

RAMSDENS HOLDINGS PLC

Audited Results for the year ended 30 September 2021

HELPING YOU WITH
EVERYDAY LIFE



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Ramsdens overview

The Group is a growing diversified financial services provider and retailer

Business segments

-  Foreign Currency Exchange (FX)
-  Pawnbroking
-  Purchases of Precious Metals
-  Jewellery Retail
-  Other Services (including Western Union and cheque cashing)

NB. The Group does not offer unsecured personal loans often referred to as high cost short term credit



Boston, Lincolnshire

The year in summary

Resilient trading

- Resilient performance with profit before tax of £0.6m achieved despite international travel restrictions and reduced high street footfall
- Maintained a healthy financial position and utilised the Coronavirus Job Support Scheme (furlough) to protect jobs
- Continued strategic progress made during the year across retail and e-commerce operations, including:
 - store openings and improvements; and
 - investments across stock, user experience and digital marketing
- Strengthened balance sheet with net assets of £36.1m, including net cash of £13.0m, at 30 September 2021
- Recommencement of dividend of 1.2p per share recommended for approval at the forthcoming AGM

Resuming our growth strategy

Growth strategy has four pillars:

- Drive growth from core store estate
 - Five stores relocated and four refurbished during FY21
 - Continued investment in retail offering
 - Underpinned by continuous people development
- Expand store estate
 - Two new stores opened during FY21
 - Eight new locations planned for FY22
 - Strategic expansion into the South East
- Develop online presence
 - Continued investment in e-commerce operations
 - Retail jewellery revenue more than doubled year on year
- Capitalise on consolidation opportunities
 - Single store acquired in Manchester
 - Current market conditions and strategic geographic expansion will present opportunities



FINANCIAL REVIEW



Summary profit & loss

Background

- In 2020 the Group changed its accounting reference date to 30 September which resulted in an 18-month period for FP20, a period which had approximately 12 months of trading pre pandemic and 6 months of significant pandemic impact. FY21 has continued to be impacted by various levels of restrictions
- Given the unusual trading conditions, and the 18 month prior year comparative period, any comparison across the relative periods needs to be carefully considered

Key highlights

- Revenue totalled £40.7m in FY21, a resilient performance considering the restrictions on international travel and reduced footfall on high streets during the year
- Gross profit decreased to £22.3m, from £47.1m in FP20 (18 month period), with approximately £12m of this fall related to a reduction in foreign currency commission
- Costs have been well controlled with administrative expenses reduced to £21.5m in the reporting period
- In total the Group received £1.6m of Government support during FY21, £0.1m has been shown as other income and £1.5m has been shown as a reduction to administrative expenses
- Finance costs primarily relate to interest expenses in relation to property leases following the transition to IFRS16
- Profit before tax decreased to £0.6m in the reporting period
- Basic earnings per share of 1.2p in FY21 (23.1p in FP20)

Consolidated profit & loss

£000s	FY21 (12 months)	FP20 (18 months) Restated*	% Change
Revenue	40,677	72,493*	(44%)
Cost of sales	(18,415)	(25,344)*	(27%)
Gross profit	22,262	47,149	(53%)
Other income	284	725	(61%)
Administrative expenses	(21,510)	(37,858)	(43%)
Operating profit	1,036	10,016	(90%)
Finance costs	(472)	(795)	(41%)
Profit before tax	564	9,221	(94%)
Income tax expense	(198)	(2,103)	(91%)
Profit after tax for the period	366	7,118	(95%)

*The Group has changed an accounting policy in relation to pawnbroking loans in the course of realisation. There is no impact to gross profit or net assets. Full details can be found in the Appendices

Business segments

£000s	Revenue		Gross profit		Key highlights
	FY21 (12 months)	FP20 (18 months) Restated*	FY21 (12 months)	FP20 (18 months)	
Foreign Currency Exchange (FX)	3,408	14,859	3,257	14,859	<ul style="list-style-type: none"> Restrictions on international travel significantly affected volumes May 2021 volumes approximately 5% of 2019, increasing to 31% in September 2021 Strong margins achieved throughout the year
Pawnbroking	7,526	14,466*	6,678	12,248	<ul style="list-style-type: none"> In date loan book increased from £5.0m to £5.6m during the year Lending remains conservative in line with our long-term policy
Jewellery Retail	18,252	17,109	6,965	7,701	<ul style="list-style-type: none"> Outstanding performance given retail lockdowns with footfall on the high street significantly reduced Gross margin impacted by sales mix with an increasing proportion of lower margin premium watch sales Strong online performance with sales growth of over 100% year on year
Purchase of Precious Metals	10,369	23,024	4,240	9,856	<ul style="list-style-type: none"> Reduced store footfall impacted the ability to cross sell this service Weight of gold purchased in the second half of the year consistent at c.80% of pre pandemic Sterling gold price for 9ct gold remained relatively high in comparison to long run averages
Other Services	1,122	3,035	1,122	2,485	<ul style="list-style-type: none"> COVID resulted in some Western Union customers using services online Cheque cashing continues to be a service in decline
Total	40,677	72,493*	22,262	47,149	

