

**Ramsdens Holdings PLC**  
 ("Ramsdens", the "Group", the "Company")  
**Annual Results for the year ended 30 September 2024**

***Another record year with a 12% increase in Profit Before Tax to £11.4m***

Ramsdens, the diversified financial services provider and retailer, today announces its Annual Results for the year ended 30 September 2024 (the "Period").

	<b>FY24</b>	<b>FY23</b>	<b>% change</b>
Revenue	£95.6m	£83.8m	14%
Gross Profit	£51.5m	£45.8m	13%
Profit before tax	£11.4m	£10.1m	12%
Net Assets	£53.6m	£48.2m	11%
Basic EPS	26.1p	24.5p	7%
Final dividend	7.6p	7.1p	7%
Full year dividend	11.2p	10.4p	8%

**FY24 Highlights:**

- Record profit for the Group driven by growth across all four key income streams:
- Very strong performance delivered by the purchase of precious metals segment, with volume and values supported by the high gold price. Gross profit for this segment increased 29% to £11.8m (FY23: £9.2m).
- Foreign currency gross profit increased 4% year on year to £14.2m (FY23: £13.6m)
- Pawnbroking gross profit increased 16% to £11.7m (FY23: £10.0m).
- Jewellery retail gross profit increased 10% to £13.3m (FY23: £12.1m) with improved H2 performance providing good momentum into FY25.
- Investment in new Head Office to allow greater processing capacity, improving operational efficiencies and provide infrastructure for future growth plans.
- Basic EPS increased by 7% to 26.1p per share (FY23: 24.5p) following a full year at the increased corporation tax rate of 25%.
- The Board is recommending a final dividend of 7.6p per share for approval at the forthcoming AGM. This takes the total dividend for the Period to 11.2p per share (FY23: 10.4p) an increase of 8%, reflecting its commitment to a progressive dividend policy.

**Current Trading and Outlook:**

The Board is pleased to provide an update on Q1 FY25 trading (1 October to 31 December 2024). The good momentum the Group enjoyed in H2 FY24 has continued with all segments performing ahead of the prior year:

- The purchase of precious metals segment has continued to perform very strongly. The weight of gold purchased has increased year on year by 5% with gross profit increasing approximately 40%. This is due to the continued high gold price (primarily since March 2024) and the timing of additional gold sales in the quarter.

- Ongoing demand for small sum short term credit has driven an increase in the pawnbroking loan book to £10.9m from the year end position of £10.7m. In November we launched our new designated pawnbroking website which has started well and is attracting new customers.
- Jewellery retail revenue has increased more than 15% on the prior year with strong sales of premium watches, continuing the momentum from H2 FY24.
- Foreign currency (FX) gross profit increased approximately 3% on prior year. Sales of FX continue to show good growth in terms of transaction volumes but the reduction in the purchases of FX is limiting growth.
- As with many other businesses, the Group faces rising operating costs in 2025. The main increase is in employment costs as the Group continues to invest in our people and remains a supporter of paying the Real Living Wage as our entry level pay, which increased 10% in 2024 and will increase 5% from April 2025. The Group also faces an annualised impact of c£0.8m from the Government's decision to increase employer national insurance contributions.
- Following the year end, we have opened a new store in Grantham, closed our kiosk site at Teesside Airport, and two of our stores in central Glasgow will shortly merge. Following this, our estate will comprise of 168 stores, including one franchised store.

It is still early in the new financial year, however, trading performance to date has been pleasing and the Group continues to benefit from the very strong gold price. Whilst the economic outturn for the rest of the year is uncertain, the Group's diversified business model, strong cash generation and cost management gives the Board confidence that the Group will continue to grow and create value for all stakeholders.

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

*"Ramsdens' record performance in FY24 - with profit before tax increasing by 12% to more than £11m - once again reflects the strength of the Group's diversified business model. We are pleased with the positive momentum achieved across each of the Group's income streams, with a particularly strong performance in our precious metals segment where we continued to benefit from the high gold price.*

*"The increase in sales of foreign currency indicate we are taking market share and - in its first full year of use - our multi-currency card has had a very encouraging start with opportunities for further growth in FY25 and beyond. Jewellery retail has continued to grow and was particularly strong in H2, with our firm focus on stock management ensuring we are generating an optimum return on the capital employed from our investments in recent years. Our pawnbroking loan book continues to grow incrementally and the launch of our new Ramsdens pawnbroking website in November, following the year end, has started well and is already attracting new customers.*

*"I would like to thank the dedicated Ramsdens team who all seek to help customers in their every-day lives, be that treating themselves or a loved one with a jewellery purchase, exchanging currency to enjoy a holiday, or raising cash from their jewellery by way of a loan or a sale."*

**Availability of Report and Accounts**

The Company confirms that the Annual Report and Financial Statements for the year ended 30 September 2024, together with notice of the Company's 2025 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**

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**About Ramsdens**

Ramsdens is a growing, diversified, financial services provider and retailer, operating in the four core business segments of foreign currency exchange, pawnbroking loans, precious metals buying and selling and retailing of second hand and new jewellery. Ramsdens does not offer unsecured high-cost short term credit.

Headquartered on Teesside, the Group operates from 169 stores within the UK (including 1 franchised stores) and has a growing online presence.

Ramsdens is fully FCA authorised for its pawnbroking and credit broking activities and as an authorised payments institution.

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

## CHAIRMAN'S STATEMENT

This Annual Report covers the 12-month period to 30 September 2024 (FY24).

Further to the Group's announcement that I would stand down as Chair of Ramsdens at the 2025 AGM, this is my final annual report statement for Ramsdens. I have had great pleasure in contributing to the success of the Group, during its private equity ownership to its listing on the London Stock Exchange in February 2017 and beyond. When the Group was first admitted to AIM, it generated underlying profit before tax of £4m and had net assets of £23m. Seven and a half years later, the Group has almost tripled its pre-tax profitability, which has increased to £11.4m this year; has grown its net assets to over £53m; added over 40 new stores and has created almost 300 new jobs.

### FY24 FINANCIAL RESULTS & DIVIDEND HIGHLIGHTS:

£000's	FY24	FY23
Revenue	£95,608	£83,805
Gross profit	£51,533	£45,759
Profit before tax	£11,362	£10,105
Net assets	£53,606	£48,167
Net cash*	£7,395	£5,039
Basic EPS	26.1p	24.5p
Final dividend	7.6p	7.1p
Full year dividend	11.2p	10.4p

\*cash minus bank borrowings

The Group achieved revenues of £95.6m in FY24 (FY23: £83.8m) and profit before tax of £11.4m (FY23: £10.1m). The Strategic Report and Financial Review that follow provide a more in-depth analysis of the Group's trading performance and financial results.

In line with the Group's stated dividend policy, the Board is recommending a final dividend of 7.6p (FY23: 7.1p) for approval at the forthcoming AGM. Pending approval, the full year dividend of 11.2p (FY23: 10.4p) would represent an increase of 8% year on year and 43% of the earnings per share. Subject to shareholder approval, the final dividend is expected to be paid on 21 March 2025 for those shareholders on the register on 14 February 2025. The ex-dividend date will be 13 February 2025.

### ESG

The Group has strong foundations and reset its ESG strategy in 2023. There is a simple mantra at Ramsdens: to be good citizens and do the right thing. By doing this and living our values, the team continues to be engaged, motivated and looks after our customers with great skill and care. I am hugely grateful for this dedication and commitment and wish to publicly thank the team for their efforts and recognise their success.

