores continue to perform well and all income segments have shown significant growth over FY22 levels with future opportunities for further improvement.

Our mission statement is to have a great customer offering backed up by fantastic customer service leading to customers being ambassadors for Ramsdens. Recommendations from family and friends continues to be the biggest source of new customers. We are also extremely proud of both of our 5-star Trustpilot ratings for our retail jewellery and foreign currency services. Living our values of being trusted, open and passionate helps deliver our mission statement and build our culture of doing the right thing, whatever that 'thing' may be.

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 performance across all key income streams. This focus remains unchanged.

Our people are key to implementing our strategy, and staffing remains the largest cost within the business. During the year, we continued to pay the real living wage (RLW) as our entry pay level. This resulted in pay increases of 10% for our people in more junior or entry level roles.

The RLW announcement in October 2023 was for another increase in pay of 10%, well ahead of inflation, effective from May 2024. We remain committed to paying the RLW which will result in 85% of the employees receiving a pay rise of greater than 8%, with more than 40% receiving an increase of 10% or more in FY24.

The people in our business live and breathe the Ramsdens ethos and we are committed to ensuring that our staff not only remain productive but also feel valued and rewarded in their careers at Ramsdens. We are continually investing in our training capabilities and how we develop our staff. We understand that there is a desire to continue to learn so that everybody can enjoy their role more, and benefit from higher remuneration with the development of new skills and responsibilities. We are conscious that as the entry level pay increases, there are challenges that need to be met to keep pay differentials across our grading structure.

Our fixed price energy contract ends in February 2024. A new contract has been entered into and the new energy pricing will result in an expected cost increase of £0.4m in FY24 and £0.6m in FY25 over FY23. Once the new contract commences all of our electricity will come from renewable sources.

Rents generally 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. We continue to actively manage our portfolio, including relocating stores to improve our footfall-reliant services of foreign currency exchange and jewellery retail while potentially reducing operating costs at the same time. Our two relocations this year in Kendal and Dundee were examples of this.

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. We are confident that investment in the recently launched foreign currency website will drive footfall to stores in addition to increasing click and collect volumes. We also believe the investment in the two new websites for pawnbroking and gold buying will also assist store performance.

In addition, we continually aim to improve the performance across 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 for when they next need foreign currency.
- By introducing 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 FCA's 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 their pledged items.
- 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. The 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:

- Continued investment in our jewellery stock levels will give 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.

- Our concept window display design and stock presentation has been well received by consumers. The simplicity of the display and strong signposting has improved display standards across the store estate where it has been implemented. The role out of this design will be completed in FY24.
- We are 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 and 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.
- When launched, our new gold buying website will identify new customers who may be unaware of the service or the value of their unwanted or unworn jewellery.

2. Expanding the Ramsdens branch footprint in the UK

The Group offers its services across a portfolio of stores and online, and the Board believes there are important growth opportunities through both of these channels. The Group's model of diversified income streams sharing the operational costs of the store has been successful in both small towns and larger cities. There are c350 towns and cities with a population of 30,000 or more in the UK, London counting as one location. We believe that there are significant opportunities to grow the store footprint over coming years given we have proven, successful stores in towns with a population of less than 15,000 where we have successfully established a community of returning customers.

The retail property market is currently attractive and flexible deals can be achieved as many towns have too much retail space. As a consequence, shorter lease terms can be agreed, however, this results in higher levels of depreciation (as spread over the lease term) at a time when shop fit costs have also increased to c£0.2m. A retail focused store also requires c£0.3m of working capital investment, which comprises mainly jewellery stock.

Expanding the store estate allows the Group to leverage off the services and centralised costs of its head office.

As at 30 September 2023, we had 160 stores plus two franchised stores.

During the year, we opened eight greenfield sites and acquired a pawnbroker in Bexleyheath. We closed one store in Blyth which was a casualty of the storms in November 2021 and the landlord chose not to repair the property.

We now have five stores in the South East. Our store in Chatham, which has been open for two years, continues to trade exceptionally well. During the year we opened new stores in Basildon, Croydon, and Maidstone and a new store in Romford will open in early 2024. While early trading across the new stores has been good, especially retail jewellery, new staff in a new region require significant support as well as ongoing training and development.

We also opened five stores in Yorkshire and the North West, in Bootle, Bradford, Warrington, Southport and York. All are trading in line with or ahead of our new store model expectation.

We have nine new stores planned for FY24. Poole, Blackburn and Cardiff all opened in Q1 FY24. We have three stores with the legals completed, awaiting shop fit completion and three new stores in various stages of the legal process.

We have a strong pipeline of researched towns where we are awaiting the right unit to take forward.

3. Developing our online proposition

We see the development of our online capabilities as being complementary to our store estate and both will benefit as the store estate expands and the websites generate increased brand recognition.

Jewellery retail website
www.ramsdensjewellery.co.uk

Revenue from the online retail jewellery website increased by 70% to £6.7m (FY22: £3.9m) and the online retail channel contributed over £1m of profitability.

This performance excludes jewellery sales in branches which use the in-store digital facility to access the website as a catalogue of stock.

During the year we conducted in-depth reviews of our SEO and pay per click activities. We continue to seek improvements in alternative payment options, photography and product descriptions and we are learning from integrated AI. The Board believes this ongoing development will continue to deliver online retail jewellery sales growth over the coming years.