Foreign Currency Exchange (FX)

Key financials

£ms	FY21 (12 months)	FP20 (18 months)
Currency exchanged	77m	559m
Online C&C orders	6.9m	45.4m
C&C % of total	9%	8%

Pawnbroking

Loan book

£000s	As at Sep-21	As at Sep-20
Within contractual term	5,601	4,989
Past due	536	1,559
Total	6,137	6,548
Past due %	9%	24%

Jewellery Retail

Key financials

£000s	FY21 (12 months)	FP20 (18 months)
Gross margin %	38%	45%
Jewellery stock	13,979	9,085
Online sales*	3,277	1,947
% of sales online*	16%	10%

*this is based on total jewellery sold i.e. includes ex pledge items

Purchase of Precious Metals

Gold price per gram (9ct)



Cash flow statement

Key highlights

- Net cash flow from operating activities in FY21 was £1.1m compared to £15.8m in FP20 (18 month period)
- Cash outflows in FY21 include investments in retail stock of £4.0m, partially offset by favourable credit terms with suppliers with trade creditors increasing by £1.2m
- £1.6 million CAPEX in FY21 on two new stores, five store relocations, four store refurbishments and two existing store property freehold purchases
- £2.3m in FY21 recognised within financing activities as payment of lease liabilities following adoption of IFRS16
- The Group renewed its revolving credit facility in March 2021 for a further three years to March 2024. The Group did not utilise the facility in the year and is currently not drawing on it

Dividends recommencing

- The Board has recommended that the Group recommences the payment of dividends with a final dividend of 1.2p per share proposed for approval at the forthcoming AGM.
- Although this represents the full post tax profits for the year, the Board recognises that the Group's strong cash position is sufficient to deliver on its future growth plans
- Moving forwards the long-term progressive dividend policy is to be recommenced, with the intention being to distribute approximately 50% of post tax profits to shareholders subject to the Group executing its growth opportunities

Cash flow statement

£000s	FY21 (12 months)	FP20 (18 months) Restated*
EBITDA	4,646	16,578
Share based payments	254	398
Movement in trade and other receivables	565	1,631*
Movement in inventories	(3,992)	(552)*
Movement in trade and other payables	1,217	170
Interest paid	(472)	(795)
Income tax paid	(1,135)	(1,678)
Net cash flows from operating activities	1,083	15,752
Investing activities		
Proceeds from sale of property, plant and equipment	10	4
Purchase of property, plant and equipment	(1,574)	(1,787)
Purchase of intangible assets	(62)	(258)
Net cash flows from investing activities	(1,626)	(2,041)
Financing Activities		
Issue of share capital	6	-
Dividends paid	-	(2,313)
Payment of principal portion of lease liabilities	(2,304)	(3,645)
Bank loans drawn down	-	2,600
Repayment of bank borrowings	-	(7,900)
Net cash flows from financing activities	(2,298)	(11,258)
Increase / (decrease) in cash and cash equivalents	(2,841)	2,453

*The Group has changed an accounting policy in relation to pawnbroking loans in the course of realisation. There is no impact to gross profit or net assets. Full details can be found in the Appendices

Financial position

Key highlights

- Strong liquidity to manage near term Covid-19 pressures
- Strengthened balance sheet with net assets of £36.1m, including net cash of £13.0m, at 30 September 2021
- Inventories of £15.2m at 30 September 2021, an increase of £4.0m from September 2020, reflecting the Group's continued investment in retail stock
- Intrinsic value of metals underpinning the inventory value
- Trade and other receivables are primarily pawnbroking loans secured on jewellery and watches
- £10.0m revolving credit facility provides working capital flexibility for the Group's continued growth and funding for summer currency requirements. Facility is currently undrawn and has a maturity date of March 2024

Balance sheet

£000s	As at 30 September 2021	As at 30 September 2020 Restated*
Non-current assets		
Property, plant and equipment	5,195	4,845
Intangible assets	714	870
Investments	-	-
Right-of-use assets	8,164	8,536
Deferred tax assets	80	182
	14,153	14,433
Current Assets		
Inventories	15,151	11,159*
Trade and other receivables	10,379	10,944*
Cash and short term deposits	13,032	15,873
	38,562	37,976
Total assets	52,715	52,409
Current liabilities		
Trade and other payables	7,673	6,422
Lease liabilities	2,159	2,005
Income tax payable	61	1,157
	9,893	9,584
Net current assets	28,669	28,392
Non-current liabilities		
Lease liabilities	6,442	7,094
Contract liabilities	119	153
Deferred tax liabilities	118	23
	6,679	7,270
Total liabilities	16,572	16,854
Net assets	36,143	35,555

