



RAMSDENS

Admission Document



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional advisor authorised under The Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. This document is an AIM admission document and has been prepared in accordance with the AIM Rules for Companies and has been issued in connection with the application for admission to trading on AIM of the entire issued and to be issued share capital of the Company. This document does not constitute an offer or constitute any part of an offer of transferable securities to the public within the meaning of section 85 of The Financial Services and Markets Act 2000. Accordingly, this document does not constitute a prospectus under the Prospectus Rules published by the Financial Conduct Authority and has not been approved by or filed with the Financial Conduct Authority.

The Company, whose registered office appears on page 8, and the Directors, whose names appear on page 8, accept responsibility for the information contained in this document, including individual and collective responsibility for the Company's compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM on 15 February 2017.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make a decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Your attention is drawn in particular to the risk factors set out in Part III of this document; however, the whole text of this document should be read.

The London Stock Exchange has not itself examined or approved the contents of this document. The rules of AIM are less demanding than those which apply to companies whose shares are listed on the Official List. The Ordinary Shares are not traded on any other recognised investment exchange and no application has been made or is being made for the Ordinary Shares to be listed on any other recognised investment exchange. It should be remembered that the price of securities and the income from them (if any) can go down as well as up.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.



Ramsdens Holdings PLC

(a company incorporated in England and Wales under the Companies Act 2006 with company number 08811656)

Placing of 18,127,932 Ordinary Shares at 86 pence per share

Admission to trading on AIM

Nominated Adviser, Sole Bookrunner and Corporate Broker

LIBERUM

Share capital immediately following Admission

<i>Issued and Fully Paid</i>	<i>Number</i>	<i>Amount</i>
Ordinary Shares of £0.01 each	30,837,653	£308,376.53

The New Ordinary Shares will, on issue, rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission and will otherwise rank *pari passu* in all other respects with the Existing Ordinary Shares.

Liberum which is regulated in the UK by the Financial Conduct Authority, is acting as nominated adviser, sole bookrunner and broker to the Company and will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this document or any transaction or arrangement referred to herein. Liberum has not authorised the contents of any part of this document for the purposes of FSMA. The responsibilities of Liberum as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or any Director, Shareholder or any other person in respect of such person's decision to acquire shares in the Company in reliance on any part of this document. Liberum is not making any representation or warranty, express or implied, as to the contents of this document or as to any matter, transaction or arrangement referred to in it.

This document does not constitute an offer to sell or issue, or the solicitation of an offer to subscribe for or buy, securities in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for distribution in or into the United States of America, Canada, Australia, the Republic of South Africa, New Zealand or Japan or any EEA jurisdiction (other than the United Kingdom). The Ordinary Shares have not been and will not be registered under the United States Securities Act 1933 (as amended) nor under the applicable securities laws of the United States of America (or any State thereof), any province or territory of Canada, Australia, the Republic of South Africa, New Zealand or Japan or any EEA jurisdiction (other than the United Kingdom) nor in any country or territory where to do so may contravene local securities laws or regulations and will not be made to any national, resident or citizen of the United States of America, Canada, Australia, the Republic of South Africa, New Zealand or Japan or any EEA jurisdiction (other than the United Kingdom). The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this Admission Document. Any representation to the contrary is a criminal offence in the United States.

In making any investment decision in respect of the Ordinary Shares, no information or representation should be relied upon other than as contained in this document.

Neither the Company nor the Directors are providing prospective investors with any representations or warranties or any legal, financial, business, tax or other advice. Prospective investors should consult with their own advisers as needed to assist them in making their investment decision and to advise them whether they are legally permitted to purchase the Ordinary Shares.

IMPORTANT INFORMATION

General

The Company does not accept any responsibility for the appropriateness, accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person regarding the Placing, the Company or the Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

As required by the AIM Rules for Companies, the Company will update the information provided in this document by means of a supplement to it if a significant new factor that may affect the evaluation by prospective investors of the Placing occurs prior to Admission or if it is noted that this document contains any substantial mistake or inaccuracy. This document and any supplement thereto will be made public in accordance with the AIM Rules for Companies.

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice in relation to any purchase or proposed purchase of Ordinary Shares. Each prospective investor should consult with such advisers as needed to make its investment decision and to determine whether it is legally permitted to hold Ordinary Shares under applicable investment or similar laws or regulations. Investors should be aware that they may be required to bear the financial risks of an investment in Ordinary Shares for an indefinite period of time.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company, the Directors or Liberum. This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, Liberum or any of their respective representatives that any recipient of this document should subscribe for or purchase any of the Placing Shares.

Prior to making any decision as to whether to subscribe for or purchase any Ordinary Shares, prospective investors should read the entirety of this document and, in particular, the section headed "Risk Factors". Investors should ensure that they read the whole of this document and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination of the Company and the terms of this document, including the risks involved. Any decision to subscribe for or purchase Ordinary Shares should be based solely on this document.

Investors who subscribe for or purchase Placing Shares in the Placing will be deemed to have acknowledged that: (i) they have not relied on Liberum or any person affiliated with Liberum in connection with any investigation of the accuracy of any information contained in this document for their investment decision; and (ii) they have relied only on the information contained in this document, and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by or on behalf of the Company, the Directors or Liberum.

None of the Company, the Directors, Liberum or any of their respective representatives is making any representation to any subscriber or purchaser of Ordinary Shares regarding the legality of an investment by such subscriber or purchaser.

In connection with the Placing, Liberum and any of its affiliates, acting as investors for their own account, may acquire Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Ordinary Shares being offered, subscribed, acquired, placed or otherwise dealt with should be read as including any offer to, or subscription, acquisition, dealing or placing by, Liberum and any of its affiliates acting as investors for their own account. Liberum and any of its respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to, the Company, for which they would have received customary fees.

Liberum and any of its respective affiliates may provide such services to the Company and any of its affiliates in the future.

Presentation of Financial Information

The reports on financial information included in Parts IV and V of this document have been prepared in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and include the related consent to their inclusion in this document as required by the AIM Rules for Companies and solely for that purpose.

Unless otherwise indicated, financial information in this document, including the Group's combined financial statements for the three years ended 31 March 2014, 2015 and 2016, and the notes to that financial information have been prepared in accordance with the basis of preparation stated therein, and the consolidated unaudited interim financial information of the Group for the six months to 30 September 2016, and the notes to that interim financial information have been prepared in accordance with IFRS.

Rounding

Certain figures and percentages in this document have been subject to rounding adjustments. Accordingly, any apparent discrepancies in tables between the totals and the sums of the relevant amounts are due to rounding.

Currencies

Unless otherwise indicated in this document, all references to:

- "Pounds sterling" or "£" are to the lawful currency of the UK;
- "Euro" or "€" are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty; and
- "U.S. Dollars", "Dollars" or "\$" are to the lawful currency of the United States.

Unless otherwise indicated, the financial information contained in this document has been expressed in pounds sterling. For all members of the Group, the functional currency is pounds sterling and the Group presents its financial statements in pounds sterling.

Forward Looking Statements

Some of the statements in this document include forward looking statements which reflect the Directors' current views with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Group's products and services). These statements include forward looking statements both with respect to the Group and with respect to the sectors and industries in which the Group operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue" and similar statements are of a forward looking nature.

All forward looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include but are not limited to those described in Part III of this document entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this document. Any forward looking statements in this document reflect the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy.

These forward looking statements speak only as of the date of this document. The Company undertakes no obligation to publicly update or review any forward looking statement, whether as a result of new information, future developments or otherwise, unless required to do so by applicable law or the AIM Rules for Companies. All subsequent written and oral forward looking statements attributable to the Group or individuals acting on behalf of the Group are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results

to differ from those indicated or suggested by the forward looking statements in this document before making an investment decision.

No Incorporation of Website Information

The contents of any website of the Group does not form part of this document and prospective investors should not rely on them.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	2 February 2017
Admission becomes effective and dealings in the Enlarged Share Capital commence on AIM	15 February 2017
Date for settlement within CREST of the Placing Shares	15 February 2017
Despatch of definitive share certificates for Placing Shares (where applicable)	22 February 2017

Note:

Each of the times and dates in the above timetable is subject to change. All times are London times unless otherwise stated.