### LOOKING AHEAD

Central to the Group's progress during recent years are a number of key strengths, namely strong cash generation from four diversified income streams, a very talented management team, exceptional store colleagues and a strong, trusted brand. With all these attributes, I am confident that Ramsdens is well placed to continue to execute its proven growth strategy and generate further shareholder returns in the years to come. As I sign off from my role as Chair of Ramsdens, I am certain that the future of the Group is bright.

**Andrew Meehan**  
**Non-Executive Chairman**  
**13 January 2025**

## **CHIEF EXECUTIVE'S REVIEW**

The Group has had a strong year delivering record profit before tax of £11.4m with growth across all key income streams. The Group's diversified income streams not only expose Ramsdens to multiple growth opportunities, but also provide resilience in challenging times. This model has consistently allowed the business to move forward against a backdrop of more challenging economic climates. While the macro-economic landscape continues to impact consumer facing businesses with rising costs, in particular energy and employment costs, at the same time the Group has benefitted from the high gold price that has risen as a result of numerous global events.

The Group's proven growth strategy remains unchanged and the Ramsdens team have again excelled at implementing it during FY24, allowing us to further enhance and expand our store estate as well as growing the use of our new multi-currency card in its first year of operation along with progressing our new dedicated websites. I am exceptionally proud of the team's commitment and wish to publicly thank them for their continued effort and to recognise their success.

## **BUSINESS REVIEW**

During the year we continued to improve the core estate, grew our multi-currency card customer base, expanded the store estate with seven new stores and one acquisition, and invested in our online operations. We also expanded into a new head office, cementing our roots in Teesside, which will allow for greater expansion across operations, and were authorised by the FCA as an authorised payment institution to add to our consumer credit permissions. This authorisation will allow Ramsdens to offer international money transfers directly for customers and not through a third-party relationship going forward.

The improvements in the core estate have been supported by a programme to invest in refreshing our stores with a range of initiatives including new LED lighting, modern flooring, and stronger in-store branding. We relocated three stores in Scunthorpe, Cumbernauld and Cardiff during the period. Scunthorpe was relocated in April and all income streams have seen transformational performance. Cumbernauld was relocated from the old retail centre to the new centre and we are making excellent progress in improving our retail jewellery performance. Cardiff was relocated in September out of necessity following issues with the previous property's condition. All stores that have been open for more than three years are operating profitably at a contribution to head office costs level. Given the breadth of the estate this is testament to the strength of our model, our store portfolio and most importantly our teams.

We have opened 15 new stores in the last two financial years and all are making good progress, with further profitability to come as these stores mature. The stores opened in FY24 were Blackburn, Central Cardiff, Poole, Romford, Burnley, Telford, and Blackpool. Since the period end, we opened a new store in Grantham in October 2024. We are pleased to say that all new stores are trading well, with several well ahead of expectations. We completed the purchase of one of our two franchised stores (located in Bury) in March 2024. We ended the financial year with 169 stores including one franchised store.

The performance of each of the Group's key income streams is set out 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. The Group launched the Ramsdens Mastercard® multi-currency card in September 2023. For the last seven years, the Group has introduced customers wanting to make international money transfers to TorFX. However, since the year end, the Group has now been authorised by the FCA to make international money transfers and will shortly launch an in-house service.

	FY24	FY23
Total currency exchanged	£423m	£408m
Gross profit	£14.2m	£13.6m
Online click and collect orders	£51.7m	£42.0m
Percentage of FX online	12%	10%
Percentage of Group gross profit	28%	30%

The sales of currency to customers increased in total value and in transactional count, although the average transaction value decreased by 5% to £406. A slight increase in the sales margin resulted in income from sales of FX increasing by 6%. It has also been noted that the seasonality of sales has shifted in the last two years, with more customers travelling outside of the traditional summer holiday period. The growth in sales of FX cash is encouraging given commentary about customers switching to cards and indicates that we are taking market share.

Cash remains a great way for consumers to budget on holiday and continues to be a necessity in some locations where there may be uncertainty about the acceptance of cards, however to ensure Ramsdens provides choice and meets demands for its customers, we introduced the new Ramsdens Mastercard® multi-currency card in September 2023 and we are pleased to report that almost 17,000 new cards were issued to customers during the year. The card provides customers with competitive exchange rates and segregation from their main bank account. We are encouraged by the value and frequency of reloads onto the card, typically while the customer is on holiday.

The purchases of currency from customers have fallen in number, total value and average transaction value. This indicates that customers are spending almost all of their foreign currency while on holiday. In addition, a slight reduction in margin, due to currency mix, has resulted in income from purchases of FX falling by 13%.

Our Ramsdens currency website continued to improve, driving 23% growth in our click and collect sales of foreign currency notes. We are working to integrate the sale of the new multi-currency card into the click and collect process. Our home delivery service is growing, but remains a less well used service.

Following the Group's approval in October 2024 by the FCA to remit international payments, this service will receive greater focus moving forward as it presents an opportunity given the high numbers of customers using our foreign currency service, our brand strength, store network and online offer.

The Gross Profit from the FX segment increased by over 4%, which the Board believes is a good result given the fall in income from purchases of FX.

### ***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. The customer's debt is capped at the value of the goods pledged and therefore there are no further debt consequences should the customer be unable to repay the loan. Ramsdens works with its customers to try and ensure repayment where possible so the customer is able to borrow again should they need to.

000's	FY24	FY23
Gross profit	£11,657	£10,043
Total loan book* (capital value)	£10,677	£10,264
Past due (capital value)	£882	£859
In date loan book* (capital value)	£9,794	£9,405
Percentage of Group gross profit	23%	22%

\*excludes loans in the course of realisation

Following strong customer demand for small sum short term credit in recent years, FY24 saw lower incremental growth against what was a strong comparable performance. The Group has been giving additional interest forbearance to customers in financial difficulty and has also been successfully encouraging customers to make reductions to their loan capital should they need more time to repay.

The average loan value as at 30 September 2024 was £347, up from £325 as at 30 September 2023, with this figure rising to £519 in our branches in the South of England. The demographics seen in the southern communities in which we operate allow for higher loan values with higher carats of gold jewellery offered as security for a loan. The median loan value was £187 as at 30 September 2024 (FY23: £174).

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

The new pawnbroking website was launched in November 2024, post the year end, and has made a good start, attracting new customers, and delivering an improved SEO performance, thereby supporting our strategy of lowering customer acquisition costs and improving overall profitability.

### ***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 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	FY24	FY23
Revenue	£35,607	£33,474
Gross profit	£13,293	£12,058
Margin %	37%	36%
Jewellery retail stock	£23,937	£24,289
Online sales	£7,200	£6,656
Percentage of sales online	20%	20%
Percentage of Group gross profit	26%	26%

We are pleased with the progress we have made in the period with a 6% increase in revenue and 10% increase in gross profit, when considering the challenging economic conditions during the year and the slow start in H1, which included the major retailing periods of Black Friday, Christmas and January sales. H2 sales were stronger than those during H1, both in store and online.

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. In addition to being 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. There are over 15,000 items available on the Ramsdens jewellery website. Approximately 65% of all online revenue is from premium watch sales. FY24 had a mixed online retail performance with H1 impacted by softer premium watch sales, a pattern also reported by other watch retailers. However, H2 was much improved and resulted in online revenue growth for the full year of £0.5m or 8% (despite being £0.5m down in H1). This demonstrates the strength of the H2 performance which took annual online revenue to £7.2m (FY23: £6.7m) and delivered a profit contribution of over £1m during the year. Given the improved momentum of H2 we believe we have a strong foundation to continue to scale the online retail business in the coming years.