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OPERATIONAL REVIEW AND OUTLOOK

Clear growth strategy

DRIVE GROWTH FROM
CORE STORE ESTATE



EXPAND STORE ESTATE



GROW ONLINE
PRESENCE



CAPITALISE ON
CONSOLIDATION
OPPORTUNITIES



WELL INVESTED SYSTEMS

MARKETING AND BRAND

PEOPLE, CULTURE AND CUSTOMER SERVICE

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

Strategy 1. Drive growth from core store estate

Foreign currency

- Maintain competitive exchange rates and manage margins closely
- Increase market share as volumes return. November 2021 volumes were approximately 50% of 2019
- Improve repeat customer rates
- Improve share of customer foreign currency spend by launching new multi currency card

Purchase of precious metals

- Grow awareness amongst our existing customer base

Jewellery retail

- Continue to invest in stock – quantity, quality and range
- Improve window displays to create more customer appeal
- Utilise structured replenishment system
- Continue to invest in our retail website which acts as a catalogue for our branches to facilitate further in store sales

Pawnbroking

- Continue to have prudent lending policies but look at developing opportunities to lend more where appropriate
- Attract new customers through recommendations and marketing activities

Relocations and refurbishments

- Relocate 7 stores to higher footfall locations to improve convenience, attract new customers and enhance our jewellery offer with larger window displays
- Refurbish 3 stores to improve jewellery offering
- Flexible lease portfolio provides a defensive quality if stores become isolated and enables relocations on a timely basis



Morley (refurbished June 2021)

Strategy 2. Expand store estate

Retail store estate



*At December 2021
152 managed stores

Key highlights

- The Group has a successful branch-based model and with diversified income streams, stores generate a good return on capital while leveraging off the head office cost base in smaller locations. There is therefore significant opportunity to grow the store estate in larger, and smaller, towns as well as cities, and expand into new regions
- Two new stores have opened in the period: Manchester (acquisition of a single Sutton & Robertsons Pawnbrokers store) and Middlesbrough (previously a currency kiosk)
- In December 2021 we opened in Chatham, the first Ramsdens store in the South East
- We have targeted eight locations to open in FY22. These comprise a mix of locations and include expanding further in the South East
- We intend to re-commence our strategy of 12 new locations per year from FY23



Chatham (December 2021)

Strategy 3. Grow online presence

Retail Jewellery - www.ramsdensjewellery.co.uk / Foreign currency and financial services - www.ramsdensforcash.co.uk

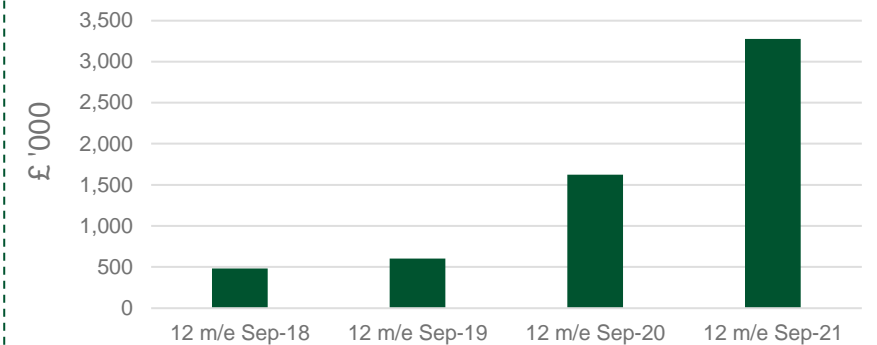
Jewellery retail website






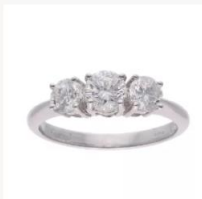

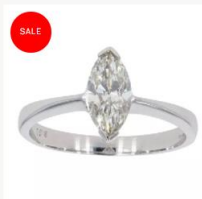
- Outstanding progress achieved in the last 12 months, with the online sales of jewellery items more than doubling to almost £3.3m
- While online performance in FY21 may have been aided by COVID-19 with corresponding growth in most online retail sectors, the Group's performance has remained encouraging since the re-opening of non-essential retail stores
- Maintain momentum by:
 - refreshing the website to optimise search functionality
 - continued investment in search engine optimisation, introduction of additional payment options, use of AI to push product options to customers, and successful pay per click advertising,
 - increasing the quantity of stock online significantly and investing in improvements to product merchandising and descriptions
- Expanding the store estate should assist online sales via improved brand recognition