PLACING STATISTICS

Placing Price per Placing Share	86 pence
Number of Existing Ordinary Shares	25,023,700
Number of New Ordinary Shares to be issued by the Company pursuant to the Placing	5,813,953
Number of Ordinary Shares in issue on Admission	30,837,653
Number of options in issue upon Admission	Nil
Number of Sale Shares being sold pursuant to the Placing	12,313,979
Total number of Placing Shares	18,127,932
Percentage of Enlarged Share Capital represented by Placing Shares	58.79
Gross proceeds of the Placing receivable by the Company	4,999,999.58
Gross proceeds receivable by the Selling Shareholders in respect of the sale of the Sale Shares	10,590,021.94
Estimated net proceeds of the Placing receivable by the Company	£3,900,000
Expected market capitalisation of the Company at the Placing Price immediately following Admission ¹	26,520,382
TIDM	RFX
ISIN	GB00BDR6V192
SEDOL	BDR6V19
LEI	2138009OAUOROKMFPK95
Website	www.ramsdensplc.com

¹ The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will at any given time equal or exceed the Placing Price.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Andrew David Meehan (<i>Non-Executive Chairman</i>) Peter Edward Kenyon (<i>Chief Executive Officer</i>) Martin Anthony Clyburn (<i>Chief Financial Officer</i>) Simon Edward Herrick (<i>Non-Executive Director</i>) Stephen John Smith (<i>Non-Executive Director</i>)
Company Secretary	Kevin Nigel Brown, A.C.A.
Registered Office and Principal Place of Business	Unit 16 The Parkway Centre Coulby Newham Middlesbrough TS8 0TJ
Telephone Number	01642 579957
Website	www.ramsdensplc.com
Nominated Adviser, Sole Bookrunner and Corporate Broker	Liberum Capital Limited 25 Ropemaker Street London EC2Y 9LY
Reporting Accountant	Grant Thornton UK LLP No 1 Whitehall Riverside Leeds LS1 4BN
Auditor	Ernst & Young LLP Citygate St James Boulevard Newcastle Upon Tyne NE1 4JD
Solicitors to the Company	Gateley (Scotland) LLP trading as HBJ Gateley Exchange Tower 19 Canning Street Edinburgh EH3 8EH
Solicitors to the Nominated Adviser, Sole Bookrunner and Corporate Broker	Addleshaw Goddard LLP 100 Barbirolli Square Manchester M2 3AB
Financial Public Relations Adviser to the Company	Hudson Sandler LLP 29 Cloth Fair London EC1A 7NN
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA
Principal Bankers	Clydesdale Bank plc trading as Yorkshire Bank 1st Floor 94-96 Briggate Leeds LS1 6NP

IPO Adviser

Bamburgh Capital Limited
10th Floor
Chancery Place
50 Brown Street
Manchester M2 2JT

Tax Advisers to the Company

UNW LLP
Citygate
St James' Boulevard
Newcastle upon Tyne NE1 4JE

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Admission”	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules for Companies”	the rules for AIM companies published by the London Stock Exchange
“AIM Rules for Nominated Advisers”	the rules for nominated advisers to AIM companies published by the London Stock Exchange
“Articles”	the articles of association of the Company which were adopted by special resolution passed on 1 February 2017, conditional on Admission, a summary of which is set out in paragraph 4 of Part VIII of this document
“A Loan Notes”	£9,592,951 10 per cent. fixed rate secured guaranteed A loan notes 2018 constituted by loan note instrument of RGL dated 2 September 2014
“B Loan Notes”	£267,500 10 per cent. fixed rate secured guaranteed B loan notes 2018 constituted by loan note instrument of RGL dated 2 September 2014
“Board”	the board of Directors of the Company for the time being
“C Loan Notes”	£500,000 10 per cent. fixed rate secured guaranteed C loan notes 2015 constituted by loan note instrument of RGL dated 2 September 2014
“certificated” or “in certificated form”	not in uncertificated form (that is, not in CREST)
“Companies Act”	the Companies Act 2006 (as amended)
“Company”	Ramsdens Holdings PLC, a company incorporated in England and Wales (registered number 08811656) and having its registered office at Unit 16, The Parkway Centre, Coulby Newham, Middlesbrough TS8 0TJ
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland is the operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001, including (i) any enactment or subordinate legislation which amends or supersedes those regulations; and (ii) any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force
“Deed of Election”	a deed poll and deed of election entered into by each of the Selling Shareholders (other than the Directors and NorthEdge) appointing the Company as his or her agent to sell Sale Shares in the Placing, summary details of which are set out in paragraph 13.2 of Part VIII of this document

“Directors”	the directors of the Company as at the date of this document, whose names are set out on page 8 of this document
“Disclosure and Transparency Rules” or “DTR”	the disclosure guidance and transparency rules made by the UK Listing Authority under Part VI of FSMA
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“Employees”	employees of the Group
“Enlarged Share Capital”	the Ordinary Shares in issue immediately following Admission and the Placing
“Euro” or “€”	the lawful currency of the member states of the European Union that adopt the single currency
“Euroclear UK & Ireland”	Euroclear UK and Ireland Limited, the operator of CREST
“Executive Directors”	the executive directors of the Company as at the date of this document, namely Peter Edward Kenyon and Martin Anthony Clyburn
“Existing Ordinary Shares”	25,023,700 Ordinary Shares, comprising all of the Ordinary Shares in issue as at Admission, other than the New Ordinary Shares
“Existing Shareholders”	the holders of the Existing Ordinary Shares immediately prior to Admission
“FCA”	the UK Financial Conduct Authority
“FCA Handbook”	the FCA’s handbook of rules and guidance published by the FCA from time to time
“FSMA”	the United Kingdom Financial Services and Markets Act 2000, as amended
“FY14”	financial year ended 31 March 2014
“FY15”	financial year ended 31 March 2015
“FY16”	financial year ended 31 March 2016
“FY17”	financial year ending 31 March 2017
“FY18”	financial year ending 31 March 2018
“FY20”	financial year ending 31 March 2020
“Group” or “Ramdens Group”	the Company and its Subsidiaries
“HMRC”	H M Revenue and Customs
“IFRS”	International Financial Reporting Standards, as issued by the International Standard Accounting Board, as adopted by the European Commission for use in the European Union
“Investment Agreement”	the investment agreement dated 2 September 2014 and entered into among NorthEdge, the Company, RGL, Peter Kenyon, Martin Clyburn, Kevin Brown, Michael Johnson, Jason Carr, Matthew Fothergill, Andrew Meehan and Susan Meehan in connection with the MBO
“ISIN”	international security identification number

“Key Employees”	the senior management team of the Group whose names and roles are set out in paragraph 8 of Part I of this document
“LEI”	Legal Entity Identifier
“Loan Notes”	the A Loan Notes
“Lock-in Arrangements”	the lock-in arrangements entered into between the Company, Liberum and each of the Existing Shareholders and contained in the Placing Agreement, summary details of which are set out in paragraph 13.1.2 of Part VIII of this document, or in the Deeds of Election, summary details of which are set out in paragraph 13.2.2 of Part VIII of this document
“London Stock Exchange”	London Stock Exchange plc
“MBO” or “Management Buy Out”	the management buyout of Ramsdens whereby the whole of the share capital of Ramsdens was acquired from Charles Stewart Smith and others by RGL (a wholly owned subsidiary of the Company established, for the purpose of effecting the management buyout, by NorthEdge and the then management team of Ramsdens led by Peter Kenyon) pursuant to an agreement dated 2 September 2014
“New Ordinary Shares”	5,813,953 new Ordinary Shares to be subscribed for and issued as part of the Placing
“Nominated Adviser” or “Liberum”	Liberum Capital Limited a company incorporated in England and Wales (registered number 05912554) and having its registered office at 25 Ropemaker Street, London, EC2Y 9LY
“NorthEdge”	NorthEdge Capital LLP as investment manager for NorthEdge Capital Fund 1 LP and NorthEdge Capital 1 GP LLP
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	ordinary shares of £0.01 pence each in the share capital of the Company
“Placee”	a subscriber or purchaser of Placing Shares
“Placing”	the conditional placing of the New Ordinary Shares and the Sale Shares by Liberum at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 2 February 2017 between Liberum, the Company, the Directors and NorthEdge in relation to the Placing, summary details of which are set out in paragraph 13.1 of Part VIII of this document
“Placing Price”	86 pence per Placing Share
“Placing Shares”	the New Ordinary Shares and the Sale Shares
“Pounds Sterling” “pence” or “£”	lawful currency of the United Kingdom
“Prospectus Rules”	the prospectus rules of the FCA made under Part VI of the FSMA
“QCA”	the Quoted Companies Alliance
“QCA Guidelines”	the Corporate Governance Code for Small and Mid-Sized Quoted Companies (2013) produced by the QCA

“Register”	register of members of the Company
“Relationship Agreement”	the relationship agreement dated 1 February 2017 made between the Company, Liberum and NorthEdge described in paragraph 13.4 of Part VIII of this document
“RGL”	Ramsdens Group Limited, a company incorporated in England and Wales (registered number 08819441) having its registered office at Unit 16, The Parkway Centre, Coulby Newham, Middlesbrough TS8 0TJ and being a wholly owned Subsidiary of the Company
“Ramsdens”	Ramsdens Financial Limited, a company incorporated in England and Wales (registered number 03045495) having its registered office at Unit 16, The Parkway Centre, Coulby Newham, Middlesbrough TS8 0TJ) and being a wholly owned Subsidiary of RGL
“Sale Shares”	the 12,313,979 Existing Ordinary Shares being sold in the Placing by the Selling Shareholders
“Selling Shareholders”	those Shareholders selling Ordinary Shares in connection with the Placing whose names and business addresses are set out in paragraph 13.3 of Part VIII of this document
“Share Incentive Arrangements”	The Ramsdens 2017 Long Term Incentive Plan (LTIP) as defined in and summarised at paragraph 9.1 of Part VIII of this document
“Shareholders”	holders of Ordinary Shares
“Subsidiary”	as defined in section 1159 of the Companies Act
“Takeover Code”	the City Code on Takeovers and Mergers published by the Takeover Panel
“Takeover Panel”	the Panel on Takeovers and Mergers
“TIDM”	tradable investment display mnemonic
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Corporate Governance Code”	the Principles of Good Governance and Code of Best Practice maintained by the Financial Reporting Council and formerly known as the Combined Code
“UK Listing Authority”	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“USA” or “United States”	the United States of America, its territories and possessions, each state of the United States and the District of Columbia,
“US Dollar” or “\$”	lawful currency of the United States
“VAT”	means value added tax
“uncertificated” or “in uncertificated form”	recorded on the register of Ordinary Shares as being held in in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST

Note: Any reference to any provision of any legislation includes any amendment, modification, re-enactment or extension of it, words importing the singular include the plural and vice versa and words importing the masculine gender shall include the feminine or neuter gender.