Foreign currency website
www.ramsdenscurrency.co.uk

The new currency focused website launched in July 2023. The first objective of a seamless transition from the legacy website, www.ramsdensforcash.co.uk, has been achieved and we are now investing in building our SEO.

Click and Collect currency sales account for 10% of all currency sold (FY22: 11%).

The website has been enhanced to include the launch of the Ramsdens Mastercard® Multi-Currency Card and offer a buy back guarantee which has been rolled out to the stores. We will re-launch a home delivery option in 2024.

Pawnbroking website
www.ramsdenspawnbrokers.co.uk

A new website dedicated to pawnbroking will launch in Q1 2024. The first objective will be a seamless transition from the legacy website, www.ramsdensforcash.co.uk, so that customers who are already benefiting from the online payment facility to save interest continue to do so.

Our SEO will then be developed so that we can enhance the awareness of pawnbroking at Ramsdens to identify new higher value lending and attract customers to stores. An online digital marketing campaign has already been prepared ready for when the website launches. The true online only pawnbroking loan book, where goods are posted into Ramsdens, is minimal, with customers preferring the immediacy that a local pawnbroker provides for their small sum borrowing need.

Gold buying website
www.ramsdensgoldbuyers.co.uk

A new website dedicated to gold buying will launch in 2024. This will enable focused SEO and other online advertising to attract customers to utilise this service which they may be unaware of.

Legacy website
www.ramsdensforcash.co.uk
The ramsdensforcash.co.uk website will become a portal to individual websites for each of our four key income streams as well as providing background information to who we are and what we do.

4. Appraising opportunities presented by operating in challenging markets

The high street retail landscape remains challenging. Some locations are thriving and others less so with an over-supply of shops often larger in size following the demise of well-known high street chains. However, that brings opportunities in the potential availability of prime sites that may have been occupied by jewellers or travel agents. 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 risk mitigation in case any of our stores become isolated and performance deteriorates.

We continue to be discerning in the acquisitions we are interested in. Often jewellers have too much old and obsolete stock and we have the costs of store conversion to consider. This can be the same for a pawnbroking purchase where we have to consider whether it is more attractive to open a new store and build a business.

While most pawnbrokers have seen increased lending levels in the last 12 months and have optimism for future lending given the macroeconomic conditions and high gold price, 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 number of pawnbrokers operating in the UK continues to fall. The main reasons for closures tend to be the cost of regulatory compliance as well as a lack of internal succession structures at what are typically one store, family businesses. We believe the number of outlets overall has remained stable at c.870 as we and H&T Pawnbrokers have opened new stores during the last year.

We purchased Broadway Jewellers and Pawnbrokers in Bexleyheath in April 2023. This business has performed in line with expectations since acquisition.

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.

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 strategy

We know that our long-term strategic aims will only be delivered if we have good sustainable practices built on firm foundations.

Our foundations are:

- Environment – we are very conscious of the impact of our activities on the environment and our aim is to reduce our energy use and recycle where we can
- Social – our people. How we look after our people, their wellbeing, our inclusiveness and creating opportunities for all staff to learn, develop and progress their careers is critical in how we then serve and help our customers
- Social – our communities in which we operate. How we look after customers, suppliers and the wider community including supporting local charitable organisations helps define our Business
- Governance – we are committed to having the highest standards of governance throughout the business. We have a strong structure of oversight of what we do and how we do it, utilising our market leading in house bespoke software to provide the necessary controls and reporting.

LOOKING AHEAD

The Group has momentum in all key income streams and we need to maximise that opportunity. While we are not immune from the economic challenges and increased energy and payroll costs, the Group is in a great place to make further progress.

Looking at each income stream in turn:

- **Foreign Currency Exchange**
  The recently launched Ramsdens Mastercard® Multi-Currency Card has enjoyed a good start and will supplement our cash offering by participating in the customer's card spend while on holiday.

The new website will improve awareness of Ramsdens as a foreign currency supplier as will our continued pricing policies of having great rates on offer to customers.
Subject to the economic conditions, we are confident that consumers have a growing desire to travel, and this will continue to drive long-term demand in overseas holidays and a need for foreign currency.

- **Pawnbroking**
  With a backdrop of higher interest rates, ongoing inflationary pressure and a reduction in the number of lenders offering small sum short term credit, we believe pawnbroking will continue to be in demand and grow.
  The gold price is favourable and we are not anticipating any major fall in the gold price in the short term.
  Our new website will create awareness that Ramsdens is able to not only lend small sums but also that we have the expertise and skills to offer higher value loans at attractive interest rates.
  In line with recent years we anticipate that we will have the opportunity to acquire at least one pawnbroker during the year, subject to identifying an attractive proposition.
- **Retail Jewellery**
  Our continued investment in display, stock levels, processes and staff development should allow the business to grow its retail jewellery income.
  We have managed the inflationary cost pressures well and our pricing still provides customers with exceptional value for money.
  Our retail jewellery website is a scalable online business and this continues to receive focus and investment.
- **Purchase of precious metals**
  The high gold price and challenging economic conditions will generate demand from customers once they are aware of the service.
  Our new website when launched will assist with awareness of this service.
  We will increase awareness as more customers visit our stores.

The Group has great foundations on which to build and create value for all stakeholders. As well as the positive momentum in each of our income streams, we will benefit from the maturing of the stores opened in the last two years in addition to the stores that we are investing in this year.

Underpinned by the strength of the Ramsdens brand and diversified business model, the Board has continued optimism for the future and confidence in the Group's ability to deliver on its growth strategy for the long-term benefit of all stakeholders.