Foreign currency website

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

Online retail sales



 <p>Rolex Rolex Cosmograph Daytona Pre Owned Watch Ref 116518LN Box: Yes Papers: Yes £41,999.00</p>	 <p>Rolex Rolex Cosmograph Daytona Pre Owned Watch Ref 116515LN Box: Yes Papers: Yes £34,999.00</p>	 <p>Rolex Rolex Datejust Pre Owned Watch Ref 69173 Box: Yes Papers: No £4,199.00</p>	 <p>Rolex Rolex Datejust Pre Owned Watch Ref 126334 Box: Yes Papers: Yes £10,999.00</p>
 <p>18ct Yellow Gold Diamond And Sapphire Ring £3,750.00 From £47.09 per month</p>	 <p>18ct White Gold 1.35ct Diamond Trilogy Ring £3,649.00 From £45.82 per month</p>	 <p>18ct White Gold 1.00ct Diamond Solitaire Ring £3,599.00 From £45.19 per month</p>	 <p>18ct White Gold Marquise Cut Diamond Solitaire Ring Now: £3,519.00 Was: £4,399.00 From £44.19 per month</p>

Strategy 4. Capitalise on consolidation opportunities

Pawnbroking

- We estimate the number of pawnbroking outlets in the UK remains steady at approximately 870 outlets operated by circa 130 pawnbroking businesses
- The South East of England has the highest concentration of pawnbroking outlets in the UK
- The Group's expansion strategy into the South East is aimed at creating a nucleus of Ramsdens stores (building brand recognition) and, as opportunities arise, acquiring pawnbroking outlets
- During FY21 the Group purchased a single store in Manchester from a London-based pawnbroker



King Street, Manchester (previously Suttons & Robertsons Pawnbrokers)

Retail jewellery and foreign currency

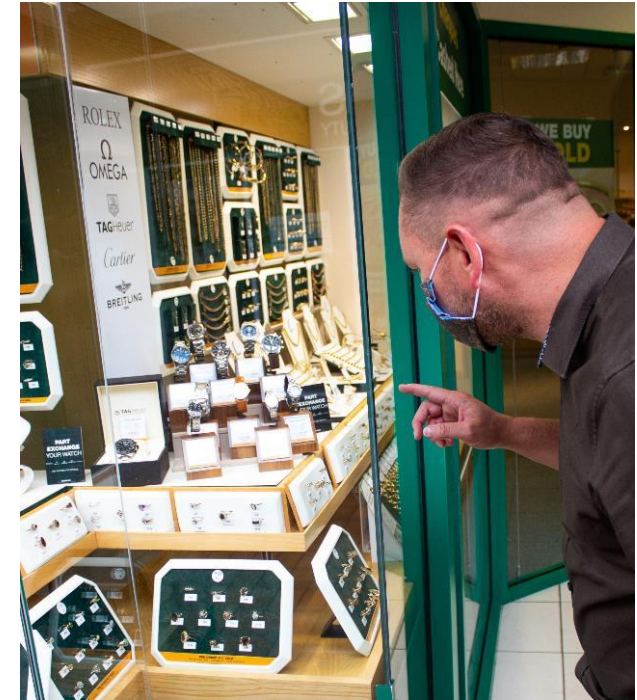
- Competition levels have fallen as a result of store closures of currency providers, travel agents and jewellers

We continue to actively seek and appraise any acquisition opportunities in all key segments

Environmental, Social and Governance (ESG)

Environmental

- Continuous review of environmental impact, with an approach of ongoing improvement
- Good progress made in reducing environmental footprint during the year
 - Ongoing projects to reduce energy use including reduced printing and use of LED lighting
 - Replacement of customer plastic bags and boxes with paper and cardboard
 - All branches have waste recycling facilities which, combined with ongoing staff communication, reduces waste to landfill wherever possible
 - Launch of 'Think Green' staff initiative to educate staff on personal responsibility and encourage new behaviours



Sustainability of retailing / recycling preowned goods

Environmental, Social and Governance (ESG)

Social

- Access to credit for all customers with jewellery assets via transparent and simple pawnbroking loans
- Group prides itself on high repeat customer rates, low numbers of complaints and excellent Trustpilot ratings
- Supporting local communities through charitable endeavours – raising more than £17,000 during the year
- Ramsdens invests in continual staff development and offers equal opportunities for all staff
- Positive 2021 staff engagement survey:
 - 90% of staff work in a happy working environment
 - 84% of staff say they look forward to coming to work and are enthusiastic about the job they do
- Ramsdens support the wellbeing of staff using a specialist employee assistance service



Darren Smart, 20 years service award



Ramsdens being recognised by Teesside Hospice for charitable endeavours

Environmental, Social and Governance (ESG)

Governance

- Highly regulated business:
 - Pawnbroking is regulated by the Financial Conduct Authority
 - Foreign currency and cheque cashing are regulated by HMRC
 - Adhere to the Senior Managers and Certification Regime
- Strong track record of compliance
- Experienced internal audit and compliance & risk teams
- Extensive suite of policies and procedures to meet regulatory requirements and control risk
- Ramsdens is a QCA member and follows the QCA governance code
- Active members of the National Pawnbrokers Association and Consumer Credit Trade Association
- Board effectiveness review completed annually by Nominations Committee
- Operate with three core values: Trusted, Open and Passionate