GLOSSARY

“AML” or “Anti Money Laundering”	the laws, regulations and procedures designed to stop the practice of generating income through illegal actions and the systems and controls put in place by organisations to assist in the prevention and detection of money laundering activities
“FLA”	Finance and Leasing Association – the industry body for the asset finance, consumer finance and motor finance sectors
“HCC”	Home Collected Credit
“HCSTC”	High Cost Short Term Credit, frequently referred to as pay day loans
“IMEI”	International Mobile Equipment Identity
“ITOPR”	In-house bespoke software that includes customer relationship management, sales ledger, cashbook and management reporting
“KYC”	Know Your Client, the measures and procedures adopted by a business to identify and to verify the identity of clients, customers and individuals and to monitor and manage risk
“Log Book Loan”	a term used to describe a loan secured over a vehicle
“MLRO”	Money Laundering Reporting Officer – the person appointed in terms of the Money Laundering Regulations 2007 as an appropriate person to manage and take responsibility for AML systems, processes, reports of suspicious activity and suspicious transactions, to liaise with the Serious Organised Crime Agency and generally to act as the focal point for an organisation’s AML activity
“MSB Sector”	Money Service Business Sector
“NPA”	National Pawnbrokers Association
“OFAC”	Office of Foreign Assets Control
“Pawnbroking”	the process of offering secured loans to people with items of personal property used as collateral (such item being known as a pledged item)
“PCI DSS”	The Payment Card Industry Data Security Standard
“PEP”	Politically Exposed Person – a term describing someone who is entrusted with a prominent public function and who under AML and KYC regulations is considered to present a higher risk for potential involvement in bribery and corruption as a result of their position and influence

PART I

INFORMATION ON THE GROUP

1. Introduction

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. Headquartered in Middlesbrough, and from roots that can be traced back to the 1970s, the Group operates from 127 stores within the UK (including 3 franchised stores) and has a small but growing online presence.

In the last financial year, the Group served over 700,000 customers across its different services. Ramsdens is fully FCA authorised for its pawnbroking and credit broking activities.

Ramsdens grew significantly between 2009 and 2013, investing heavily in the Ramsdens brand, its core service lines and store estate. Following a change in market conditions, including a material fall in the gold price, the management team reacted decisively to focus on cash generation from the existing store estate.

In 2014, a management buyout facilitated an exit of the previous major shareholders of Ramsdens and provided the funding that enabled the Group to repay its existing bank debt and management to update its strategy. Since the MBO, the Group's strategy has focussed on growing profits from the existing store estate through investment in the foreign currency exchange and jewellery retail segments, acquiring pawnbroking loan books and optimising cash generation with the ultimate aim of creating a well balanced, resilient business from which to generate further growth, both organically and by acquisition.

The Group's strong financial performance since FY14 is illustrated in Figure 1.

Figure 1

	<i>Audited</i> 12m ended 31 March 2014 £'000	<i>Audited</i> 12m ended 31 March 2015 £'000	<i>Audited</i> 12m ended 31 March 2016 £'000	<i>Unaudited</i> 6m ended 30 September 2015 £'000	<i>Unaudited</i> 6m ended 30 September 2016 £'000
Revenue	39,036	29,280	29,978	16,197	18,441
Gross profit	21,653	19,846	21,615	11,906	13,183
EBITDA ⁽¹⁾	3,776	4,156	4,733	3,517	4,213
Operating profit ⁽²⁾	1,730	2,490	3,190	2,812	3,480

⁽¹⁾ EBITDA excludes impairment of property, plant and equipment and intangibles, and loss on disposal of property plant and equipment

⁽²⁾ Operating profit excludes the gain on bargain purchase and the associated acquisition costs

The Directors believe that the Group's key strengths are:

- a good record of cash generation and a strong balance sheet;
- an experienced and motivated senior management team with a clear growth strategy;
- a recognised brand benefiting from significant investment including sports sponsorship and TV advertising;
- a diversified and complementary offering of products and services appealing to a broad demographic;
- a well invested branch estate and central infrastructure to support growth, including, what the Directors consider to be, a market leading IT system; and
- a large, growing and high repeat customer base.

From this strong platform, the Directors believe there is now a real opportunity to grow the business in the markets in which the Group operates.

2. History & Key Developments

- 1970s The origins of the business can be traced back to the 1970s when the Smith family operated a small HCC business
- 1987 First Ramsdens Pawnbroker store opens in Stockton-on-Tees
- 1997 Smith Cole Financial Limited acquired its first Ramsdens Pawnbroker franchise marking a change in strategic direction
- 2001 Peter Kenyon joined Smith Cole Financial Limited which had, at that time, three Ramsdens Pawnbroker franchises
- 2002 Smith Cole Financial Limited acquired John Ramsdens Pawnbrokers Limited and John Ramsdens Financial Limited. This took Ramsdens' owned store count to six together with six franchised stores
- 2003 The first store with a retail focus was opened in Peterlee, County Durham
- 2006 Foreign currency exchange was introduced via a joint venture arrangement
- 2007 Launched website www.gotgoldgetcash.co.uk as an early mover into the online gold buying market
- 2009 Expanded into Scotland (40 stores as at 30 September 2016)
- 2010 Expanded into Wales (20 stores as at 30 September 2016)
Opened 50th store
Started as main shirt sponsor to Middlesbrough Football Club
Exited HCC
- 2011 Started as sponsor to the Ramsdens Cup in Scotland (continuing until the Ramsdens Cup final in 2014)
Increased focus on foreign currency exchange – entered into wholesale contract with Travelex which allowed Ramsdens to set buying and selling rates
- 2012 Opened 100th store
- 2014 In September 2014, supported by NorthEdge, the management team bought out the Smith family, increased the focus of the business on retail and growing foreign currency exchange and took steps to create a more balanced mix of business segments
- 2016 Ramsdens was fully authorised by the FCA for pawnbroking and credit broking activities in May 2016, having previously held interim permission from April 2014 when the FCA took over the regulation of consumer credit activities from the Office of Fair Trading
Acquired 4 stores in Scotland from Cheque Centres Limited
Increased focus on online sales through launch of websites www.ramsdenscurrency.co.uk and www.ramsdensjewellery.co.uk

3. The Group's Operations

3.1 Brand

Ramsdens' investment in sports sponsorship and TV advertising has contributed to a well-established high street brand creating the platform for a diversified and growing financial services and retail offering of products and services. In particular, Ramsdens has used TV advertising to promote Ramsdens' gold buying service.

The Directors believe that the high repeat customer base for foreign currency exchange and pawnbroking loans demonstrates the trust customers have in Ramsdens to give them a good price for their foreign currency and to look after their jewellery whilst in pledge.

Ramsdens has used sports sponsorships to build brand awareness and promote engagement in the local community.

- Ramsdens sponsored the Scottish Challenge Cup (Ramsdens Cup) for three seasons from 2011 to 2014 following the Group’s expansion into Scotland. By the end of the sponsorship term, 24 of the 32 teams competing for the Ramsdens Cup played in towns and cities where Ramsdens had a branch.
- Ramsdens has certain sponsorship rights in relation to Middlesbrough Football Club including shirt sponsorship rights. Ramsdens has been the main shirt sponsor of Middlesbrough Football Club since 2010. The current season is the first during the sponsorship period that Middlesbrough Football Club has participated in the Premier League. Ramsdens is one of only four UK based Premier League sponsors for the current season.