Peter Kenyon
Chief Executive Officer
14 January 2024

FINANCIAL DIRECTOR'S REVIEW

FINANCIAL RESULTS

For the year ended 30 September 2023, the Group's reported revenue increased by 27% to £83.8m (FY22: £66.1m) with growth across each of the four key income streams. Gross profit increased by 20% to £45.8m (FY22: £38.2m).

The Group's administrative expenses increased by 20% to £35.1m (FY22: £29.4m), reflecting an increase in staff costs as the business returned to more normalised trading levels. Finance costs increased 48% to £0.8m (FY22 £0.6m) due to higher interest base rates. Investments in working capital, particularly jewellery retail stock, over the last two years have enabled the Group to grow its retail proposition.

Profit before tax increased to £10.1m (FY22: £8.3m) as the Group benefited from improved trading conditions.

The Group's cash position remains strong with £5.0m net cash at the year-end (FY22: £8.8m), with the reduction in the year reflecting increased investment in new stores, jewellery stock and the growth of the pawnbroking loan book.

The table below shows the headline financial results:

£000's	FY23	FY22
Revenue	£83,805	£66,101
Gross Profit	£45,759	£38,219
Profit Before Tax	£10,105	£8,269
Net Assets	£48,167	£41,843
Net Cash*	£5,039	£8,835
EPS	24.5p	20.9p

*Cash less bank borrowings

EARNINGS PER SHARE AND DIVIDEND

The statutory basic earnings per share for FY23 was 24.5p, up from 20.9p in the previous year.

The Board is recommending a final dividend of 7.1p in respect of FY23 (FY22: 6.3p). Subject to approval at the AGM, the final dividend is expected to be paid on 22 March 2024 for those shareholders on the register on 16 February 2024. The ex-dividend date will be 15 February 2024. This would bring the total dividend for FY23 to 10.4p (FY22: 9.0p). 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 42% pay-out ratio of FY23 EPS. The long-term dividend strategy is to move towards approximately 50% of post-tax profits being distributed subject to the financial performance and growth opportunities.

FINANCIAL POSITION

At 30 September 2023, cash and cash equivalents amounted to £13.0m (FY22: £15.3m) and the Group had net assets of £48.2m (FY22: £41.8m).

CAPITAL EXPENDITURE

During the reporting period, the Group invested in the store estate by opening eight new stores, one store acquisition and relocating two existing stores. Capital expenditure for tangible and intangible assets was £2.7m.

CASH FLOW

Working capital outflows in the year include the significant investment in stock of £4.7m, and the growth of the pawnbroking loan book which has resulted in trade and other receivables increasing by £2.0m. Trade and other payables reduced by £2.3m. The net cash flow from operating activities for the year was £3.3m (FY22: £2.9m)

Net cash at the year-end was £5.0m (FY22: £8.8m).

The Group continues to have access to its £10m revolving credit facility which expires in March 2026. The Group has two covenants: 1 x cash cover and 2 x EBITDA cover. At 30 September 2023, this facility was £8.0m 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 year was £2.3m (FY22: £1.7m) representing an effective rate of 23% (FY22: 20%). The tax rate increased during the second half of the year from 19% to 25%. 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 year was £462,000 (FY22: £314,000). 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 prices of 200.5p and 230.0p.

During the year, the LTIP award from 2019 partially met the performance criteria and 73,425 share options vested. 71,775 share options were exercised during the year with 1,650 fully vested options remaining unexercised.

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
14 January 2024

Consolidated statement of comprehensive income
For the year ended 30 September 2023

	Notes	2023 £'000	2022 £'000
Revenue	5	83,805	66,101
Cost of sales		(38,046)	(27,882)
Gross profit	5	45,759	38,219
Other income		300	1
Administrative expenses		(35,126)	(29,392)
Operating profit		10,933	8,828
Finance costs	6	(828)	(559)
Profit before tax		10,105	8,269
Income tax expense	10	(2,349)	(1,683)
Profit for the year		7,756	6,586
Other comprehensive income		-	-
Total comprehensive income		7,756	6,586
Earnings per share in pence	8	24.5	20.9
Diluted earnings per share in pence	8	24.0	20.7

Consolidated statement of financial position

As at 30 September 2023

		2023	**2022**
Assets	**Notes**	**£'000**	**£'000**
Non-current assets			
Property, plant and equipment	11	7,949	6,681
Right of use assets	11	9,615	9,551
Intangible assets	12	673	779
Investments	13	-	-
		18,237	17,011
Current assets			
Inventories	15	27,662	22,764
Trade and other receivables	16	15,355	13,264
Cash and short-term deposits	17	13,022	15,278
		56,039	51,306
Total assets		**74,276**	**68,317**
Current liabilities			
Trade and other payables	18	6,305	8,905
Interest bearing loans and borrowings	18	7,983	6,443
Lease liabilities	18	2,462	2,086
Income tax payable	18	1,225	932
		17,975	18,366
Net current assets		**38,064**	**32,940**
Non-current liabilities			
Lease liabilities	19	7,661	7,871
Contract liabilities	19	50	88
Deferred tax liabilities	19	96	149
Provisions	29	327	-
		8,134	8,108
Total liabilities		**26,109**	**26,474**
Net assets		**48,167**	**41,843**
Equity			
Issued capital	21	317	316
Share premium		4,892	4,892
Retained earnings		42,958	36,635
Total equity		**48,167**	**41,843**