Current trading

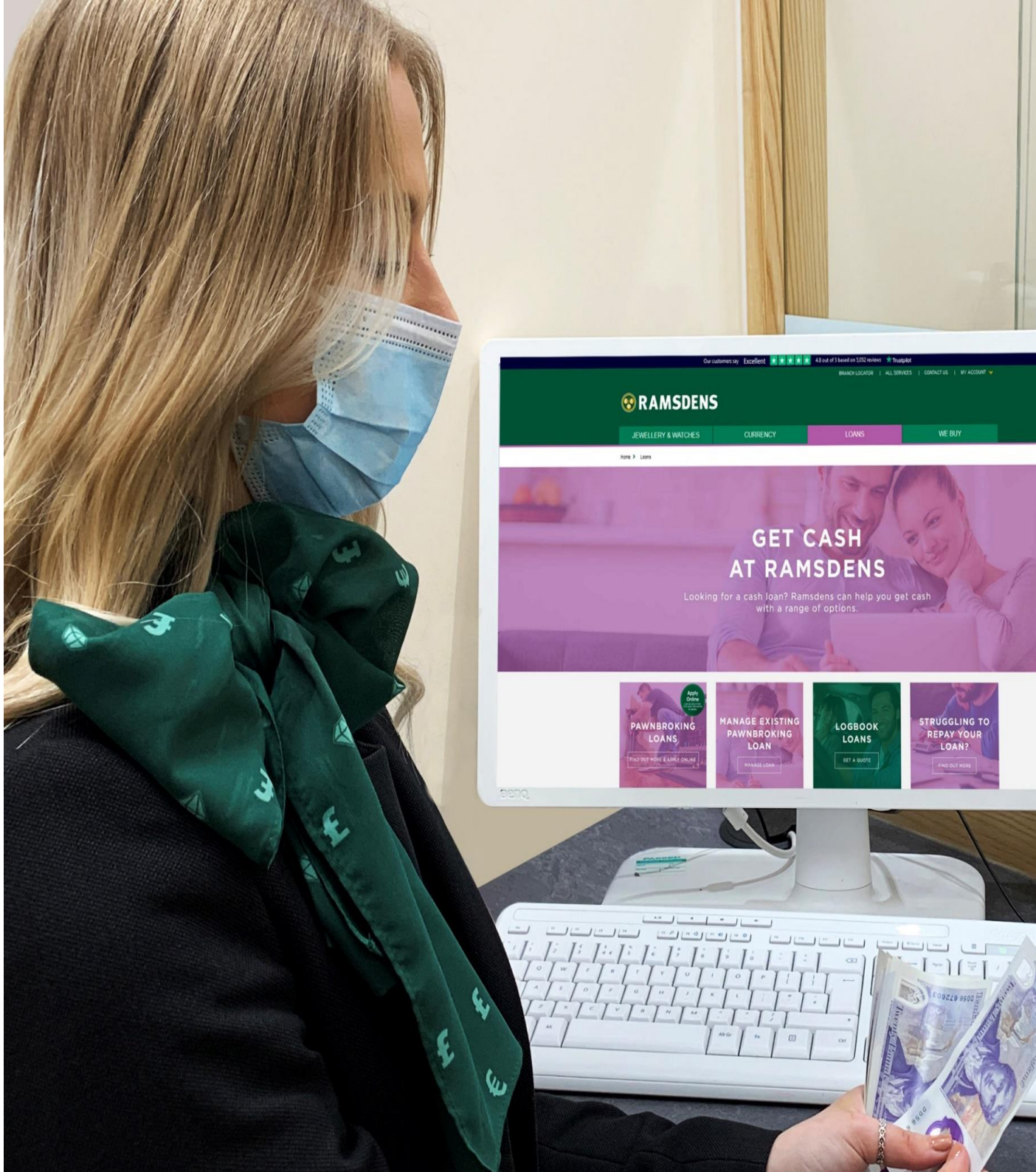
With the difficulty in comparing trading in the prior period to the latest year, the Board felt it appropriate this year to give further detail on Q1 FY22 trading.

- **Our investments in our jewellery retail operations have continued to produce strong results.**
 - In store retail jewellery revenue up more than 30% on Q1 FY21.
 - Online retail jewellery revenue up more than 70% on Q1 FY21.
- **The latent demand for foreign holidays remains strong and we are optimistic of international travel, and therefore our foreign currency exchange volumes, increasing as COVID-19 testing restrictions are eased.**
 - Foreign currency volumes were approximately 40% of pre pandemic levels but had increased by almost 200% on Q1 FY21.
- **The expected need for our pawnbroking service has seen and will continue to see, increased demand as our customer's needs for short term financing grow.**
 - Pawnbroking loan book has grown to £6.8m as at 31 December 2021 (£5.9m at 31 December 2020).
- **As life normalises and we can offer our purchase of precious metal service to our foreign currency customers, we expect to increase the volume of gold purchased.**
 - The weight of the gold purchased from customers was approximately 80% of pre pandemic levels but had increased by approximately 50% on Q1 FY21.