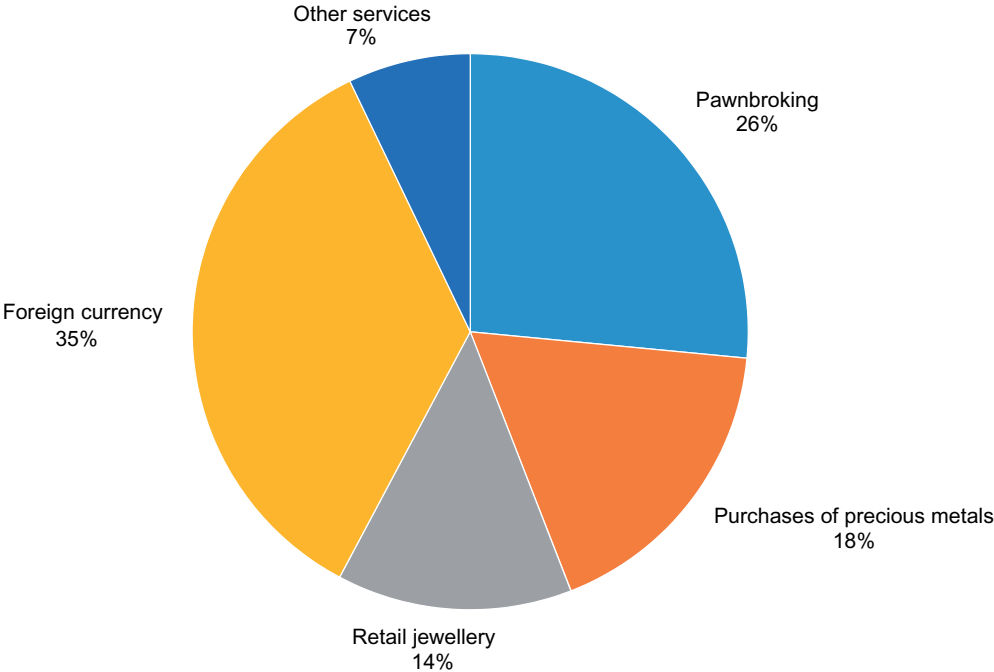
Historically, the stores traded under the name “Ramsdens Pawnbrokers” and were usually in secondary high street locations but Ramsdens’ strategy in recent years has been to grow the branch store estate into branded “Ramsdens” stores in primary high street sites and shopping centres, areas which attract higher customer footfall. Store fascias are styled in a corporate identity of green and white enabling customers to identify the stores on the high street. All new stores will be branded “Ramsdens”.

Ramsdens is not a High Cost Short Term Credit (HCSTC) provider (often referred to as a pay day lender) and, as a result, its brand has not been affected by the recent negative publicity around this sector.

3.2 Products and Services

Ramsdens has a diversified and balanced customer offering across its four core business segments. Figure 2 below shows the segmental gross profit split for FY16:

Figure 2



3.2.1 Foreign Currency Exchange

The foreign currency exchange service has been the fastest growing segment of the business since the MBO, contributing 35 per cent. of gross profit in FY16. This segment comprises, primarily, the sale and purchase of foreign currency notes with the growing ancillary services of prepaid travel cards (started in 2012) and international bank to bank payments (started in 2016). Ramsdens served over 562,000 foreign currency exchange customers in FY16 and has a high rate of repeat customers. Growth in foreign currency exchange has contributed to the diversification of the Group’s services, although this segment has a lower correlation to the Group’s other business segments. The Directors believe that there are significant opportunities to grow the foreign currency exchange service.

Ramsdens hedges against exchange rate movements in respect of Euros and US Dollars by using a monthly hedge for core foreign currency stock levels and a weekly hedge for intra month variations.

Foreign currency notes

Ramsdens sells foreign currency notes to customers having purchased them from Travelex (the Group's wholesale notes supplier) and to a lesser extent from customers.

In FY16, sales to customers accounted for 95 per cent. of total foreign currency exchanged with an average transaction value of £350 and purchases from customers accounted for 5 per cent. with an average transaction value of £139.

Ramsdens offers this service predominantly in store, but it also has a growing online offering which includes click and collect and home delivery of foreign currency.

Figure 3 shows the growth in gross total foreign currency exchanged and the total number of customers using this service.

Figure 3

	<i>12m ended</i>	<i>12m ended</i>	<i>12m ended</i>	<i>6m ended</i>	<i>6m ended</i>
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>30 September</i>	<i>30 September</i>
	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Foreign currency exchanged	166,510	277,089	361,572	242,129	261,785
Revenue/Gross profit*	3,518	5,363	7,586	4,825	5,520
Customer numbers	312,472	428,232	562,665	425,128	443,195

*Revenue is reported as net earnings and is therefore equal to gross profit.

Pre paid travel cards

Ramsdens is the promoter of the Ramsdens Mastercard® pre paid travel card with Wirecard Card Solutions which holds the funds and possesses the e-money licence. Customers can obtain the card in store or online subject to passing KYC checks and can then top up the card in store and online. The cards are available in US Dollars and Euros.

As at 30 September 2016, there were 12,452 cards in issue (7,469 Euro cards and 4,983 US Dollar cards).

International Payments

In October 2016, Ramsdens entered into a commercial agreement with TorFX (part of the Currencies Direct Holdings group), a specialist in international payments.

Ramsdens uses TorFX's infrastructure and expertise to facilitate international payments for its foreign currency customers. An online payment portal, intended to enhance the customer experience, is expected to be introduced in early 2017.

3.2.2 Pawnbroking

Pawnbroking is a simple form of asset backed lending where an item of value, known as a pledge, (in Ramsdens' case jewellery and watches), is given to the pawnbroker in exchange for a cash 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 borrowed plus interest and fees. Once the loan capital, interest and fees have been recovered, the pawnbroker must return all surplus funds to the customer.

Pawnbroking is regulated by the FCA in the UK. A pawnbroker is required to carry out a number of checks on its customers, including satisfying KYC obligations. A pawnbroker also makes an assessment of the value of the pledged items. Under FCA guidelines, a pawnbroker is able to lend without the need for a credit check on the proviso that, if the customer defaults, then their indebtedness is limited to the value of the

pledged items. There is no further recourse to the customer by the pawnbroker if the full amount of the loan capital, plus interest and fees is not repaid. This 'no hassle' credit assessment approach is attractive to the customers that use it.

Ramsdens is a member of the National Pawnbrokers Association and follows its rule book and code of conduct. The Company's CEO, Peter Kenyon, is a NPA Council member.

Ramsdens' average pawnbroking loan is £192, which the Directors believe is in line with the market average. Ramsdens does occasionally provide larger loans and its largest loan as at 30 September 2016 was approximately £39,000. Interest rates charged by Ramsdens typically range from 1.9 per cent. to 9.9 per cent. per month depending on the amount borrowed. Ramsdens' average monthly interest rate is approximately 8.8 per cent. and loans are made for a 5 month term.

Pawnbroking customers, as a rule, want to recover the goods pledged and the Directors believe that pawnbroking customers make a considered decision on whether to borrow or not, as they are aware they may lose the item if they are not able to repay the pawnbroking loan. On average, 85 per cent. of all new loans issued by the Group are repaid or renewed. Customers who renew their loans typically do so when they want to prevent the pledged item being sold but are not able to redeem the loan at the initial repayment date. Customers who choose to renew are encouraged to make regular capital repayments to reduce the total amount of interest payable.

In FY16, 29,084 customers used the pawnbroking service with 17,326 customers holding loans as at 30 September 2016. The majority of the customers for pawnbroking services are repeat customers.

Management reacted to the falling gold price in 2013 by reviewing Ramsdens' lending policies and shortening the term of its pawnbroking loans, thereby reducing the time for repayment of the loans and the time before it could sell unredeemed pledges. Since the MBO, management's strategy has been to seek to maximise the proceeds generated when disposing of unredeemed pledges by retailing the items rather than scrapping them for their intrinsic precious metal value. These changes led to an initial reduction in the overall size of the loan book but an increase in pawnbroking income.

Figure 4 charts the level of pawnbroking income and overall loan book size in recent years. Pawnbroking income has provided recurring and stable revenues for the Group.

Figure 4

	<i>Audited 12m ended 31 March 2014 £'000</i>	<i>Audited 12m ended 31 March 2015 £'000</i>	<i>Audited 12m ended 31 March 2016 £'000</i>	<i>Unaudited 6m ended 30 September 2015 £'000</i>	<i>Unaudited 6m ended 30 September 2016 £'000</i>
Pawnbroking Revenue/ Gross profit	4,971	5,505	5,731	2,774	2,944
Loan book capital at period end	5,940	5,335	5,708	5,127	5,135

3.2.3 **Purchases of precious metals**

Through its precious metals buying and selling service, Ramsdens offers to buy unwanted jewellery, gold and other precious metals from customers for cash.

Typically a customer brings unwanted jewellery into a Ramsdens store and a price is agreed with the customer depending upon the retail potential, weight or carat of the jewellery. The transaction is completed once Ramsdens completes the required KYC checks.

In order to provide this service, 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. The residual items are sold to

a bullion dealer for their intrinsic value and the proceeds are reflected in the accounts as precious metals buying income.

Ramsdens regularly hedges against short term gold price movements by taking a forward fix of the gold price to guarantee the value of a proportion of the gold volume it will sell to a bullion dealer within a short period.