There has been significant upward inflationary pressure in our Jewellery Retail operations from the increasing gold price. Second-hand jewellery and new jewellery have been repriced accordingly and still represent excellent value for money. In H1 there was uncertainty in the pricing of second-hand premium watches, which led to some product price corrections with many popular brands and models falling in price. The Group has always maintained a focus on turning its premium watch stock quickly and was able to realign pricing to drive strong growth in H2. Overall margins by product category have remained consistent, resulting in a slight increase in overall margin to 37% which is reflective of the mix of product sales. Retail revenue is spread across the three key categories of premium watches (38% of revenue), new jewellery (28%) and preowned jewellery (34%).

While the focus is always on driving up gross profit, after several years of major investment into our retail jewellery stock, the Group continues to focus on having the right stock in the right quantity in the right location. In FY24, the return on capital employed on jewellery stock has improved from 50% to 56%. The Group will invest more in retail jewellery stock in FY25 and beyond having identified growth opportunities during FY24.

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 dependent 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	FY24	FY23
Revenue	£31,151	£23,522
Gross profit	£11,822	£9,161
Percentage of Group gross profit	23%	20%

While the gold price has been high for a number of years compared to long-term averages, this year the gold price has achieved record levels both in US Dollars and Sterling.

The weight purchased increased and together with a high gold price, revenues were 32% higher at £31.1m and gross profit increased by 29% to £11.8m.

In FY24, as part of its retail jewellery stock review, the Group took advantage of the high gold price to sell more purchased items for their intrinsic value rather than refurbishing for retail.

The average 9ct gold price for FY24 was £21.05 per gram (FY23: £18.48) and at the year-end was £23.83.

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. Following the acquisition of the Bury franchise in March 2024, the Group had one remaining franchisee.

Up to April 2023, the Group also received income for cheque cashing services and small commissions for credit broking of £0.2m, however these services were stopped to enable greater focus on the key services.

000's	FY24	FY23
Revenue	£563	£849
Gross Profit	£563	£849
Percentage of Group gross profit	1%	2%

## STRATEGY

The Board believes that its existing strategy remains the right one to grow our business and deliver sustainable value for all our stakeholders.

We continue to concentrate on:

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

### 1. Improving the performance of the existing store estate

The Group has an ethos of continuous improvement and believes that every store has an opportunity to grow further. At the same time, the younger stores will continue to mature, the relocated stores continue to grow and this will add to Group profitability.

Our mission statement is to have a great customer offering backed up by fantastic service leading to customers being ambassadors for Ramsdens. This remains a focus for the Group because recommendations from family and friends continues to be the biggest source of new customers.

We are extremely proud of our 5-star Trustpilot ratings for our retail jewellery and foreign currency services.

Our cross-sell penetration rates are growing but remain low in absolute terms, which is a great indicator of the significant opportunity that exists. For example, only 2.2% of FX customers bought jewellery from Ramsdens in FY24.

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

#### Foreign currency:

- The three key drivers for foreign currency remain trust, convenience and price.
  - Trust - stock availability and transparent pricing continue to build trust among consumers.
  - Convenience – our stores are conveniently located in high footfall areas, on high streets and in shopping centres.
  - Price – our exchange rates are competitive online and in store and we can continue to be competitive as we can spread our operating expenses across more services.
- The sales of our foreign currency have strong momentum from FY24.
- The growing reach of Ramsdenscurrency.co.uk has driven a 30% increase in click and collect transactions in our stores. While the average commission rate is lower online, the average transaction value is 60% greater, plus we have the opportunity to cross sell our other services.
- Our market-leading multi-currency travel card customer base is growing. We are confident this will grow in FY25 and beyond as customers maximise the competitive exchange rates on offer and the flexibility and ease of using the card and the accompanying app. This allows the Group to capture more of our customers' holiday spend while abroad.
- The International Money Transfer service will be relaunched in FY25 following the Group's approval by the FCA as an Authorised Payment Institution. Our branch network will be able to facilitate smaller value payments for customers in addition to a digital offer for the service. This service will need to grow over the coming years, and has potential in time to be a significant income stream for the Group.

#### **Pawnbroking:**

- We will continue to build on the trust and high repeat customer volumes earned by providing a high level of service and grow the customer base through word-of-mouth recommendations, alongside our other marketing initiatives.
- Our loan to value ratios are continuously reviewed in line with second hand retail pricing and the customer's history of repaying loans. This may allow more to be lent to customers but the Group's ethos is to have prudent lending policies.
- Our new dedicated website will create new business for the stores by creating awareness of the pawnbroking service available at Ramsdens. The website will also be focusing on attracting higher value lending and the Group will use its experienced branch and area managers to offer a bespoke service.
- We will maintain focus on giving customers a fair deal and will continue where required to reduce interest rates to support customers in financial difficulty to get their pledged goods back.
- Customers who require longer term support will continue to be encouraged to repay part of their capital borrowed so that the loan has an improved chance of being repaid and the pledged jewellery being returned to the customer.
- Where in some cases customers default, we will continue to use our growing retail expertise to obtain the best price possible for their pledged items.

#### **Jewellery retail:**

- The focus in FY24 on stock levels, quality and price and the progress made in H2 gives confidence and optimism that the Group is on track for future growth in its retail jewellery segment.

- The investment in the new head office will allow greater processing capacity which will assist improvements in the replenishment of each store's stock.
- The concept window design roll out was completed in FY24 and this brings greater efficiency in stock replenishment.
- We are continuing to invest in our retail website which acts as a stock catalogue for our branches to facilitate further in store sales while allowing customers to fully transact online.
- 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, unwanted or unworn jewellery. In FY24, 2.5% of our FX customers sold unwanted jewellery to the Group.
- When launched, our new gold buying website will seek to attract new customers who may be unaware of the service or the value of their unwanted or unworn jewellery.

Our people are key to implementing our strategy. We invest heavily in staff training and communication, focussing on the necessary product skills but also the customer conversation. We are pleased to say that the excellent feedback we receive in our staff engagement surveys has resulted in greater staff retention. With more experienced staff, customer interactions improve, driving improved customer service, revenue and ultimately branch profitability. 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.

The changes in the Budget, announced in October 2024, will increase staffing costs from April 2025. The change to the employer's national insurance rate and threshold, will increase costs by £0.8m per annum. The Government also increased the National Living Wage (NLW) by 6.7% for those over 21 to £12.21 per hour. The Group will continue to pay the Real Living Wage (RLW), which has increased by 5% to £12.60 per hour, as its minimum pay for staff, effective from April 2025. Our 2025 pay review will result in our people receiving an above inflation pay review.

Furthermore, our fixed price energy contract was renewed in February 2024 for two years. The full year impact in FY25 will add an additional £0.25m over FY24. All of our electricity supply comes from renewable sources.

The Group believes that it can continue to make progress despite the aforementioned increased costs.

We continue to negotiate rents downwards where there is an opportunity to do so, balanced with a desire for flexibility with lease expiry and break dates. 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 believe our store estate performance is complemented by a strong online proposition.

## 2. 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](http://www.ramsdensjewellery.co.uk)

Revenue from the online retail jewellery website increased by 8% to £7.2m (FY23: £6.7m). H2 performance was particularly strong with revenue growth of £1m over FY23 following a slower than anticipated H1. This performance excludes jewellery sales in branches, which use the in-store digital facility to access the website as a catalogue of stock of over 17,000 items.

The website is continually reviewed for search engine optimisation, pay per click return on investment and affiliate schemes. Each area is refined on an ongoing basis to drive future success. The jewellery website will undergo a platform refresh in 2025.

The retail website revenue is still low when compared to other retail jewellery websites and therefore provides an opportunity for growth.