SUMMARY AND OUTLOOK



- Resilient performance in the year ended 30 September 2021 with profit before tax of £0.6m
- Robust business model with diversified income streams
- Strengthened balance sheet with net assets of £36.1m at 30 September 2021
- Strong cash position (net cash of £13.0m at the year end) and revolving credit facility currently undrawn
- Final dividend of 1.2p per share recommended
- Investments in e-commerce continuing to deliver results with further investment planned
- Strategic expansion into the South East



APPENDICES

Key segment information

Branch estate lease portfolio

Change to accounting policy

The Ramsdens Board

Foreign Currency Exchange (FX)

Segment overview

Ramsdens offers FX services through its branch network, as well as a growing online presence. The service is predominantly cash however the Group is refreshing its currency travel card proposition and continues to grow its international FX payments through a joint venture.



- The impact of restrictions on international travel resulting from the UK Government's red, amber and green lists during FY21 was far more severe than in the summer of 2020. With reduced international travellers, Ramsdens' ability to sell foreign currency was limited. To illustrate this, in May 2021, the volume of foreign currency sold was approximately 5% of May 2019 volumes. As travel restrictions gradually eased, September's volume of foreign currency sold was approximately 31% of September 2019 volumes
- However, the Group was able to widen margins with the overall foreign currency margin increasing by 44% in September 2021 compared to September 2019
- Margins have remained strong post year end and the percentage of 2019 volumes have increased to approximately 50% in November 2021 following the easing of restrictions on travel to the US
- The average foreign currency sale transaction value (ATV) increased to £509 (FP20 £399). We continue to have confidence that UK travellers will continue to take cash abroad for both convenience and to assist with budgeting whilst on holiday
- We strongly believe that customers' desire to go on holiday abroad remains very high. Assuming travel restrictions continue to ease in the UK and abroad, we believe many more UK consumers will travel abroad in the summer of 2022
- In line with our multi-channel strategy, the Group is refreshing its currency travel card proposition with a new multi-currency card due to be launched in early 2022 ahead of the peak holiday season.

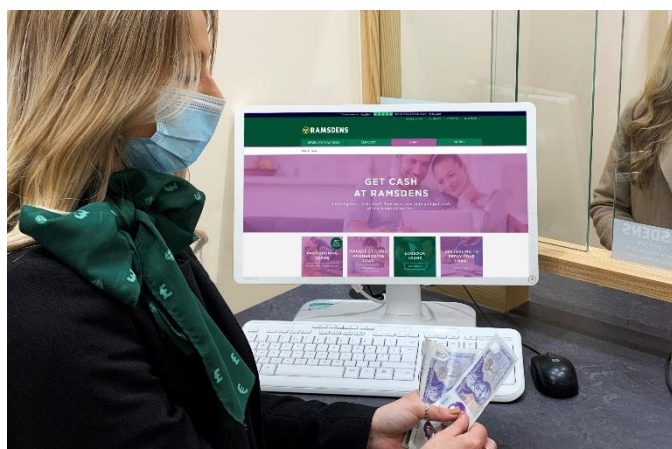
Financial summary

£'m	FY21 (12 months)	FP20 (18 months)
Total currency exchanged	77m	559m
Gross profit	3.3m	14.9m
Online C&C orders	6.9m	45.4m
Online C&C % of total	9%	8%

Pawnbroking

Segment overview

Ramsdens offers loans secured against valuable jewellery items that the Group stores during the loan term. At maturity (6 months) the customer repays the capital & interest and the pledge is returned. Ramsdens retails or scraps the pledged items upon default to repay the loan, any surplus is returned to the customer.



- Pawnbroking gross profit totalled £6.7m in FY21
- While the loan book fell in FP20 with the majority of customers repaying their loans, the year end loan book balance included a number of loans where Ramsdens had allowed customers at least 3 months' grace on repaying their loans in line with the FCA COVID forbearance guidelines. Arrangements were made with all customers struggling to repay on the due date with those that could not make or did not want to make longer term arrangements having their goods sold to repay their loans, with no ongoing debt consequences
- As a result, the loan book fell to £5.6m during FY21 but has since increased back to £6.1m at the year end. It has risen further post the period end to £6.8m at the end of December 2021; a significant improvement towards pre-pandemic loan book levels (September 2019: £7.6m)
- The online facility has remained in place for customers to both borrow and, more importantly, repay loans and save interest
- The average loan value as at 30 September 2021 was £264, up from £248 as at 30 September 2020. Our lending remains conservative in line with our long-term policy. Our lending on plain gold jewellery items is approximately 70% of the gold value and approximately 40-50% of the item's second-hand retail value
- As normality returns across society, we believe customers' needs for short term finance assistance will grow. We therefore expect our loan book and, consequently, interest income to grow throughout FY22