In FY16, 70,801 customers sold unwanted items to the Group.

Prior to the MBO in 2014, the majority of gold and jewellery purchased was not retailed but was scrapped and sold to a bullion dealer in accordance with the Group's policy at the time to convert to cash. Since the MBO in September 2014 and following a revision to the strategy of the Group, an increasing proportion of jewellery has been sold through the Group's jewellery retail channel. As a result, retail jewellery turnover and profits have increased over the last two years with a reduction in precious metal buying income and profits over the same period.

In the twelve months ended March 2013, precious metals buying represented £16.5 million or 61 per cent. of the Group's gross profit. This has reduced to £3.8 million and to 18 per cent. of gross profit in FY16. The performance of precious metals buying is shown below in figure 5.

Figure 5

	<i>Audited</i> <i>12m ended</i> <i>31 March</i> <i>2014</i> <i>£'000</i>	<i>Audited</i> <i>12m ended</i> <i>31 March</i> <i>2015</i> <i>£'000</i>	<i>Audited</i> <i>12m ended</i> <i>31 March</i> <i>2016</i> <i>£'000</i>	<i>Unaudited</i> <i>6m ended</i> <i>30 September</i> <i>2015</i> <i>£'000</i>	<i>Unaudited</i> <i>6m ended</i> <i>30 September</i> <i>2016</i> <i>£'000</i>
Purchase of precious metals revenue	24,806	12,563	9,257	5,125	6,142
Purchase of precious metals gross profit	9,687	5,308	3,801	2,176	2,534

3.2.4 **Jewellery Retail**

The Directors' strategy is to offer a value for money proposition and refurbished second hand jewellery is offered for sale at a significant discount to comparable new jewellery.

The Group generates a better return by refurbishing items bought from customers and retailing them through its store network and online rather than selling the items to a bullion dealer.

The jewellery available to be purchased by customers is supplemented by new jewellery purchased from trade suppliers to give the stores a broader product range.

Since the MBO in September 2014, management has been investing in retail merchandising and displays and increasing stock levels from £1.25 million at 30 September 2014 to £3.46 million at 30 September 2016. This investment has resulted in improvements in revenue and gross profits as set out in Figure 6. Jewellery retail revenue has grown by 60 per cent. in the 2 years ended 31 March 2016 and the Directors believe there is scope for significant further growth.

Figure 6

	<i>Audited</i> <i>12m ended</i> <i>31 March</i> <i>2014</i> <i>£'000</i>	<i>Audited</i> <i>12m ended</i> <i>31 March</i> <i>2015</i> <i>£'000</i>	<i>Audited</i> <i>12m ended</i> <i>31 March</i> <i>2016</i> <i>£'000</i>	<i>Unaudited</i> <i>6m ended</i> <i>30 September</i> <i>2015</i> <i>£'000</i>	<i>Unaudited</i> <i>6m ended</i> <i>30 September</i> <i>2016</i> <i>£'000</i>
Jewellery retail revenue	3,006	3,275	4,807	2,124	2,539
Jewellery retail gross profit	2,010	2,233	2,957	1,355	1,470

3.2.5 **Other services**

In addition to the four core business segments, the Group also provides the following complementary ancillary services. These ancillary services accounted for £1.54 million of gross profit in FY16, representing 7 per cent. of the Group's total gross profit:

- *Cheque Cashing*

Ramsdens provides immediate clearance of customer cheques for an average fee of 4 per cent. of the cheque amount. This service is used by customers who either do not have a bank account or who want cash without waiting for a typical bank's clearance period. The number of people in the UK without a bank account is estimated to be approximately 8 million. Ramsdens is able to bank the cheques through its bank account due to having specific indemnity facilities with its bank. This service is subject to rigorous KYC procedures and, as a result of the regulation involved, there is a high barrier to entry to the market for the provision of this service.

- *Western Union*

Western Union is a money transmission service and Ramsdens, as Western Union's agent, facilitates payments from or to customers for a share of the transaction fee and currency commission.

- *Franchise Fees*

Ramsdens has three franchisees, which are fully authorised by the FCA and registered as a money service business in their own right, who follow Ramsdens' systems and procedures. They are audited quarterly by Ramsdens.

- *Sale and buy back of Electronics*

Customers sell electronic devices to Ramsdens with an option to buy the item back within 31 days for an agreed price. The Group follows the NPA code of conduct for these transactions and undertakes KYC and IMEI checks. If the option is not exercised, Ramsdens sells the item and retains all sale proceeds.

- *Credit Broking*

Ramsdens is authorised by the FCA to provide credit broking services. Ramsdens currently introduces relevant customers and other individuals seeking finance secured on a vehicle to a log book loan company. Ramsdens receives an introductory commission if the customer receives such a loan.

3.3 **Sales Channels**

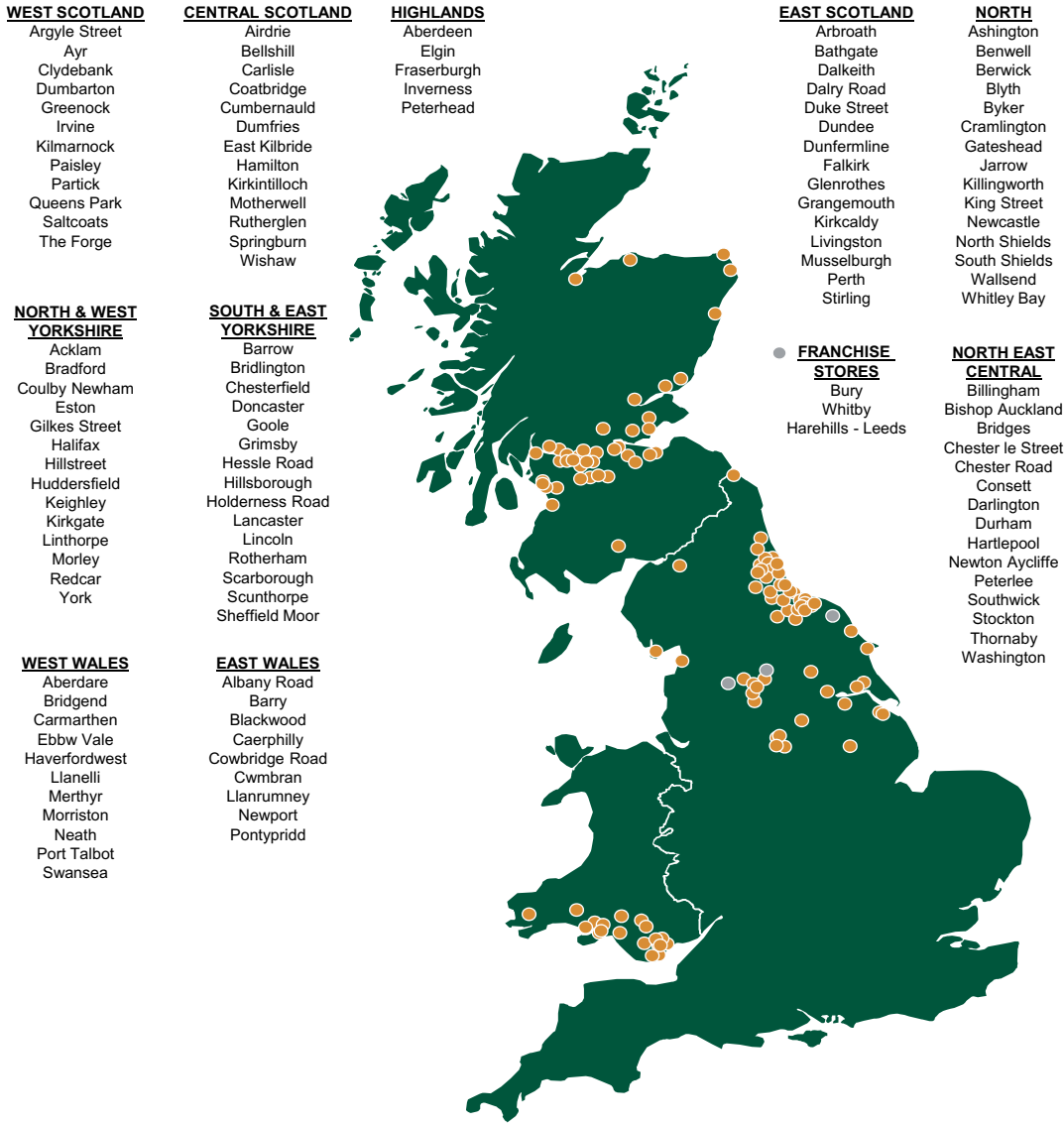
Ramsdens operates through its branch store network and has a small but growing online offering that is moving from being informational to transactional.

3.3.1 **Stores**

The Group has a diverse portfolio of 127 stores including three franchised outlets. Whilst older stores are often in suburban or secondary high street locations, newer stores are typically in primary high street or shopping centre locations. The existing portfolio has a mix of store designs and product emphasis. On a rolling 12 month contribution basis, as at 30 September 2016, all but three branches contributed to head office costs and the Group has served break notices in respect of two of these unprofitable branches.