### *Foreign currency website*

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

The currency website continues to grow. Click and collect sales generated by the website grew by 23% in FY24 to £51.7m (FY23: £42.0m) and now represents 12% (FY23: 10%) of all currency sales. Home delivery volumes are low but offered to complement the services.

The currency website includes the ability to order and reload the Ramsdens Mastercard® Multi-Currency Card. Online card sales are still only a small proportion of all card sales and we are working with Mastercard to improve the online buying journey.

The currency website is also the conduit for attracting leads for International Money Transfers and the digital gateway to making a payment.

### *Pawnbroking website*

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

The pawnbroking website was launched in November 2024 and has two areas of focus. Firstly, it provides customers with 24/7 access to repay their loan when it is convenient for them and secondly, it is a lead generator for customers wanting to use their assets to borrow cash.

We are investing in developing SEO and pay per click campaigns for this service now that it is on a standalone website. The first few weeks since launch have been encouraging.

### *Gold buying website*

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

This new website is dedicated to gold buying and will launch in Q1 2025.

While Ramsdens buys a lot of unwanted gold jewellery from customers, a significant number of consumers are unaware of the value in their unworn and potentially damaged jewellery. This website will benefit branches as well as develop into a profitable online income stream.

*Legacy website*

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

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

### **3. Expanding the Ramsdens branch footprint in the UK**

The Group ended the financial year with a portfolio of 169 stores offering the same services in small towns and larger cities. While the proportion attributed to each key income stream differs across the estate, the sum of the parts is that all mature stores are profitable and immature stores will grow their income streams and in turn, increase profitability.

This tried and tested operating model can be replicated in new locations and allows for leveraging off the centralised costs of the head office support services.

There are c.350 towns and cities with a population of 30,000 or more in the UK. 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.

A typical new store is an investment of approximately £0.5m, split equally into the store design and appearance and working capital assets such as jewellery and cash. We will continue to open new stores on a geographic rippling basis to leverage our existing operational strength and capacity.

During the year, we opened seven greenfield sites and acquired our franchised store in Bury. Romford opened in the South East, as well as stores in Poole to complement Boscombe in Dorset, in Cardiff city centre, in Telford to expand towards the Midlands and in Blackpool, Burnley and Blackburn in the North West.

We are very happy with the progress made by the FY24 new store cohort.

Grantham opened following the year end in October 2024 and its early weeks of trading have been encouraging.

We have a strong pipeline of researched towns where we are awaiting the right unit to become available. Units in towns are identified by taking into account footfall and adjacent retailer quality. The challenges at present are the state of some high streets and shopping centres with significant temporary lets and voids. 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. For these reasons, we have reduced the planned number of store openings in FY25 to a further four, however, we expect to increase new store openings in FY26 and beyond.

#### **4. Acquisition opportunities**

We continue to look for acquisition opportunities in the market, considering any potential acquisition against the alternative of opening a new store using our successful branch model.

Historically we have benefited from acquiring pawnbroking businesses, however, the industry is quite fragmented and often businesses are under invested and generate lower returns on the capital employed. 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 remain active in speaking to pawnbroking businesses who may potentially be looking to sell in the upcoming years and are well positioned should opportunities arise.

We have previously converted independent jewellery stores into successful Ramsdens branches, but recent opportunities have not been attractive with them holding too much obsolete stock.

We have and will continue to consider vertical diversification with repair or watch repair businesses and if the right opportunity presents itself at the right price, we would be interested.

We purchased our Bury franchisee in March 2024. This business has performed in line with expectations since acquisition with the franchisee remaining with the Group as the branch manager.

#### **5. Focusing on sustainability through our ESG strategy**

We know that our long-term strategic aims will only be delivered if we maintain our 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 minimise 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 covering what we do and how we do it, using our market leading in house bespoke software to provide the necessary controls and reporting.



## **OUTLOOK**

Underpinned by its strong, trusted brand and diversified income streams the Group is well positioned for the year ahead. We will build on the continuous improvement culture we have and will always strive to do the right thing for the long term good of the Group's stakeholders.

We are fortunate to have investment choices from our strong cash generation and see a blended strategy as the way to progress.

Our H2 performance in the retail jewellery segment gives us confidence and momentum as we enter FY25. Our continued growth in sales of foreign currency indicates that we are taking market share and we believe we can capitalise on this with the currency card and in time the international money transfer service. We believe the gold price will remain high in the short to medium term and as a consequence assist the pawnbroking and the precious metals segments.

As with many other businesses, due to the increases in the Real Living Wage and Employers' National Insurance the Company faces rising operating costs in 2025. However, the Group will seek to recover these costs by improving the scale of the Group and focusing on its value for money, competitive pricing strategy.

As a result, the Board is confident that Ramsdens is well placed to continue to make progress for the benefit of all stakeholders.

**Peter Kenyon**  
**Chief Executive Officer**  
**13 January 2025**

## CHIEF FINANCIAL OFFICER'S REVIEW

### FINANCIAL RESULTS

For the year ended 30 September 2024, the Group increased Revenue by 14% to £95.6m (FY23: £83.8m) with growth across each of the four key income streams. Gross profit increased by 13% to £51.5m (FY23: £45.8m).

The Group's administrative expenses increased by 11% to £39.1m (FY23: £35.1m), reflecting an increase in staff costs with the RLW increasing by 10% and the additional stores which were opened or acquired in the current and prior year. Finance costs have increased by 33% to £1.1m (FY23: £0.8m) due to having an increased bank facility and a higher interest base rate.

Profit before tax increased to £11.4m (FY23: £10.1m), a record for the business, as the Group benefited from the high gold price and its diversified offering.

The Group's cash position remains strong with £7.4m net cash at the year-end (FY23: £5.0m). Investments have been made in new stores and the growth of the pawnbroking loan book.

The table below shows the headline financial results:

£000's	FY24	FY23
Revenue	£95,608	£83,805
Gross profit	£51,533	£45,759
Profit before tax	£11,362	£10,105
Net assets	£53,606	£48,167
Net cash*	£7,395	£5,039
Basic EPS	26.1p	24.5p

\*Cash less bank borrowings

### EARNINGS PER SHARE AND DIVIDEND

The statutory basic earnings per share for FY24 was 26.1p, up from 24.5p in the previous year.

The Board is recommending a final dividend of 7.6p in respect of FY24 (FY23: 7.1p). Subject to approval at the AGM, the final dividend is expected to be paid on 21 March 2025 for those shareholders on the register on 14 February 2025. The ex-dividend date will be 13 February 2025. This would bring the total dividend for FY24 to 11.2p (FY23: 10.4p). This dividend is in line with the Board's progressive dividend policy reflecting the cash flow generation and earnings potential of the Group.

This dividend represents a 43% pay-out ratio of FY24 basic EPS (FY23: 42%). 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 2024, cash and cash equivalents amounted to £15.8m (FY23: £13.0m) and the Group had net assets of £53.6m (FY23: £48.2m).

### **CAPITAL EXPENDITURE**

During the reporting period, the Group invested in the store estate by opening seven new stores, one store acquisition and relocating three existing stores. Capital expenditure for the year was £2.6m (FY23: £2.7m) and acquisitions were £0.6m (FY23: £0.3m).

The Group also purchased a new head office building for £1.0m on a long leasehold with 995 years remaining. The purchase is recognised within lease payments in the Consolidated Statement of Cash Flows.

### **CASH FLOW**

Working capital outflows in the year include a £1.9m increase in inventories and growth of the pawnbroking loan book which has resulted in trade and other receivables increasing by £1.0m. Trade and other payables increased by £0.9m. The net cash flow from operating activities for the year was £11.9m (FY23: £3.3m)

Net cash at the year-end was £7.4m (FY23: £5.0m).