Loan book

£000s	As at Sep-21	As at Sep-20
Within contractual term	5,601	4,989
Past due	536	1,559
Total	6,137	6,548

Financial summary

£000s	FY21 (12 months)	FP20 (18 months) Restated*
Revenue	7,526	14,466*
Gross profit	6,678	12,248
Yield on average loan book	105%	173%

Jewellery Retail

Segment overview

Ramsdens offers new and second-hand jewellery, including premium watches, for sale



- Jewellery Retail revenue in FY21 was £18.3m, compared to £17.1m in FP20 (18 month period) and represents an exceptionally robust performance
- Revenue growth was achieved in FY21 despite both the shorter reporting period and much-publicised difficulties on the UK high street, and reflects increasing customer recognition of the value and quality of our Jewellery Retail proposition
- The jewellery gross profit margin fell from 45% in FP20 to 38% in FY21 reflecting the mix of sales with pre-owned premium watch sales (both online and in store) increasing as a percentage of total sales
- Watch sales are seen as incremental revenue for the Group and sales of premium watches including ex-pledge items grew by approximately 80% during the year and accounted for circa 20% of total jewellery sold
- Margins by product category have remained consistent. Second hand sales remained strong with margins remaining around 55%. New jewellery has a lower average gross margin of circa 33%, whilst our premium watches return a 25% gross margin but typically have a higher cash value
- Online performance has been strong with growth of over 100% in the year. Online sales momentum was maintained after high-streets re-opened post lockdown from April 2021
- The jewellery sold through our ecommerce activities totalled £3.3m for the year and represented 16% of all jewellery items sold
- Jewellery Retail stock has increased from September 2020 reflecting the continued investment in our offering

Financial summary

£000s	FY21 (12 months)	FP20 (18 months)
Revenue	18,252	17,109
Gross profit	6,965	7,701
Gross margin %	38%	45%
Jewellery retail stock	13,979	9,085
Online sales*	3,277	1,947
% of sales online*	16%	10%

*this is based on total jewellery sold i.e. includes ex pledge items

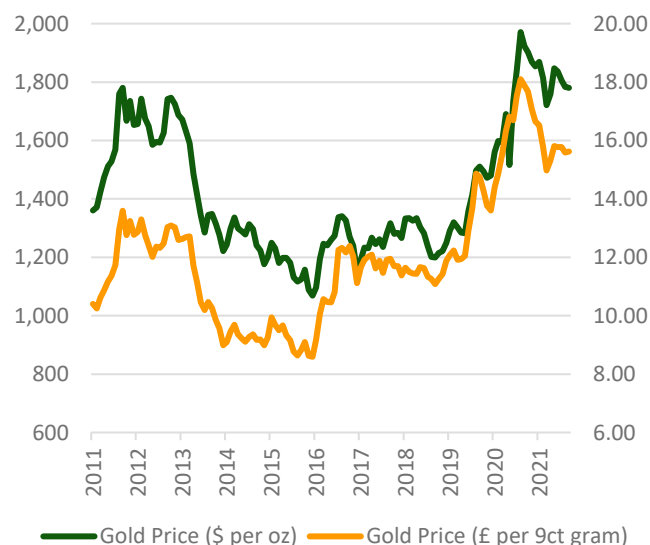
Purchase of Precious Metals

Segment overview

Ramsdens purchases unwanted jewellery items and scrap precious metal from customers.

Purchased items are retailed through the branch network or smelted in-house for sale in wholesale markets.

This segment recognises the revenue and gross profit when the sales route for purchased items is via a bullion dealer