The financial statements of Ramsdens Holdings PLC, registered number 08811656, were approved by the directors and authorised for issue on 14 January 2024 and signed on their behalf by:

M A Clyburn

Chief Financial Officer

Consolidated statement of changes in equity

For the year ended 30 September 2023

	Notes	Issued capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
As at 1 October 2021		314	4,892	30,937	36,143
Profit for the year		-	-	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		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
As at 1 October 2022		316	4,892	36,635	41,843
Profit for the year		-	-	7,756	7,756
Total comprehensive income		-	-	7,756	7,756
Transactions with owners:					
Dividends paid	22	-	-	(1,994)	(1,994)
Issue of share capital	21	1	-	-	1
Share based payments	25	-	-	462	462
Deferred tax on share-based payments		-	-	99	99
Total transactions with owners		1	-	(1,433)	(1,432)
As at 30 September 2023		317	4,892	42,958	48,167

Consolidated statement of cash flows

For the year ended 30 September 2023

Operating activities	**Notes**	**2023 £'000**	**2022 £'000**
Profit before tax		10,105	8,269
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment	11	1,383	1,265
Depreciation and impairment of right of use assets	11	2,214	2,261
Profit on disposal of right of use assets	7	(72)	(81)
Amortisation and impairment of intangible assets	12	137	163
Loss on disposal of property, plant and equipment	7	62	78
Share based payments	25	462	314
Finance costs	6	828	559
Working capital adjustments:			
Movement in trade and other receivables and prepayments		(1,996)	(2,583)
Movement in inventories		(4,692)	(7,221)
Movement in trade and other payables		(2,638)	1,144
Movement in provisions		327	-
		6,120	4,168
Interest paid		(828)	(559)
Income tax paid		(2,010)	(672)
Net cash flows from operating activities		3,282	2,937
Investing activities			
Proceeds from sale of property, plant and equipment		15	3
Purchase of property, plant and equipment	11	(2,721)	(2,817)
Purchase of intangible assets	12	-	(28)
Payment for acquisition	28	(298)	(909)
Net cash flows used in investing activities		(3,004)	(3,751)
Financing activities			
Issue of share capital	21	1	2
Dividends paid	22	(1,994)	(1,231)
Payment of principal portion of lease liabilities		(2,041)	(2,211)
Bank loans drawn down		2,500	8,000
Repayment of bank borrowings		(1,000)	(1,500)
Net cash flows used in / from financing activities		(2,534)	3,060
Net (decrease) / increase in cash and cash equivalents		(2,256)	2,246
Cash and cash equivalents at 1 October		15,278	13,032
Cash and cash equivalents at 30 September	27	13,022	15,278

Notes to the consolidated financial statements

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

The principal activities of the Company and its subsidiaries (the "Group") are the supply of foreign exchange services, pawnbroking, jewellery sales, and the sale of precious metals purchased 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 2025 considering various scenarios and sensitivities given the ongoing cost of living crisis and uncertainty it has produced around the future economic environment.

At 30 September 2023 the Group has significant cash balances of £13m, readily realisable stock of gold jewellery and access to the £2m unutilised element of a £10m revolving credit facility with an expiry date of March 2026. In the year ended 30 September 2023 the Group has traded profitably and generated cash from operations.

The Board have been able to conclude that they have a reasonable expectation 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 2025.

3.4 Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred which represents the fair value of the assets transferred and

liabilities incurred or assumed. Acquisition related costs are expensed as incurred and included in administrative expenses.

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

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

3.5 Intangible assets

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

The useful lives of intangible assets are assessed as either finite or indefinite and at each date of the statement of financial position only goodwill assets are accorded an indefinite life.

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

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

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

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% and 33% reducing balance
- Computer equipment - 25% and 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.

3.8 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 weighted average 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 represents the 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 processed by merchant service providers are recognised as cash at point of transaction. Foreign currency bank notes are ordered for next day delivery and are recognised once the control of these has been transferred.

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 any outstanding bank overdrafts.

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

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

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

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.

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.

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 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.

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. The Group provides for rectification costs throughout the life of the lease as required. 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 repair costs are expensed as incurred.

3.14 Pensions and other post-employment benefits

The Group 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) and a CSOP (Company Share Option Plan).

The employee share options are measured at fair value at the date of grant by the use of either the Black-Scholes Model or a Monte Carle model depending on the vesting conditions attached to the share option. The fair value is expensed on a straight line basis over the vesting period based on an estimate of the number of options that will eventually vest. The expense is recognised in the entity in which the beneficiary is remunerated. Further details are provided in note 25.

3.16 Revenue recognition

The major sources of revenue come from the following:

- Pawnbroking

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

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

Pawnbroking revenue

Revenue from pawnbroking loans comprises interest earned over time by reference to the principal outstanding and the effective rate applicable, which is the rate that discounts the estimated cash receipts through the expected life of the financial asset to that asset's net carrying value. When a customer defaults on a pawnbroking loan, the pledged goods held as security are sold to repay the customer debt. At the point the loan becomes overdue the loan is classified as in default and interest income is accrued net of expected credit losses. At the start of the realisation process the expected credit loss calculation is re-performed based on the expected cash flows of the retail process, with any increase in expected credit losses recognised as a cost of sale. Further details of the expected credit loss calculations are provided in note 4.1.