The existing store portfolio is detailed below in Figure 7.

Figure 7



The stores are bright and modern and have a core identity with green fascia, green and cream jewellery displays and ash furniture.

As shown in Figure 8, the inside of the store is split into two with a jewellery retail area and a financial services area. Bank style counters divided by a wall give a customer privacy while being served. All services can be provided at all counters.

Figure 8



The Bridges, Sunderland

Stores are maintained to a high standard with a regular programme of maintenance and modernisation. Relocations may take place as leases end or opportunities to break leases are presented where there are opportunities for locations and buildings that better suit the Group's strategy for its branch estate. The Group seeks to negotiate flexible lease arrangements with landlords to assist in meeting its objective to improve and expand the branch estate when appropriate opportunities arise.

The Group's strategy is to concentrate new stores and store relocations in primary high street sites and in shopping centres where there is expected to be relatively higher customer footfall. The Group has identified a number of towns and shopping centres for expansion of the branch network and expects to open 12 new stores per annum over the medium term, commencing in April 2017. These proposed new stores are in addition to any existing store relocations and will be within both the existing regional portfolio and in new locations in the UK.

Due to the focus on primary high street sites, new store investment is expected to be in the region of £220,000 per store, including approximately £70,000 of capital expenditure. Payback in relation to capital expenditure is budgeted to be 30 months. New stores will typically be 400-700 sq ft.

The current average annual rent across the branch store network is £21,000 per branch but the Directors have budgeted for an average rent of £35,000 per annum for the roll out programme, reflecting the intended higher footfall locations of new stores.

3.3.2 **Ecommerce & Websites**

Ramsdens operates two trading websites:

www.ramsdensforcash.co.uk (incorporating www.ramsdenscurrency.co.uk) is the primary website which provides background information about the Group and its services. This website focuses on the foreign exchange service and facilitates online ordering of and payment for foreign currency or travel cards to collect at a local Ramsdens branch (click & collect) or to be sent by post for home delivery. In addition it can be used to order gold packs for the customer to sell gold and jewellery by post.

www.ramsdensjewellery.co.uk is a pure ecommerce site focused on selling new and second hand jewellery. This website was launched in September 2016.

Both sites are compatible with tablets and mobiles.

4. Principal Markets

The Group is a diversified financial services provider and retailer focused on the four core business segments of foreign currency exchange, pawnbroking loans, precious metals buying and selling and retailing of second hand and new jewellery.

Foreign Currency Exchange

The foreign currency exchange market supplies a significant proportion of the UK population who travel abroad on a regular basis and have a need for foreign currency notes, travel cards and international funds transfers. This market is competitive and has a large number of operator types such as high street banks, the Post Office, travel agents, brand loyal retailers such as M&S and Debenhams, supermarkets and specialist bureaux de change operators.

The Directors believe that annual expenditure overseas is growing and will increase by approximately 16 per cent. between 2015 and 2020 as more people travel. The Directors estimate that £13bn of foreign currency notes are purchased in the UK per annum prior to travel. On a national basis this would mean that Ramsdens has approximately a 3 per cent. share of the UK market.

The Directors believe that Ramsdens has approximately a 10-12 per cent. market share in the towns and catchment areas in which the Group operates.

Pawnbroking

The pawnbroking market, which is a section of the alternative credit market, has undergone significant change in the last 3 years. Competitors range from small independent operators to large pawnbroking chains. As well as offering pawnbroking loans, the larger chains also provide cash for gold services and HCSTC (pay day loans). The market has become increasingly regulated with operators now required to be FCA authorised. As a result, a number of the larger competitors in this area have undergone restructuring programs. Many competitors with large retail portfolios are reducing their branch network and management expects that the number of competitor stores will reduce in the next two years as leases expire. The Directors estimate that the number of pawnbrokers in the UK has reduced from approximately 2,000 in 2012 to 1,350 in 2016. The Directors believe that other competitors may look to dispose of pawnbroking loan books if they do not propose to retain FCA authorisation.

There are no recognised industry reports which detail the size of the pawnbroking loans market. The Directors believe that pawnbroking is a very small subset of the consumer credit market in the UK, with the total amount borrowed in the UK being approximately £120m-£140m. The Directors believe Ramsdens has approximately a 4 per cent. share of this market with the largest operator, being H&T Pawnbrokers, having an estimated 29 per cent. market share.

Purchases of precious metals

There is a long established market for buying and selling precious metals which includes unwanted jewellery. Operators in this sector include gold bullion and other dealers, pawnbrokers, jewellers and “cash for gold” providers.

As commodities, the sterling price of gold, silver and other precious metals depends on macro-economic factors and currency fluctuations. Other factors such as customer awareness (media reports and advertising) can also affect the volume of precious metals purchased by Ramsdens and other operators. In addition, fashions for jewellery change over time and items of jewellery which are broken or damaged may lead customers to sell unwanted jewellery for cash. Historically, there has been an underlying core level of gold sold each year and the Directors believe this will continue.

Jewellery Retail

The market for retail jewellery is large and is dominated by high street jewellery stores, fashion retailers and online retailers.

The Directors believe Ramsdens' market share is very low (below 0.1 per cent.) and the opportunity for growth exists through an increased focus on jewellery retail through the Group's branch network and the recently launched online offering, and through cross selling to customers of other services.

5. The Group's Growth Strategy

The Directors believe the Group can leverage its existing strengths of a diversified product offering and a recognised brand and the solid financial position of a strong balance sheet and positive cash flows, to continue to grow the business both organically and through acquisition, thereby generating capital and income returns for investors.

The Group's strategy is to:

- continue to improve the operational performance of its core store estate;
- expand the branch estate in the UK;
- grow its online presence and improve performance; and
- capitalise on the opportunity of operating in a challenging market.

5.1 *Continue to improve the performance of its core store estate*

The Directors believe there is an opportunity to increase revenues generated by its existing stores which will improve the Group's return on capital employed.

Management will seek to do this by cross selling services to the Group's existing customer base and by introducing new products. For example, the Group has recently introduced international bank to bank payments and is currently considering extending the range of products available under the sale and buy back service.

Management intends to grow the number of customers using the Group's services through advertising campaigns to increase brand awareness and increasing referrals from the existing customer base.

Management also aims to utilise the Group's customer data to enhance customer insight and develop targeted communications.

5.2 *Expand the branch estate in the UK*

The Directors believe there is significant opportunity for growth given the Group's current geographic penetration.

The Directors plan to increase the number of stores by 12 per annum over the medium term, commencing in April 2017. New store openings will follow a tried and tested robust assessment process to ensure that, at the planning stage, the store is expected to achieve the payback and performance required.

Successfully implementing the branch expansion plans will be dependent on finding suitable stores in the right locations and agreeing commercial terms. The Group currently has a target list of 30 locations identified for further research to identify suitable store units.

5.3 *Grow its online presence and improve performance*

The Group recently launched two retail website URLs focusing on foreign currency exchange and jewellery retail services with the intention of increasing the volume of online sales. It is proposed that, following further research and considering the performance of the retail websites, the online offering will be refined in the coming months.

5.4 Capitalise on the opportunity of operating in a challenging market

Between 2009 and 2012, Ramsdens and its competitors grew their store portfolios on the back of gold buying profits and, for some, pay day loan income. Following the fall in the gold price in 2013 and significant regulatory changes imposed on pay day lenders, many large competitors have reduced their store estate in the last two years. Cheque Centres Limited decided to close its entire branch estate in December 2016 to concentrate on its online activities. As part of that closure program, the Group acquired 4 stores that complemented its existing store network. The Directors believe that the reduction in the number of competitors in towns in which both the Group and Cheque Centres operated, will give Ramsdens the opportunity to increase revenues by providing services to previous Cheque Centres customers.

The Directors believe that the reduction in competitors' store estates and loan portfolios will continue through 2017 and, as a result, will present further opportunities for the Group to attract new customers and increase the income generated from existing stores.

Ramsdens may be able to acquire additional stores or trading assets which become available. Such stores would need to meet Ramsdens strict value adding criteria and would be converted to the Ramsdens' brand, use Ramsdens' IT system and offer its diversified services.

Regulation presents a high barrier to entry and the Directors believe that further consolidation may occur as some independent operators will not wish to operate within an FCA regulated environment. The FCA has publicly acknowledged that the number of operators within the market will reduce. This may present opportunities for the Group to acquire pawnbroking loan books, assets, businesses or companies. Management is experienced in identifying and successfully integrating the pawnbroking loan books, businesses and companies acquired into the Group and diversifying the revenue streams. Any potential future regulation of the sale and buy back service may also lead to a reduction in the number of high street competitors.

6. Current Trading and Prospects

Financial information for the Group is set out in Parts IV, V and VI of this document. Since 30 September 2016 the Group has continued to trade in line with the Directors' expectations. The Directors believe the Group is well positioned to capitalise on the opportunities in the marketplace.