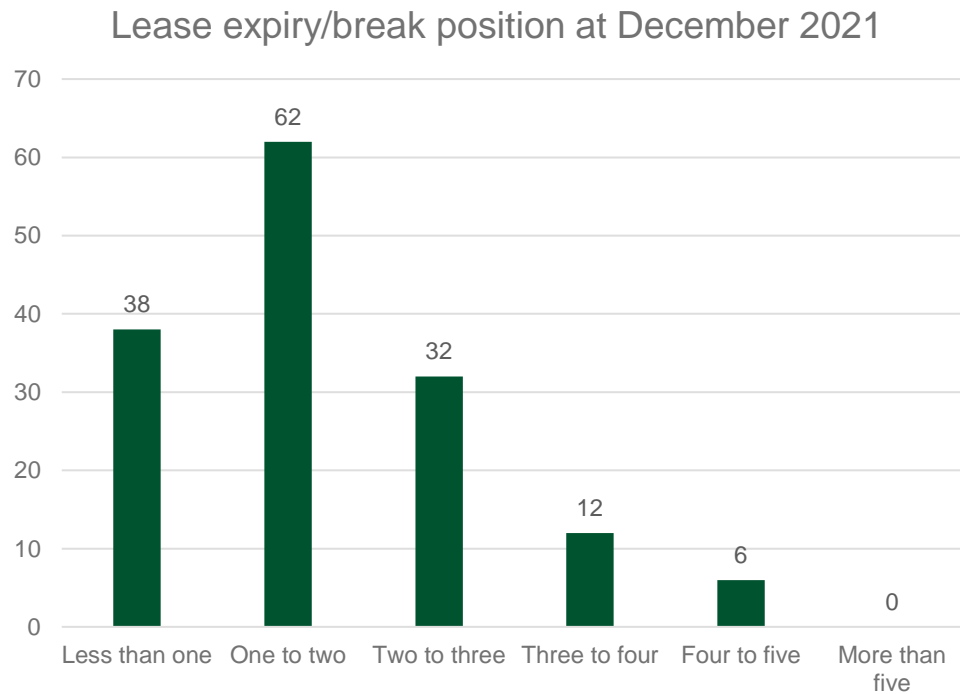


- Total gross profit in FY21 from purchase of precious metals was £4.2m, compared to £9.9m in FP20 (18 month period). FP20 gross profit of £9.9m included non-recurring stock scrapping profit of £0.8m where the stock originated from customer purchases
- The sterling gold price for 9ct gold has remained high in comparison to long run averages with an average of £16.05 per gram during the year compared to £15.00 per gram for FP20
- With international travel being restricted and the Group selling less foreign currency, the ability to cross sell this offering to our highest footfall service has been naturally limited. The weight of gold purchased in the second half of the year was consistent at approximately 80% of the weight purchased per week prior to the pandemic. We anticipate the weight of purchases increasing in line with instore footfall increases over the coming year
- While the pandemic continues to have an impact on global gold pricing, we believe the gold price will remain high, supporting the Group's margins

Financial summary

£000's	FY21 (12 months)	FP20 (18 months)
Revenue	10,369	23,024
Gross profit	4,240	9,856

Branch estate lease portfolio



- 150 leased stores as at December 2021 (nb three franchisees and two owned freehold stores)
- Average lease term remaining (to end of lease or break if earlier) is 20 months (as at October 2020 – 21 months) with no trading stores currently having more than five years until either a lease break opportunity or lease expiry
- 38 stores (25% of store estate) have either a break or expiry date within the next 12 months and a number of these have rolling break options to maximise flexibility
- Note IFRS16 liability ignores lease break clauses unless a decision has been made to exercise said break

Change to accounting policy

The Group has changed the accounting policy for pawnbroking loans in the course of realisation. Previously these assets were recognised as inventories. The updated policy recognises the value of these assets under IFRS 9 as Trade receivables.

Whilst this change in policy has no effect on the net assets of the Group, a prior period adjustment has been made in the financial statements to reclassify the asset value and to reflect the fact that the proceeds from realisation of security during the period is no longer recognised as revenue, and the inventory cost of the security no longer recognised as a cost of sale. The prior period adjustments to revenue and cost of sales are equal and therefore have no impact on the profit for the period or EPS.

The following extracts from the financial statements show the impact of the change to accounting policy on FP20:

Profit and loss account extract

£000s	FP20 Reported	Adjustment	FP20 Restated
Revenue	76,938	(4,445)	72,493
Cost of sales	(29,789)	4,445	(25,344)
Gross profit	47,149	-	47,149
Profit before tax	9,221	-	9,221

Cash flow extract

£000s	FP20 Reported	Adjustment	FP20 Restated
Movement in trade and other receivables	1,781	(150)	1,631
Movement in inventories	(702)	150	(552)
Net cash flows from operating activities	15,752	-	15,752
Net increase in cash and cash equivalents	2,453	-	2,453

Balance sheet extracts

As at 30 September 2020

£000s	30 Sep 2020 Reported	Adjustment	30 Sep 2020 Restated
Assets			
Inventories	13,360	(2,201)	11,159
Trade and other receivables	8,743	2,201	10,944
Net assets	35,555	-	35,555

As at 1 April 2019

£000s	1 Apr 2019 Reported	Adjustment	1 Apr 2019 Restated
Assets			
Inventories	12,658	(2,051)	10,607
Trade and other receivables	10,906	2,051	12,957
Net assets	30,908	-	30,908

The Ramsdens Board



Peter Edward Kenyon, Chief Executive Officer

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

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



Martin Anthony Clyburn, Chief Finance Officer

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

External appointments – None

The Ramsdens Board



Andrew David Meehan, Non-Executive Chairman

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

External appointments – Andy is chairman of NEF Holdings Ltd, Polyco Healthline Group Ltd and Shaw Education Trust, He is a director of Lanthorne Ltd, and Cheviot Court (Luxborough Street) Ltd.



Simon Edward Herrick, Non-Executive Director

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

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



Stephen John Smith, Non-Executive Director

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

External appointments – Steve is a Director and Chairman of Kitwave Group plc.