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

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

Jewellery retail sales
Revenue is recognised at the point the goods are transferred to the customer and full payment has been received. Customers either pay in full at the time of the transaction and receive the goods, or pay by layby in instalments and receive the goods once the sale is fully paid. Instalment payments are recognised as a creditor until the item is fully paid. The Group has a 7-day refund policy in store, and a 14-day refund policy online reflecting the distance selling regulations. Premium watch sales are sold with a limited 12-month warranty. A provision for warranties is recognised when the underlying products are sold, based on management's best estimate, and is included as a cost of sale.

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.

3.17 Administrative expenses
Administrative expenses include 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.

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 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 and is assumed to be 12 months.

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

Impairment of property, plant and equipment, right-of-use assets and intangible assets estimate
Determining whether property, plant and equipment, right-of-use assets and intangibles assets 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 16%.

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 and 12.

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

4.2 Significant accounting judgements

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

Lease term

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

5. Segmental analysis

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

	2023	2022
Revenue	**£'000**	**£'000**
United Kingdom	83,805	65,948
Other	-	153
	83,805	66,101

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.

	2023	2022
Revenue	**£'000**	**£'000**
Contracts with customers	71,928	57,134
Pawnbroking interest income	11,877	8,967
	83,805	66,101

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

Revenue	2023 £'000	2022 £'000
Pawnbroking	11,877	8,967
Purchases of precious metals	23,522	15,847
Retail jewellery sales	33,474	27,107
Foreign currency	14,083	13,066
Income from other financial services	849	1,114
Total revenue	83,805	66,101

Gross profit		
Pawnbroking	10,043	7,533
Purchases of precious metals	9,161	6,626
Retail jewellery sales	12,058	10,263
Foreign currency	13,648	12,683
Income from other financial services	849	1,114
Total gross profit	45,759	38,219

	2023 £'000	2022 £'000
Total gross profit	45,759	38,219
Other income	300	1
Administrative expenses	(35,126)	(29,392)
Finance costs	(828)	(559)
Profit before tax	10,105	8,269

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

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

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

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

Other information	2023 £'000	2022 £'000
Tangible & intangible capital additions (*)	2,759	3,060
Depreciation and amortisation (*)	3,734	3,689
Assets		
Pawnbroking	14,262	11,853
Purchases of precious metals	3,373	3,081
Retail jewellery sales	24,647	20,125
Foreign currency	6,061	10,123
Income from other financial services	44	139
Unallocated (*)	25,889	22,996
	74,276	68,317
Liabilities		
Pawnbroking	596	613
Purchases of precious metals	5	3
Retail jewellery sales	1,744	2,012
Foreign currency	453	2,042
Income from other financial services	339	392
Unallocated (*)	22,972	21,412
	26,109	26,474

(*) 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 and sterling cash and cash equivalents are therefore included in the unallocated assets balance.

6. Finance costs

	2023 £'000	2022 £'000
Interest on debts and borrowings	368	163
Lease charges	460	396
Total finance costs	828	559

7. Profit before taxation has been arrived at after charging/(crediting)

	2023 £'000	2022 £'000
Items reported within Cost of sales -		
Cost of inventories recognised as an expense	35,777	26,065
Pawnbroking expected credit losses	1,834	1,434

Items reported within Administrative expenses -

Depreciation of property, plant and equipment	1,383	1,265
Depreciation of right of use assets	2,214	2,261
Profit on disposal of right of use assets	(72)	(81)
Amortisation of intangible assets	137	163
Loss on disposal of property, plant and equipment	62	78
Staff costs (see note 9)	20,107	16,643
Foreign currency exchange losses	318	265
Auditor’s remuneration – Audit fees	192	140
Auditor’s remuneration – Non-Audit fees	6	5
Short term lease payments	418	470
Share based payments (see note 25)	462	314

8. Earnings per share

	2023	**2022**
	£'000	**£'000**
Profit for the year	7,756	6,586
Weighted average number of shares in issue	31,679,095	31,559,874
Earnings per share (pence)	24.5	20.9
Weighted average number of dilutive shares	622,907	291,939
Effect of dilutive shares on earnings per share (pence)	(0.5)	(0.2)
Fully Diluted earnings per share (pence)	24.0	20.7

9. Information regarding directors and employees

Directors’ emoluments (£’000)

	2023				2022			
	Emoluments	Pension	LTIP	Total	Emoluments	Pension	LTIP	Total
Executive								
Peter Kenyon	383	9	37	429	427	10	435	872
Martin Clyburn	265	10	18	293	295	12	-	307
Non Executive								
Andrew Meehan	69	-	-	69	68	-	-	68
Simon Herrick	51	-	-	51	49	-	-	49
Steve Smith	14	-	-	14	41	-	-	41
Karen Ingham	37	-	-	37	-	-	-	-
Total	819	19	55	893	880	22	435	1,337

	2023	2022
	£'000	£'000
Included in administrative expenses:		
Wages and salaries	17,640	14,890
Social security costs	1,571	1,089
Share option scheme	462	314
Pension costs	434	350
Total employee benefits expense	20,107	16,643

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

	2023	2022
	No.	No.
Head office and management	131	115
Branch counter staff	653	578
	784	693

10. Income tax

The major components of income tax expense are:

Consolidated statement of comprehensive income

	2023	2022
	£'000	£'000
Current income tax:		
Current income tax charge	2,364	1,552
Adjustments in respect of current income tax of previous year	(60)	(9)
	2,304	1,543
Deferred tax:		
Relating to origination and reversal of temporary differences	45	140
Income tax expense reported in the statement of comprehensive income	2,349	1,683