During the year the Group secured a new £15m revolving credit facility (RCF) with Bank of Scotland PLC with a 5-year term, which replaces the £10m RCF with Virgin Money on more attractive terms. The new facility expires in March 2029 and has three covenants: flexible cash cover to the amount drawn, a cash and jewellery stock cover in relation to amount drawn, and gross borrowings ratio in relation to EBITDA. As at 30 September 2024, this facility was £8.5m drawn to support the currency cash held. The cash position and headroom on the bank facility provide the Group with the funds required to continue to deliver its current stated strategy.

### **TAXATION**

The tax charge for the year was £3.1m (FY23: £2.3m) representing an effective rate of 27% (FY23: 23%). The increase is due to the 25% corporation tax rate applying for the full year, compared to only half of the prior year. 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 £504,000 (FY23: £462,000). This charge relates to the Long-Term Incentive Plans (LTIP) and Company Share Option Plans (CSOP). Both schemes are discretionary share incentive schemes through 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, 230.0p and 205.0p.

During the year, the LTIP award from 2021 partially met the performance criteria and 341,250 share options vested. 180,000 share options were exercised during the year with 161,250 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**  
**13 January 2025**

**Consolidated Statement of Comprehensive Income**  
**For the year ended 30 September 2024**

	Notes	2024 £'000	2023 £'000
<b>Revenue</b>	5	95,608	83,805
Expected credit loss charges		(1,751)	(1,834)
Other cost of sales		(42,324)	(36,212)
Total cost of sales	5	<u>(44,075)</u>	<u>(38,046)</u>
<b>Gross profit</b>	5	51,533	45,759
Other income		-	300
Administrative expenses		<u>(39,068)</u>	<u>(35,126)</u>
<b>Operating profit</b>		12,465	10,933
Finance costs	6	<u>(1,103)</u>	<u>(828)</u>
<b>Profit before tax</b>		11,362	10,105
Income tax expense	10	<u>(3,065)</u>	<u>(2,349)</u>
<b>Profit for the year</b>		<u>8,297</u>	<u>7,756</u>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<u>8,297</u>	<u>7,756</u>
Basic earnings per share in pence	8	26.1	24.5
Diluted earnings per share in pence	8	25.7	24.0

**Consolidated Statement of Financial Position**  
**As at 30 September 2024**

		<b>2024</b>	<b>2023</b>
<b>Assets</b>	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	8,853	7,949
Right-of-use assets	11	10,066	9,615
Intangible assets	12	903	673
Investments	13	-	-
		<hr/> 19,822	<hr/> 18,237
<b>Current assets</b>			
Inventories	15	29,649	27,662
Trade and other receivables	16	16,432	15,355
Cash and cash equivalents	17	15,782	13,022
		<hr/> 61,863	<hr/> 56,039
<b>Total assets</b>		<hr/> <b>81,685</b>	<hr/> <b>74,276</b>
<b>Current liabilities</b>			
Trade and other payables	18	7,225	6,305
Interest bearing loans and borrowings	18	8,387	7,983
Lease liabilities	18	2,350	2,462
Income tax payable	18	1,731	1,225
		<hr/> 19,693	<hr/> 17,975
<b>Net current assets</b>		<hr/> <b>42,170</b>	<hr/> <b>38,064</b>
<b>Non-current liabilities</b>			
Lease liabilities	19	7,328	7,661
Contract liabilities	19	-	50
Deferred tax liabilities	19	158	96
Provisions	21	900	327
		<hr/> 8,386	<hr/> 8,134
<b>Total liabilities</b>		<hr/> <b>28,079</b>	<hr/> <b>26,109</b>
<b>Net assets</b>		<hr/> <b>53,606</b>	<hr/> <b>48,167</b>
<b>Equity</b>			
Issued capital	22	319	317
Share premium		4,892	4,892
Retained earnings		48,395	42,958
<b>Total equity</b>		<hr/> <b>53,606</b>	<hr/> <b>48,167</b>

The financial statements of Ramsdens Holdings PLC, registered number 08811656, were approved by the directors and authorised for issue on 13 January 2025.

## Consolidated Statement of Changes in Equity

For the year ended 30 September 2024

	Notes	Issued capital	Share premium	Retained earnings	Total
		£'000	£'000	£'000	£'000
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	23	-	-	(1,994)	(1,994)
Issue of share capital	22	1	-	-	1
Share based payments	26	-	-	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
As at 1 October 2023		317	4,892	42,958	48,167
Profit for the year		-	-	8,297	8,297
Total comprehensive income		-	-	8,297	8,297
Transactions with owners:					
Dividends paid	23	-	-	(3,298)	(3,298)
Issue of share capital	22	2	-	-	2
Share based payments	26	-	-	504	504
Deferred tax on share-based payments		-	-	(66)	(66)
Total transactions with owners		2	-	(2,860)	(2,858)
As at 30 September 2024		319	4,892	48,395	53,606

## Consolidated Statement of Cash Flows

For the year ended 30 September 2024

		2024	2023
Operating activities	Notes	£'000	£'000
Profit before tax		11,362	10,105
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment	11	1,644	1,383
Depreciation and impairment of right-of-use assets	11	2,270	2,214
Profit on disposal of right-of-use assets	7	(48)	(72)
Amortisation and impairment of intangible assets	12	141	137
Loss on disposal of property, plant and equipment	7	49	62
Share based payments	26	504	462
Finance costs	6	1,103	828
Working capital adjustments:			
Movement in trade and other receivables and prepayments		(889)	(1,996)
Movement in inventories		(1,925)	(4,692)
Movement in trade and other payables		870	(2,638)
Movement in provisions		563	327
		15,644	6,120
Interest paid		(1,199)	(828)
Income tax paid		(2,565)	(2,010)
<b>Net cash flows from operating activities</b>		<b>11,880</b>	<b>3,282</b>
<b>Investing activities</b>			
Proceeds from sale of property, plant and equipment		-	15
Purchase of property, plant and equipment	11	(2,576)	(2,721)
Payment for acquisition	27	(631)	(298)
<b>Net cash flows used in investing activities</b>		<b>(3,207)</b>	<b>(3,004)</b>
<b>Financing activities</b>			
Issue of share capital	22	2	1
Dividends paid	23	(3,298)	(1,994)
Payment of principal portion of lease liabilities	20	(3,117)	(2,041)
Increase in bank borrowings	20	500	1,500
<b>Net cash flows used in financing activities</b>		<b>(5,913)</b>	<b>(2,534)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>2,760</b>	<b>(2,256)</b>
Cash and cash equivalents at 1 October		13,022	15,278
<b>Cash and cash equivalents at 30 September</b>	17	<b>15,782</b>	<b>13,022</b>



## 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 and presentation

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

There is a change in presentation within the Consolidated Statement of Comprehensive Income with regards to the disclosure of expected credit loss charges. These charges have been disclosed separately within cost of sales.

Given cost of sales represent the material costs per segment these have been disclosed within the segmental analysis in note 5 following the July 2024 IFRIC agenda decision.

### 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.

The financial information set out herein does not constitute the Group's statutory accounts for the year ended 30 September 2024 or the year ended 30 September 2023 within the meaning of sections 434 of the Companies Act 2006, but is derived from those accounts. The audited accounts for the year ended 30 September 2024 will be posted to all shareholders in due course and will be available on the Group's website. The auditors have reported on those accounts and expressed an unmodified audit opinion which did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The financial information for the year ended 30 September 2023 is derived from the statutory accounts for that year, which have been delivered to the Registrar of Companies. The auditors have reported on those accounts and expressed an unmodified audit opinion which did not contain a statement under section 498 (2) or (3) of the Companies Act 2006

#### 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 2026 considering various scenarios and sensitivities given the ongoing uncertainty around the future economic environment.