7. Summary Financial Information

	<i>Audited</i> <i>12m ended</i> <i>31 March</i> <i>2014</i> <i>£'000</i>	<i>Audited</i> <i>12m ended</i> <i>31 March</i> <i>2015</i> <i>£'000</i>	<i>Audited</i> <i>12m ended</i> <i>31 March</i> <i>2016</i> <i>£'000</i>	<i>Unaudited</i> <i>6m ended</i> <i>30 September</i> <i>2015</i> <i>£'000</i>	<i>Unaudited</i> <i>6m ended</i> <i>30 September</i> <i>2016</i> <i>£'000</i>
Revenue	39,036	29,280	29,978	16,197	18,441
Gross profit	21,653	19,846	21,615	11,906	13,183
EBITDA ⁽¹⁾	3,776	4,156	4,733	3,517	4,213
Operating profit ⁽²⁾	1,730	2,490	3,190	2,812	3,480
Exceptionals ⁽³⁾	–	14,293	–	–	–
Profit before tax	1,543	16,128	2,336	2,323	3,174

⁽¹⁾ EBITDA excludes impairment of property, plant and equipment and intangibles, and loss on disposal of property plant and equipment

⁽²⁾ Before Exceptionals

⁽³⁾ Exceptionals comprises the gain on bargain purchase and the associated acquisition costs

Key performance Indicators

	<i>Audited 12m ended 31 March 2014</i>	<i>Audited 12m ended 31 March 2015</i>	<i>Audited 12m ended 31 March 2016</i>	<i>Unaudited 6m ended 30 September 2015</i>	<i>Unaudited 6m ended 30 September 2016</i>
Return on equity (PAT/average shareholders' funds)	5.12%	81.71%	10.97%	11.49%	14.14%
Numbers of stores at period end	125	122	121	122	121
Total currency exchanged £'000	£166,510	£277,089	£361,572	£242,129	£261,785
Pawnbroking loan book £'000	£5,940	£5,335	£5,708	£5,127	£5,135

8. Directors and Key Employees

On Admission, the Board will comprise two Executive Directors and three Non-Executive Directors.

Brief biographies of the Directors are set out below. Paragraph 6 of Part VIII of this document contains further details of current and past directorships of, and certain other important information regarding, the Directors.

Executive Directors

Peter Edward Kenyon (51), Chief Executive Officer

Peter joined Ramsdens in November 2001 as Operations Director and was appointed Chief Executive Officer in January 2008. Peter led the MBO in 2014 and has been responsible for over 25 acquisitions for the Group. He is responsible for overseeing all operations of the business and for setting the Group's strategy. Prior to joining Ramsdens, Peter's early career was with Yorkshire Bank for 17 years. He is a Council Member of the National Pawnbrokers Association and became a Director of the Company at the time of the MBO in September 2014.

Martin Anthony Clyburn (35), Chief Financial Officer

Martin joined Ramsdens in 2009 and is a Chartered Accountant having graduated from the University of Warwick with a degree in Mathematics, Operational Research, Statistics and Economics (MORSE) and later qualifying with respected North East firm, Keith Robinson & Co.. Martin joined the board of the Company as Chief Financial Officer in August 2016. Martin is responsible for the finance function within the Group and also works closely with the IT team ensuring the IT and accounting systems are fully integrated. Martin lectured part time at the University of Teesside from 2006 – 2012.

Non-Executive Directors

Andrew David Meehan (61), Non-Executive Chairman

Andy is a highly experienced retail executive with over 30 years' experience including CEO and CFO roles at Co-Operative Retail Services, Storehouse plc and Sears plc. For the last 10 years he has held a number of chairmanships and non-executive positions in several retail and consumer product businesses including Fortnum and Mason, GHD Group and American Golf. Andy is a Chartered Accountant and holds a degree in Politics and Economics from Oxford University and has been Chairman of the Company since September 2014.

Simon Edward Herrick (53), Non-Executive Director

Simon joined the board of the Company on 1 January 2017. Simon has significant experience in senior finance roles including positions as CFO of Debenhams plc, Northern Foods plc, Kesa Electricals plc and PA Consulting Limited. Since leaving Debenhams, Simon has undertaken consultancy work in the retail sector, most recently as CFO of Crew Clothing Company. Simon is a Chartered Accountant and holds an MBA from Durham University.

Stephen John Smith (59), Non-Executive Director

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

Key Employees

Kevin Nigel Brown (60), Strategy Director and Company Secretary

Kevin is a Chartered Accountant who had a 25 year career in private practice prior to joining Ramsdens in 2001 as Finance Director. Following 14 years as Finance Director, Kevin moved to his new role as Strategy Director of Ramsdens in August 2016 with responsibility for financial planning and analysis of performance. He works closely with Peter Kenyon on the day-to-day operations and setting strategy. Kevin will serve as Company Secretary of the Company.

Michael Johnson (44), Operations Director

Mike joined Ramsdens in 1992 when Ramsdens was a single branch operation. Aside from a two year period at a competitor, Mike has worked for the business for over 20 years. This long period of time with the business has given Mike a deep understanding of the Group's operations which supported his progression to Operations Director of Ramsdens in 2008.

Jason John Carr (44), IT Director

Jason joined Ramsdens in July 2003 having worked for Viking Management Systems, a business that provides IT services to Ramsdens. Jason has been instrumental in the building of Ramsdens' IT infrastructure and operating systems. He was appointed IT Director of Ramsdens in January 2008. Jason holds professional certifications with Microsoft, Cisco, Citrix and CompTIA.

Matthew William Leslie Fothergill (32), IT Programmer

Matt joined Ramsdens in 2006 as a graduate from Teesside University having obtained an honours degree in computer science. He is responsible for developing and enhancing Ramsdens' IT and operating systems. Matt developed 'ITOPR' which is the Group's bespoke computer and accounting system.

Michael Charles Wilson (49), Head of Compliance & Risk

Michael joined Ramsdens as an Area Manager in 2009. Michael has been the MLRO and responsible for Compliance and Risk for over two years and oversaw Ramsdens achieving its full FCA authorisation. Prior to joining Ramsdens, Michael worked for Citi Bank for 14 years in various roles that covered Anti Money Laundering, the Banking Code and the FLA code of practice.

9. Operational Governance – Systems and Controls

In order to manage the business, manage risk (including across its multi-site branch operations) and comply with its FCA authorisation and other regulatory requirements, Ramsdens has designed and implemented detailed policies and procedures. These policies and procedures are regularly reviewed and updated, certain processes are externally audited and staff undergo regular training to meet the Group's regulatory requirements. The output of these policies and procedures and staff training also helps to create an environment which the Directors believe enhances the customer experience and establishes and maintains brand loyalty.

Ramsdens educates its staff on the importance of exemplary corporate governance. This includes background legal information and an explanation of why every policy exists to assist staff understanding. The Group's policies and procedures are laid out in such a way that they dovetail into the training materials and the scope of the internal audit function.

In recent years, Ramsdens participated in a joint venture with Provident Financial PLC and a commercial agreement with Tesco Retail Stores Limited. On both occasions, Ramsdens had to meet the exacting

standards of due diligence and system reliability required in order to participate in the arrangements and this experience helped to increase the capability of the internal IT team and improve the processes within the business.

Three Lines of Defence

The Group adopts the 'three lines of defence' approach to managing risk and has invested heavily in its compliance and risk function.

Training

Branch staff undertake a comprehensive training program. The corporate structure of branch manager, area manager, regional manager and head of branches, supported by the head office support functions, using a bespoke software system, facilitates transactions in a controlled and measureable environment.

Compliance and Risk Function

The Compliance and Risk function is managed by Michael Wilson and undertakes an internal review of how the Group operates. This department operates autonomously from the customer facing operational side of the Group and reports directly to the CEO. It comprises a dedicated central risk management team which reviews transactions daily using risk weighted criteria for each service offered, and a dedicated field based internal audit team that comprehensively reviews each branch at least twice per annum for adherence to policies and procedures.

Independent Review and Audit

The final part of the control function is the board committees and the independent external specialists that the Group uses to provide extra assurance that the policies adopted are current and fit for purpose. External audits test that the Group's procedures are being adhered to and the ensuing reports are reviewed by the board of Ramsdens and acted upon where necessary.

The Group has weekly Compliance and Risk meetings which ensures that Ramsdens has active risk management and good reporting lines enabling it quickly to identify and react to warning indicators.

IT System

The Group has invested significantly in its IT operations. The team, managed by the IT Director, Jason Carr, comprises two programmers and five hardware engineers. This in house capability allows the Group to mitigate operational risk through its control over the whole process.

Ramsdens' own bespoke branch operating system acts as a customer relationship management tool and sales ledger before inclusion into Sage 200 which is used for the accounting records and controls. There has been significant investment in the IT infrastructure with the Group having a server facility at Zen Internet in Rochdale and back up hardware at Ramsdens head office. The framework is designed to not have a single point of failure.