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

	2023	2022
	£'000	£'000
Profit before income tax	10,105	8,269
UK corporation tax rate at 22% (2022: 19%)	2,223	1,571
Expenses not deductible for tax purposes	186	122
Prior period adjustment	(60)	(10)
Income tax reported in the statement of comprehensive income	2,349	1,683

Deferred tax
Deferred tax relates to the following:

Deferred tax liabilities		
Accelerated depreciation for tax purposes	403	180
Other short-term differences	(307)	(31)
Deferred tax liabilities	96	149

Reconciliation of deferred tax (asset) / liabilities net

	2023	2022
	£'000	£'000
Opening balance as at 1 October	149	38
Deferred tax recognised in the statement of comprehensive income	46	140
Other deferred tax	(99)	(29)
Closing balance as at 30 September	96	149

Factors affecting tax charge
The standard rate of UK corporation tax for the year was 25% (2022: 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	Leasehold improvements	Fixtures & Fittings	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 October 2022	695	7,013	4,181	596	53	12,538
Additions	-	1,590	928	157	46	2,721
Acquisition (note 28)	-	-	7	-	-	7
Disposals	-	(492)	(278)	(144)	(26)	(940)
At 30 September 2023	695	8,111	4,838	609	73	14,326
Depreciation						
At 1 October 2022	11	3,523	2,046	249	28	5,857
Depreciation charge for the year	14	726	525	108	10	1,383
Disposals	-	(440)	(265)	(138)	(20)	(863)
At 30 September 2023	25	3,809	2,306	219	18	6,377
Net book value						
At 30 September 2023	670	4,302	2,532	390	55	7,949
At 30 September 2022	684	3,490	2,135	347	25	6,681

Right of use of assets

	Leasehold Property	Motor Vehicles	Total
Cost			
At 1 October 2022	14,299	45	14,344
Additions	2,846	-	2,846
Disposals	(2,373)	(45)	(2,418)
At 30 September 2023	14,772	-	14,772
Depreciation			
At 1 October 2022	4,753	40	4,793
Depreciation Charge for the year	2,209	5	2,214
Disposals	(1,805)	(45)	(1,850)
At 30 September 2023	5,157	-	5,157
Net Book Value			
At 30 September 2023	9,615	-	9,615
At 30 September 2022	9,546	5	9,551

12. Intangible assets

	Customer relationships	Website	Goodwill	Total
	£'000	**£'000**	**£'000**	**£'000**
Cost				
At 1 October 2022	2,407	105	526	3,038
Acquisition (note 28)	31	-	-	31
At 30 September 2023	2,438	105	526	3,069
Amortisation				
At 1 October 2022	2,096	90	73	2,259
Amortisation charge for the year	132	5	-	137
Impairment	-	-	-	-
At 30 September 2023	2,228	95	73	2,396
Net book value				
At 30 September 2023	210	10	453	673
At 30 September 2022	311	15	453	779

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 precious metals, jewellery retail and other financial services.

14. Financial assets and financial liabilities

At 30 September 2023	Fair value through statement of comprehensive income	Loans and receivables	Financial liabilities at amortised cost	Book value	Fair value
	£'000	£'000	£'000	£'000	£'000
Financial assets					
Financial assets at amortised cost	-	14,698	-	14,698	14,698
Cash and cash equivalents	-	13,022	-	13,022	13,022
Financial liabilities					
Trade and other payables	-	-	(5,834)	(5,834)	(5,834)
Interest bearing loans and borrowings	-	-	(7,983)	(7,983)	(7,983)
Lease liabilities	-	-	(10,123)	(10,123)	(10,123)
Net financial assets/(liabilities)	**-**	**27,720**	**(23,940)**	**3,780**	**3,780**

At 30 September 2022	Fair value through statement of comprehensive income	Loans and receivables	Financial liabilities at amortised cost	Book value	Fair value
	£'000	£'000	£'000	£'000	£'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**

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 and 19.

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

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

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

Credit risk

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

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

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

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

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

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

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

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

Expected Credit losses

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

	2023			2022		
Category	**Gross amount £'000**	**Loss allowance £'000**	**Net carrying amount £'000**	**Gross amount £'000**	**Loss allowance £'000**	**Net carrying amount £'000**
Performing	11,299	203	11,096	9,510	178	9,332
Default	4,227	1,061	3,166	3,366	844	2,522
Total	15,526	1,264	14,262	12,876	1,022	11,854

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

	Pawnbroking loans
	£'000
At 1 October 2021	701
Statement of comprehensive income charge	1,434
Utilised in the period	(1,113)
At 30 September 2022	1,022
Statement of comprehensive income charge	1,834
Utilised in period	(1,592)
Balance at 30 September 2023	1,264

A 1% increase/(decrease) in the Group's redemption ratio is a reasonably possible variance based on historical trends and would result in an impact on Group pre-tax profit of £7k/(£7k). 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 (£120k)/£120k.

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

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

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

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

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

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

iii) A lower gold price may reduce the attractiveness of the Group’s gold purchasing operations.

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

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

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

The foreign exchange cash held in store is exposed to the risks of currency fluctuations. The value exposed is mainly in Euro and US dollars. There is the daily risk of buying today, receiving the currency the next day, and subsequently selling it and being susceptible to movements in the exchange rate. The Company uses monthly forward contracts to hedge against adverse exchange rate movements in its two key currencies, Euros and US dollars. There are no contracts in place at the year end.