At 30 September 2024 the Group has significant cash balances of £15.8m, readily realisable stock of gold jewellery and access to the £6.5m unutilised element of a £15m revolving credit facility with an expiry date of March 2029. In the year ended 30 September 2024 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 2026.

### **3.4 Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The consideration transferred in the acquisition is measured at fair value, as are the identifiable assets acquired and liabilities incurred. 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 and the jewellery retail website, 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 cash equivalents 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, which is usually on receipt.

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.

Given interest bearing loans and borrowings are short-term with a typical maturity period of three months or less, individual drawdowns and repayments are presented on a net basis through the Consolidated Statement of Cash Flows.

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 of 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 is 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 an initial 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 Carlo model depending on the vesting conditions attached to the share option. For market based vesting conditions the expense recognised over the vesting period reflects the extent to which the vesting period has expired. For non-market based vesting conditions the expense recognised over the vesting period reflects the extent to which the vesting period has expired and the Group's best estimate of the number of share options that will ultimately vest. The expense is recognised in the entity in which the beneficiary is remunerated. Further details are provided in note 26.

### **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. As a pawnbroking loan has a single repayment, an increase in credit risk occurs at the point the loan becomes overdue. Once 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 and note 14.

#### **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. Customers either pay in full at the time of the transaction and receive the goods, purchase goods online using a third party finance provider and receive the goods by delivery once the finance has been authorised 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 watches 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 of agency commissions.

#### **3.17 Administrative expenses**

Administrative expenses include branch staff and establishment costs.

#### **4. Key sources of estimation uncertainty and significant accounting judgements**

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### **4.1 Key sources of estimation uncertainty**

###### ***Revenue recognition – pawnbroking loans interest and impairment***

The Company recognises interest on pawnbroking loans as disclosed in note 3.15.

For active pawnbroking loans (loans not in the course of realisation) the Company 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;

- Non-redemption rate - This is based upon current and historical data held.
- Realisation value – This is based upon either;
  - The estimated proceeds from the sale of the metal content via disposal through a bullion dealer.
  - The expected resale value of the pledged goods that can be retailed.

For pawnbroking loans in the course of realisation the Company 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;

- Proceeds of sale - This is based upon the retail price the goods are offered for sale at.
- 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 intangible 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 select 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.

#### ***Reinstatement provision***

The Group recognises a provision for reinstatement of leasehold property as disclosed in note 21. This provision reflects management's best estimate of the costs required to restore leased properties to their original condition at the end of expected occupation, as required by the lease agreements, discounted to the present value.

The reinstatement provision is calculated using the following key estimates:

1. Scope and cost of reinstatement work required.
2. The expected occupation and therefore time until the reinstatement works are required.
3. The time value of money used to discount the future expected cost of reinstatement work.

#### **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 terms***

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:

	<b>2024</b>	<b>2023</b>
<b>Revenue</b>	<b>£'000</b>	<b>£'000</b>

United Kingdom	95,394	83,805
Other	214	-
	95,608	83,805

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.

<b>Revenue</b>	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Contracts with customers	82,200	71,928
Pawnbroking interest income	13,408	11,877
	95,608	83,805

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

<b>Revenue</b>	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Pawnbroking	13,408	11,877
Purchases of precious metals	31,151	23,522
Retail jewellery sales	35,607	33,474
Foreign currency	14,879	14,083
Income from other financial services	563	849
<b>Total revenue</b>	95,608	83,805

<b>Cost of sales</b>	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Pawnbroking	(1,751)	(1,834)
Purchases of precious metals	(19,329)	(14,361)
Retail jewellery sales	(22,314)	(21,416)
Foreign currency	(681)	(435)
Income from other financial services	-	-
	-	-

<b>Total cost of sales</b>	(44,075)	(38,046)
<b>Gross profit</b>		
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Pawnbroking	11,657	10,043
Purchases of precious metals	11,822	9,161
Retail jewellery sales	13,293	12,058
Foreign currency	14,198	13,648
Income from other financial services	563	849
<b>Total gross profit</b>	<b>51,533</b>	<b>45,759</b>
Other income	-	300
Administrative expenses (*)	(39,068)	(35,126)
Finance costs (*)	(1,103)	(828)
<b>Profit before tax</b>	<b>11,362</b>	<b>10,105</b>

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

Income from other financial services comprises of agency commissions.

(\*) 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.

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Other information</b>		
Tangible & intangible capital additions (*)	2,967	2,759
Depreciation and amortisation (*)	4,055	3,734

<b>Assets</b>		
Pawnbroking	15,220	14,262
Purchases of precious metals	5,708	3,373
Retail jewellery sales	24,296	24,647
Foreign currency	8,262	6,061
Income from other financial services	40	44
Unallocated (*)	28,159	25,889
	<b>81,685</b>	<b>74,276</b>

<b>Liabilities</b>		
Pawnbroking	494	596

Purchases of precious metals	2	5
Retail jewellery sales	1,771	1,744
Foreign currency	729	453
Income from other financial services	369	339
Unallocated (*)	24,714	22,972
	<u>28,079</u>	<u>26,109</u>

(\*) 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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Interest on debts and borrowings	566	368
Lease charges (note 20)	537	460
<b>Total finance costs</b>	<u>1,103</u>	<u>828</u>

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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Items reported within cost of sales -</b>		
Cost of inventories recognised as an expense	41,643	35,777
Pawnbroking expected credit losses	1,751	1,834
<b>Items reported within administrative expenses -</b>		
Depreciation of property, plant and equipment (note 11)	1,644	1,383
Depreciation of right-of-use assets (note 11)	2,270	2,209
Profit on disposal of right-of-use assets (note 11)	(48)	(72)
Amortisation of intangible assets (note 12)	141	137
Loss on disposal of property, plant and equipment (note 11)	49	62
Staff costs (note 9)	22,739	20,107
Foreign currency exchange losses	201	318
Auditor's remuneration – audit fees	195	175
Auditor's remuneration – non-audit fees	7	6
Short term lease payments	546	418
Share based payments (note 26)	504	462

## 8. Earnings per share

<b>2024</b>	<b>2023</b>
<b>£'000</b>	<b>£'000</b>

Profit for the year	8,297	7,756
Weighted average number of shares in issue	31,805,807	31,679,095
Basic earnings per share (pence)	26.1	24.5
Weighted average number of dilutive shares	509,450	622,907
Effect of dilutive shares on earnings per share (pence)*	(0.4)	(0.5)
Fully diluted earnings per share (pence)	25.7	24.0

\*All dilution relates to share options

## 9. Information regarding directors and employees

### Directors' emoluments (£'000)

	2024				2023			
	Salary/ bonus/PHI	Pension	LTIP*	Total	Salary/ bonus/PHI	Pension	LTIP*	Total
<b>Executive</b>								
Peter Kenyon	472	10	-	482	385	10	37	432
Martin Clyburn	352	10	-	362	266	10	18	294
<b>Non Executive</b>								
Andrew Meehan	75	-	-	75	69	-	-	69
Simon Herrick	55	-	-	55	51	-	-	51
Karen Ingham	44	-	-	44	37	-	-	37
Steve Smith	-	-	-	-	14	-	-	14
<b>Total</b>	<b>998</b>	<b>20</b>	<b>-</b>	<b>1,018</b>	<b>822</b>	<b>20</b>	<b>55</b>	<b>897</b>

\*represents gains made by Directors on the exercise of share options

	2024	2023
	£'000	£'000
<b>Included in administrative expenses:</b>		
Wages and salaries	20,034	17,640
Social security costs	1,710	1,571
Share option scheme	504	462
Pension costs	491	434
<b>Total employee benefits expense</b>	<b>22,739</b>	<b>20,107</b>

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

2024	2023
No.	No.



Head office and management	148	131
Branch counter staff	679	653
	<u>827</u>	<u>784</u>

## 10. Income tax

The major components of income tax expense are:

### Consolidated Statement of Comprehensive Income

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current income tax:</b>		
Current income tax charge	3,100	2,364
Adjustments in respect of current income tax of previous year	(31)	(60)
	<u>3,069</u>	<u>2,304</u>
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(4)	45
<b>Income tax expense reported in the Statement of Comprehensive Income</b>	<u>3,065</u>	<u>2,349</u>

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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Profit before income tax</b>	11,362	10,105
UK corporation tax rate at 25% (2023: 22%)	2,841	2,223
Expenses not deductible for tax purposes	255	186
Prior period adjustment	(31)	(60)
<b>Income tax reported in the Statement of Comprehensive Income</b>	<u>3,065</u>	<u>2,349</u>

### Deferred tax

Deferred tax relates to the following:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Deferred tax liabilities</b>		
Accelerated depreciation for tax purposes	432	403
Other short-term differences	(274)	(307)
<b>Deferred tax liabilities</b>	<u>158</u>	<u>96</u>

### Reconciliation of deferred tax (asset) / liabilities net

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Opening balance as at 1 October</b>	96	149
Deferred tax recognised in the Statement of Comprehensive Income	(4)	46

Other deferred tax	66	(99)
<b>Closing balance as at 30 September</b>	158	96

### Factors affecting tax charge

The standard rate of UK corporation tax for the year was 25% (2023: 22%). The UK corporation tax rate increased from 19% to 25% on 1 April 2023.

### 11. Property, plant and equipment

	Freehold property	Leasehold improvements	Fixtures & Fittings	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 October 2022	695	7,013	4,181	596	53	12,538
Additions	-	1,590	928	157	46	2,721
Acquisition	-	-	7	-	-	7
Disposals	-	(492)	(278)	(144)	(26)	(940)
At 1 October 2023	695	8,111	4,838	609	73	14,326
Additions	-	1,633	767	148	28	2,576
Acquisition (note 27)	-	-	20	-	-	20
Disposals	-	(135)	(369)	(209)	-	(713)
<b>At 30 September 2024</b>	695	9,609	5,256	548	101	16,209
<b>Depreciation</b>						
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 1 October 2023	25	3,809	2,306	219	18	6,377
Depreciation charge for the year	14	895	605	116	14	1,644
Disposals	-	(135)	(342)	(188)	-	(665)
<b>At 30 September 2024</b>	39	4,569	2,569	147	32	7,356
<b>Net book value</b>						
At 30 September 2024	656	5,040	2,687	401	69	8,853
At 30 September 2023	670	4,302	2,532	390	55	7,949

### Right-of-use assets

	Leasehold property
<b>Cost</b>	
At 1 October 2022	14,299
Additions	2,846
Disposals	(2,373)
At 1 October 2023	14,772
Additions	3,039

Disposals	(2,031)
At 30 September 2024	<u>15,780</u>

#### Depreciation

At 1 October 2022	4,753
Depreciation charge for the year	2,209
Disposals	(1,805)
At 1 October 2023	5,157
Depreciation charge for the year	2,270
Disposals	(1,713)
At 30 September 2024	<u>5,714</u>

#### Net Book Value

At 30 September 2024	10,066
At 30 September 2023	<u>9,615</u>

## 12. Intangible assets

	Customer relationships	Website	Goodwill	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 October 2022	2,407	105	526	3,038
Acquisition	31	-	-	31
At 1 October 2023	2,438	105	526	3,069
Acquisition (note 27)	177	-	194	371
<b>At 30 September 2024</b>	<u>2,615</u>	<u>105</u>	<u>720</u>	<u>3,440</u>
<b>Amortisation</b>				
At 1 October 2022	2,096	90	73	2,259
Amortisation charge for the year	132	5	-	137
At 1 October 2023	2,228	95	73	2,396
Amortisation charge for the year	136	5	-	141
<b>At 30 September 2024</b>	<u>2,364</u>	<u>100</u>	<u>73</u>	<u>2,537</u>
<b>Net book value</b>				
At 30 September 2024	<u>251</u>	<u>5</u>	<u>647</u>	<u>903</u>
At 30 September 2023	<u>210</u>	<u>10</u>	<u>453</u>	<u>673</u>

## 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
<i>Subsidiary undertaking</i>			
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 2024	Financial assets at amortised cost	Financial liabilities at amortised cost	Book value	Fair value
	£'000	£'000	£'000	£'000
<b>Financial assets</b>				
Trade and other receivables	15,708	-	15,708	15,708
Cash and cash equivalents	15,782	-	15,782	15,782
<b>Financial liabilities</b>				
Trade and other payables	-	(7,508)	(7,508)	(7,508)
Interest bearing loans and borrowings	-	(8,387)	(8,387)	(8,387)
Lease liabilities	-	(9,678)	(9,678)	(9,678)
<b>Net financial assets/(liabilities)</b>	<b>31,490</b>	<b>(25,573)</b>	<b>5,917</b>	<b>5,917</b>
At 30 September 2023	Financial assets at amortised cost	Financial liabilities at amortised cost	Book value	Fair value
	£'000	£'000	£'000	£'000
<b>Financial assets</b>				
Trade and other receivables	14,698	-	14,698	14,698
Cash and cash equivalents	13,022	-	13,022	13,022
<b>Financial liabilities</b>				
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)

<b>Net financial assets/(liabilities)</b>	<b>27,720</b>	<b>(23,940)</b>	<b>3,780</b>	<b>3,780</b>
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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-derivatives financial assets carried at amortised cost which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

Management have assessed that for cash and cash equivalents, 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. As a pawnbroking loan has a single repayment, an increase in credit risk occurs at the point the loan becomes overdue. Once overdue the loan is classified as in default and interest income is accrued net of expected credit losses. 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.

Category	2024			2023		
	Gross amount £'000	Loss allowance £'000	Net carrying amount £'000	Gross amount £'000	Loss allowance £'000	Net carrying amount £'000
Performing	11,822	(202)	11,620	11,299	(203)	11,096
Default	4,626	(1,026)	3,600	4,227	(1,061)	3,166
Total	16,448	(1,228)	15,220	15,526	(1,264)	14,262

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

	Pawnbroking loans
	£'000
At 1 October 2022	1,022
Statement of Comprehensive Income charge	1,834
Utilised in the period	(1,592)
At 30 September 2023	1,264
Statement of Comprehensive Income charge	1,751
Utilised in period	(1,787)
Balance at 30 September 2024	1,228

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 (£130k)/£130k.

### **Cash and cash equivalents**

The cash and cash equivalents balance 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. 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 (2023: none). A 1% adverse movement in exchange rates would result in a reduction to cash and cash equivalents of £82,000.