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

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

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

As at 30 September 2023	<3 months	3-12 months	1-5 years	>5 years	Total
	£'000	£'000	£'000	£'000	£'000
Lease liabilities	641	1,821	6,872	789	10,123
Trade payables	2,936	-	-	-	2,936
Interest bearing loans and borrowings	7,983	-	-	-	7,983
Total	11,560	1,821	6,872	789	21,042

As at 30 September 2022	<3 months	3-12 months	1-5 years	>5 years	Total
	£'000	£'000	£'000	£'000	£'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

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 £75,000.

15. Inventories

	2023	2022
	£'000	£'000
New and second-hand inventory for resale (at lower of cost or net realisable value)	27,662	22,764

16. Trade and other receivables

	2023	2022
	£'000	£'000
Trade receivables - Pawnbroking	14,262	11,854
Trade receivables - other	431	601
Other receivables	5	228
Prepayments	657	581
	15,355	13,264

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

17. Cash and cash equivalents

	2023	2022
	£'000	£'000
Cash and cash equivalents	13,022	15,278

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)

	2023	2022
	£'000	£'000
Trade payables	2,936	4,870
Other payables	781	844
Other taxes and social security	521	293
Accruals	2,027	2,858
Contract liabilities	40	40
Subtotal	6,305	8,905
Lease liabilities (note 20)	2,462	2,086
Interest bearing loans and borrowings	7,983	6,443
Income tax liabilities	1,225	932
	17,975	18,366

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
- Trade and other payables include amounts received from customers in relation to layby jewellery purchases of £1,120,000 (2022: £956,000). Materially all of the prior year balance was released to revenue in the current year

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

Bank borrowings

Details of the RCF facility are as follows:

Key Term	Description
Facility	Revolving Credit Facility with Virgin Money
Total facility size	£10m
Termination date	March 2026.
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 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 2023 the group had available £2m of undrawn committed facilities.

19. Non-current liabilities

	2023	2022
	£'000	£'000
Lease liabilities (note 20)	7,661	7,871
Contract liabilities	50	88
Deferred tax (note 10)	96	149
Provisions (note 29)	327	-
	8,134	8,108

20. Lease Liability

	2023	2022
	£'000	£'000
Lease Liabilities as at 1 October	9,957	8,601
Additions	2,846	4,039
Disposals	(639)	(472)
Interest	460	396
Payments	(2,501)	(2,607)
As at 30 September	10,123	9,957
Current lease liability	2,462	2,086
Non-current lease liability	7,661	7,871

The cash flows relating to financing activities for repayment of lease principal amounts is £2,041,000 (2022: £2,211,000). 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 £418,000 (2022: £470,000). 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 in note 11.

21. Issued capital and reserves

Ordinary shares issued and fully paid	No.	£'000
At 30 September 2022	31,643,207	316
Issued during the year	71,775	1
At 30 September 2023	31,714,982	317

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:

	2023 £'000	2022 £'000
Final dividend for the year ended 30 September 2022 of 6.3p per share (year ended 30 September 2021 of 1.2p per share)	1,994	377
Interim dividend for the year ended 30 September 2023 of 3.3p per share (year ended 30 September 2022 of 2.7p per share)	1,047	854
	3,041	1,231
Amounts proposed and not recognised:		
Final dividend for the year ended 30 September 2023 of 7.1p per share (year ended 30 September 2022 of 6.3p per share)	2,252	1,994

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

The outstanding pension contributions at 30 September 2023 are £2,000 (2022: £62,000)

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:

	2023	2022
	£'000	£'000
Short term employee benefits	819	880
Post employment benefits	19	22
Share based payments	200	136
	1,038	1,038

25. Share based payments

The Group operates a Long-term Incentive Plan (LTIP) and Company Share Option Plan (CSOP). The charge for the year in respect of the schemes was:

	2023	2022
	£'000	£'000
LTIP	420	314
CSOP	42	-
	462	314

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	994,500	
Granted during the year	358,000	
Expired during the year	(120,575)	
Forfeited during the year	(7,500)	
Exercised during the year	(71,775)	1
Outstanding at the end of the year	1,152,650	

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:

	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	05/04/23	05/04/23	17/03/22	17/03/22	08/02/2021	08/02/2021
Share Price	£2.30	£2.30	£1.67	£1.67	£1.48	£1.48
Exercise Price	£0.01	£0.01	£0.01	£0.01	£0.01	£0.01
Vesting period	2.5 years	2.5 years	2.5 years	2.5 years	2.64 years	2.64 years
Risk Free return	3.5%	3.5%	1.4%	1.4%	0.01%	0.01%
Volatility	33.6%	33.6%	53%	53%	51%	51%
Dividend Yield	5.0%	5.0%	3.5%	3.5%	0.0%	0.0%
Fair value of Option (£)	0.98	2.02	0.77	1.51	0.64	1.47

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 Group. The maximum term of the share options is 10 years.

The CSOP is a discretionary share incentive scheme under which the Remuneration Committee of Ramsdens Holdings PLC can grant options to purchase ordinary shares at an agreed exercise price subject to certain conditions.