#### **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 undiscounted cash flows from the Group's borrowing arrangements that expose the Group to liquidity risk are as follows:

As at 30 September 2024	<3 months £'000	3-12 months £'000	1-5 years £'000	>5 years £'000	Total £'000
Lease liabilities	638	1,857	7,016	1,745	11,256
Trade payables	3,257	-	-	-	3,257
Interest bearing loans and borrowings	8,500	-	-	-	8,500
<b>Total</b>	<b>12,395</b>	<b>1,857</b>	<b>7,016</b>	<b>1,745</b>	<b>23,013</b>

As at 30 September 2023	<3 months £'000	3-12 months £'000	1-5 years £'000	>5 years £'000	Total £'000
Lease liabilities	641	1,821	6,872	2,447	11,781
Trade payables	2,936	-	-	-	2,936
Interest bearing loans and borrowings	8,000	-	-	-	8,000
<b>Total</b>	<b>11,577</b>	<b>1,821</b>	<b>6,872</b>	<b>2,447</b>	<b>22,717</b>

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 £15million revolving credit facility was fully utilised then a 1% increase in the base rate would increase finance costs by £150,000 pre-tax and reduce post-tax profits by £112,500.

#### 15. Inventories

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
New and second-hand inventory for resale (at lower of cost or net realisable value)	29,649	27,662

#### 16. Trade and other receivables

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Trade receivables - pawnbroking	15,220	14,262
Trade receivables - other	484	431
Other receivables	4	5
Prepayments	724	657
	<b>16,432</b>	<b>15,355</b>

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

#### 17. Cash and cash equivalents

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Sterling cash and cash equivalents	7,602	6,990
Other currency cash and cash equivalents	8,180	6,032
	<b>15,782</b>	<b>13,022</b>

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)

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Trade payables	3,257	2,936



Other payables	805	781
Other taxes and social security	617	521
Accruals	2,513	2,027
Contract liabilities	33	40
Subtotal	7,225	6,305
Lease liabilities (note 20)	2,350	2,462
Interest bearing loans and borrowings	8,387	7,983
Income tax liabilities	1,731	1,225
	19,693	17,975

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 £1,174,000 (2023: £1,120,000). 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

During the year the Group secured a revolving credit facility with Bank of Scotland PLC, replacing the previous revolving credit facility with Virgin Money. Details of the facility are as follows:

Key Term	Description
Facility	Revolving Credit Facility with Bank of Scotland PLC
Total facility size	£15m
Termination date	March 2029
Utilisation	The £15m facility is available subject to financial covenants covering: <ul style="list-style-type: none"> <li>- the ratio of total debt to EBITDA</li> <li>- the ratio of cash at bank/in hand (inclusive of currency balances) to total debt</li> <li>- the ratio of the sum of cash at bank/in hand (inclusive of currency balances) and jewellery/precious metals value to total debt</li> </ul>
Interest	Interest is charged on the amount drawn down at 2.15% above base rate when the initial drawdown is made. For unutilised funds interest is charged at 0.7525% from the date when the facility was made available
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 2024 the Company had available £6.5m of undrawn committed facilities

## 19. Non-current liabilities

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Lease liabilities (note 20)	7,328	7,661
Contract liabilities	-	50
Deferred tax (note 10)	158	96
Provisions (note 21)	900	327
	8,386	8,134

## 20. Changes in liabilities arising from financing activities

	<b>Lease liabilities</b>	<b>Bank borrowings</b>
	<b>£'000</b>	<b>£'000</b>
As at 1 October 2022	9,957	6,443
<b>Cash flows</b>		
Financing cash flows	(2,041)	1,500
Interest paid	(460)	(368)
<b>Non-cash flows</b>		
New leases	2,846	-
Disposed leases	(639)	-
Interest expense	460	368
Other movement	-	40
As at 1 October 2023	10,123	7,983
<b>Cash flows</b>		
Financing cash flows	(3,117)	500
Interest paid	(537)	(662)
<b>Non-cash flows</b>		
New leases	3,039	-
Disposed leases	(367)	-
Interest expense	537	566
As at 30 October 2024	9,678	8,387

Short term lease payments recognised in administrative expenses in the year total £546,000 (2023: £418,000). 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. Provisions

	<b>Reinstatement provision £'000</b>
At 1 October 2023	327
Statement of Comprehensive Income charge	563
Fair value on acquisition	10
Utilised in the period	-
At 30 September 2024	<u>900</u>

The Group provides for the reinstatement cost of returning leased properties to their original state. Further details are included in note 4.1.

## 22. Issued capital and reserves

<b>Ordinary shares issued and fully paid</b>	<b>No.</b>	<b>£'000</b>
At 30 September 2023	31,714,982	317
Issued during the year	181,650	2
At 30 September 2024	<u>31,896,632</u>	<u>319</u>

### **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.

## 23. Dividends

Amounts recognised as distributions to equity holders in the year:

	<b>2024 £'000</b>	<b>2023 £'000</b>
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
Interim dividend for the year ended 30 September 2023 of 3.3p per share	1,046	-
	<u>3,298</u>	<u>1,994</u>

Amounts paid and not recognised:		
Interim dividend for the year ended 30 September 2024 of 3.6p per share paid in October 2024 (year ended 30 September 2023 of 3.3p per share paid in October 2023)	1,148	1,046

Amounts proposed and not recognised:		
Final dividend for the year ended 30 September 2024 of 7.6p per share (year ended 30 September 2023 of 7.1p per share)	2,424	2,252

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.

#### 24. 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 2024 are £93,000 (2023: £2,000)

#### 25. 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:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Short term employee benefits	998	823
Post employment benefits	20	20
Share based payments	224	200
	1,242	1,043

#### 26. 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:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
LTIP	446	420
CSOP	58	42
	504	462

The LTIP is a discretionary share incentive scheme under which the Remuneration Committee of Ramsdens Holdings PLC can grant options to purchase ordinary shares at nominal 1p per share cost to Executive Directors and other senior management. A reconciliation of LTIP options is set out below:

	Number of conditional Shares	Weighted average exercise price in pence
Outstanding at the beginning of the year	1,152,650	
Granted during the year	350,000	
Lapsed/Forfeited during the year	(134,750)	
Exercised during the year	<u>(181,650)</u>	1
Outstanding at the end of the year	<u>1,186,250</u>	

At 30 September 2024 a total of 161,250 share options have met the required performance conditions and are exercisable.

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. Volatility has been calculated based on the historical volatility of the Group's shares over a 2.5 year period. 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	18/04/24	18/04/24	05/04/23	05/04/23	17/03/22	17/03/22
Share price	£2.00	£2.00	£2.30	£2.30	£1.67	£1.67
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	2.5 years	2.5 years
Risk free return	4.4%	4.4%	3.5%	3.5%	1.4%	1.4%
Volatility	31.9%	31.9%	33.6%	33.6%	53%	53%
Dividend yield	5.0%	5.0%	5.0%	5.0%	3.5%	3.5%
Fair value of option (£)	0.73	1.76	0.98	2.02	0.77	1.51

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 2024 were as follows:

	<b>Grant date</b>	<b>Exercise price (pence)</b>	<b>Number of share options (after forfeits)</b>	<b>Earliest date of exercise</b>	<b>Expiry date</b>
CSOP 2022	23/06/2022	200.50	104,500	23/06/2025	23/06/2032
CSOP 2023	05/04/2023	230.00	142,500	05/04/2026	05/04/2033
CSOP 2024	18/04/2024	205.00	142,500	18/04/2027	18/04/2034

## 27. Fair value of acquisition

On 13 March 2024 the Group purchased the trade and certain assets of Cantwells The Jewellers Limited for a total consideration of £631,000, which was fully paid in cash. The fair value of the assets acquired were as follows:

	<b>£'000</b>
Tangible fixed assets (fixtures & fittings)	20
Intangible assets (customer relationships)	177
Intangible assets (goodwill)	194
Trade receivables - pawnbroking	188
Inventories	62
Reinstatement provision	(10)
Net assets acquired	<u>631</u>

## 28. Post Balance Sheet Events

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