The CSOP schemes in place at 30 September 2023 were as follows:

	Grant date	Exercise price (pence)	Number of share options	Earliest date of exercise	Expiry date
CSOP 2022	23/06/2022	200.50	110,000	23/06/2025	23/06/2032
CSOP 2023	05/04/2023	230.00	150,000	05/04/2026	05/04/2033

26. Post Balance Sheet Events

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

27. Cash and cash equivalents

	2023	2022
	£'000	£'000
Sterling cash and cash equivalents	6,990	5,190
Other currency cash and cash equivalents	6,032	10,088
	13,022	15,278

28. Fair value of acquisition

On the 12th April 2023 the Group purchased the trade and certain assets of Broadway Jewellers (Kent) Ltd for a total consideration of £298,000, which was fully paid in cash. The fair value of the assets acquired were as follows:

	£'000
Tangible fixed assets (fixtures & fittings)	7
Intangible assets (customer relationships)	31
Trade receivables - Pawnbroking	54
Inventories	206
Net assets acquired	298

29. Provisions

	2023	2022
	£'000	£'000
Reinstatement provision	327	-

The Group provides for the reinstatement cost of returning leased properties to their original state.

Parent Company Statement of Financial Position
As at 30 September 2022

	Notes	2023	2022
Assets		**£'000**	**£'000**
Non-current assets			
Investments	D	8,645	8,383
Deferred tax	E	144	37
		8,789	8,420
Current assets			
Receivables	F	2,908	3,683
Cash and short-term deposits		1,035	1
		3,943	3,684
Total assets		**12,732**	**12,104**
Current liabilities			
Trade and other payables	G	380	409
		380	409
Net current assets		**3,563**	**3,275**
Total assets less current liabilities		**12,352**	**11,695**
Net assets		**12,352**	**11,695**
Equity			
Issued capital	H	317	316
Share Premium		4,892	4,892
Retained earnings		7,143	6,487
Total equity		**12,352**	**11,695**

The profit after tax for the Company for the year ended 30 September 2023 was £2,139,000 (2022: Loss £9,000)

These financial statements were approved by the directors and authorised for issue on 14 January 2024 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	Share premium	Retained earnings	Total
	£'000	£'000	£'000	£'000
As at 1 October 2021	314	4,892	7,403	12,609
Loss for the year	-	-	(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
As at 1 October 2022	316	4,892	6,487	11,695
Profit for the period	-	-	2,139	2,139
Total comprehensive income	-	-	2,139	2,139
Transactions with owners:				
Issue of share capital	1	-	-	1
Dividends paid (note I)	-	-	(1,994)	(1,994)
Share based payments	-	-	462	462
Deferred tax on share based payments	-	-	49	49
Total transactions with owners	1	-	(1,483)	(1,482)
As at 30 September 2023	317	4,892	7,143	12,352

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, jewellery sales, and the sale of precious metals purchased 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.

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.

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.

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) and CSOP (Company Share Option Plan). The employee share options are measured at fair value at the date of grant by the use either the Black-Scholes Model or a Monte Carle model depending on the vesting conditions attached to the share option. The fair value is expensed on a straight line basis over the vesting period based on an estimate of the number of options that will eventually vest. The expense is recognised in the entity in which the beneficiary is remunerated. The share based payment expense in the period which relates to subsidiaries increases the carrying value of the investment held.

B. COMPANY STATEMENT OF COMPREHENSIVE INCOME
As permitted by s408 of the Companies Act 2006 the Company has elected not to present its statement of comprehensive income for the year.

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

C. STAFF AND KEY PERSONNEL COSTS
Other than the Directors who are the key personnel, the Company has no employees, details of their remuneration are set out below

	2023	**2022**
	£'000	**£'000**
Remuneration receivable	819	880
Social security cost	169	65
Value of company pension contributions to money purchase schemes	19	22
Share based payments	200	136
	1,207	1,103

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 £937,000 (2022: £947,000). 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:

	2023	**2022**
	£'000	**£'000**
Remuneration receivable	383	427
Value of company pension contributions to money purchase schemes	9	10
Share Based Payments	118	82
	510	519

The number of directors accruing retirement benefits under the money purchase scheme is 2 (2022: 2)

D. INVESTMENTS

Shares in subsidiary undertakings	**2023**	**2022**
	£'000	**£'000**
Cost		
Cost brought forward	8,383	8,205
Additions - Share based payments	262	178
Cost carried forward	8,645	8,383

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 precious metals, jewellery retail and other financial services.

E. DEFERRED TAX

Deferred tax relates to the following:

	2023	2022
	£'000	£'000
Deferred tax assets		
Share based payments	144	37
	144	37

Reconciliation of deferred tax assets

	2023	2022
	£'000	£'000
Opening balance as of 1 October	37	80
Deferred tax credit recognised in the statement of comprehensive income	58	(53)
Other deferred tax	49	10
Closing balance as at 30 September	144	37

F. RECEIVABLES

	2023	2022
	£'000	£'000
Amounts owed by subsidiary companies	2,892	3,671
Prepayments	16	12
	2,908	3,683

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

G LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£'000	£'000
Trade Payables	1	10
Other Creditors	291	379
Other taxes and Social Security	25	20
Current tax liabilities	63	-
	380	409

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:

	2023 £'000	2022 £'000
Final dividend for the year ended 30 September 2022 of 6.3p per share (year ended 30 September 2021 of 1.2p per share)	1,994	377
Interim dividend for the year ended 30 September 2023 of 3.3p per share (year ended 30 September 2022 of 2.7p per share)	1.047	854
	3,041	1,231
Amounts proposed and not recognised:		
Final dividend for the year ended 30 September 2023 of 7.1p per share (year ended 30 September 2022 of 6.3p per share)	2,252	1,994

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.