IT security is a priority for the Group. Ramsdens accreditation of PCI DSS level 3.1 demands significant levels of security and infrastructure in order to protect the transmission of card payment details. Encryption is used to protect sensitive data and the Group places its customer sensitive data behind two levels of firewalls along with specific port control and access rights.

The IT system also enables real time management of the following functions:

Cash Management

The real time system allows the Finance team to manage effectively and efficiently the amounts of cash, Sterling and other currency, in branch and in transit.

Currency Hedging

Access to real time stock levels, sales levels and weekly peaks and troughs enables the Finance team to hedge against adverse currency movements by using non deliverable forward contracts.

Gold Price Hedging

The Finance team can enter into short term hedge contracts to lock in the gold price for stocks that will be sold to the bullion dealer by tracking through the gold volumes bought and sold.

The Group's IT system is customer centric. This enables real-time management of the customer relationship in three ways.

KYC

All newly registered customers are, where required, checked against the OFAC and HM Treasury banned customer lists. In addition, when certain thresholds are reached, an enhanced due diligence procedure is implemented which includes requirements for additional means of identification, proof of funds and source/use of funds where applicable. In addition, a PEP check is then undertaken by the Compliance and Risk team using Thomson Reuters. All areas of enhanced due diligence are reviewed by the Compliance and Risk team to ensure that the AML controls are, and continue to be, what the Directors believe to be industry leading.

Risk Management

Staff decision making is assisted by the IT operating system. The system has inbuilt parameters to assist staff to make the right decisions and provides prompts to check certain facts. It also helps with valuing or assisting with pricing across all products and services. As well as aiding staff decision making, this facility also reduces the risk of loss and improves the customer's experience of transacting with Ramsdens.

Sales Tool

By having an overview of a customer's history of transactions, staff from any branch are better able to assist that customer. The Group has a significant amount of data which is warehoused through Qlikview software to give management the ability to drill down from company level to region, branch and customer. The Directors believe that better use of this data (including customers' historical transactions and performance) in the future will assist in making improved strategic decisions.

The Directors are confident that the IT infrastructure is scalable and can accommodate the expected growth in store numbers.

People

The staff operating in the Group's stores are critical to its successful performance. Ramsdens' ethos is to train and empower the branch staff to think of their store as their business, empowering them to be local decision makers within the parameters set by the Group. The parameters are enforced by the Group's policies and IT system as well as training and this empowerment enables Ramsdens' staff to engage with and be part of the local community. Management believe this approach is at the heart of Ramsdens' strong customer relationships and its high repeat and growing customer base.

Staff undergo an induction program before serving customers in store. The induction course covers all products and services and the Group's, policies and procedures. Once in store, the staff member receives further training from their line manager as part of a structured training program and through the Group's e-learning platform. Certain training is mandatory for all staff, e.g. Anti-Money Laundering and data protection, and a course must be passed annually.

The Group has a non-contractual staff bonus scheme and all staff have the ability to earn a bonus.

10. Dividend Policy

The Directors intend to adopt a progressive dividend policy to reflect the cash flow generation and earnings potential of the Group.

Assuming that there are sufficient distributable reserves available at the time, the Directors intend that the Company will pay an interim dividend and a final dividend in respect of each financial year in the approximate proportions of one third and two thirds, respectively, of the total annual dividend. The first dividend to be paid by the Company is intended to be a final dividend which will be pro-rated for the period from Admission to 31 March 2017. This first dividend is expected to be paid in September 2017.

11. Reasons for Admission and Use of Proceeds

The Directors believe Admission will position the Group for the next stage of its development, including through further raising the profile of the Group, assisting in attracting and retaining employees through appropriate incentive arrangements and providing it with access to funding for future growth.

Admission will also enable the Selling Shareholders to realise, in part, their investment in the Group. The Company will also raise funds to repay the outstanding Loan Notes and to pay the expenses of the Placing.

12. The Placing

The Placing comprises the sale at the Placing Price of 12,313,979 Sale Shares, representing approximately 39.9 per cent. of the Enlarged Share Capital, and the issue by the Company at the Placing Price of 5,813,953 New Ordinary Shares, representing approximately 18.9 per cent. of the Enlarged Share Capital. The Placing will raise £4,999,999.58 million gross (approximately £3.9 million net of expenses) for the Company. On Admission, the Company will have a market capitalisation of approximately £26.52 million at the Placing Price.

The Company, the Directors, NorthEdge and Liberum have entered into the Placing Agreement relating to the Placing, pursuant to which, subject to certain conditions, Liberum has agreed to use reasonable endeavours to procure subscribers for the New Ordinary Shares to be issued by the Company and purchasers for the Sale Shares to be sold by the Selling Shareholders.

The Placing will also include the sale of Sale Shares by those Selling Shareholders who are not party to the Placing Agreement, each of whom has entered into a Deed of Election appointing the Company as his or her agent for the sale of Sale Shares in the Placing.

13. Admission, Dealings and Crest

Application has been made to the London Stock Exchange for all of the Ordinary Shares comprised in the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares at 8.00 a.m. on 15 February 2017.

No temporary documents of title will be issued. All documents sent by or to a Placee, or at his or her direction, will be sent through the post at the Placee's risk. Pending the despatch of definitive share certificates, instruments of transfer in respect of Ordinary Shares held in certificated form will be certified against the register of members of the Company. The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted, and accordingly enabled for settlement in CREST, on the date of Admission. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any individual Shareholder so wishes, provided that such person is a "system member" (as defined in the CREST Regulations) in relation to CREST. Dealings in advance of crediting of the relevant CREST account(s) shall be at the sole risk of the persons concerned.

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument, in accordance with the CREST Regulations. The Articles permit the holding of Ordinary Shares in uncertificated form in accordance with the CREST Regulations.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

For more information concerning CREST, Shareholders should contact their brokers or Euroclear UK & Ireland at 33 Cannon Street, London, EC4M 5SB.

14. Lock-in Arrangements

The Directors and the other Existing Shareholders who, at Admission, will hold in aggregate 12,709,721 Ordinary Shares (representing approximately 41.2 per cent. of the Enlarged Share Capital) have undertaken in the Placing Agreement or in a Deed of Election not, save in limited circumstances, to dispose of any of their interests in Ordinary Shares at any time prior to the first anniversary of Admission, other than NorthEdge which has undertaken not to dispose of any interest in Ordinary Shares within 6 months of Admission.

In addition, in order to ensure an orderly market in the Ordinary Shares, the Directors and the other Existing Shareholders have further undertaken that for a further period of 12 months thereafter (or 6 months thereafter in relation to NorthEdge) they will not (subject to certain limited exceptions) deal or otherwise dispose of any such interests other than through Liberum or otherwise in accordance with the requirements of Liberum.

Further details of the lock-in arrangements are set out in paragraphs 13.1.2 and 13.2.2 of Part VIII of this document.

15. Relationship Agreement

Immediately following Admission, NorthEdge will be entitled to exercise or control the exercise of voting rights in respect of 30.69 per cent. of the Enlarged Share Capital and will therefore have significant influence on the business of the Group and may cause or take actions that are not in, or which may conflict with, the best interests of other Shareholders. Accordingly, NorthEdge has entered into a separate Relationship Agreement with the Company and Liberum which regulates the relationship between NorthEdge and the Company and ensures that the Company is capable of carrying on its business at arm's length from NorthEdge. This Relationship Agreement will remain in place for so long as NorthEdge holds more than 10 per cent. of the voting share capital of the Company for the time being. Under the Relationship Agreement NorthEdge will be entitled (but not required) to appoint an observer to attend meetings of the Board. NorthEdge intends to exercise this observer right after Admission. Further details of the Relationship Agreement are summarised in paragraph 13.4 of Part VIII of this document.

16. The Takeover Code

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate interest in Ordinary Shares of the acquirer and any parties acting in concert with it to shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties (if any) would be required (except with the consent of the Takeover Panel) to make a cash offer for the Ordinary Shares not already owned by the acquirer and its concert parties (if any) at a price not less than the highest price paid for Ordinary Shares by the acquirer or its concert parties (if any) during the previous 12 months. A similar obligation to make such a mandatory cash offer would also arise on the acquisition of Ordinary Shares by a person already holding together with its concert parties (if any) Ordinary Shares carrying at least 30 per cent., but not more than 50 per cent., of the voting rights in the Company if the effect of such acquisition were to increase the percentage of the aggregate voting rights held by the acquirer and its concert parties (if any).

The Takeover Code defines persons "acting in concert" as comprising persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. "Control" means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control. A person and each of its affiliated persons will be deemed to be acting in concert with each other. There is a non-exhaustive list of persons who will be presumed to be acting in concert with other persons in the same category unless the contrary is established.

The Company's advisers have liaised with the Takeover Panel and, based on the information available, the Takeover Panel has confirmed that a concert party exists consisting of NorthEdge Capital Fund 1 LP and NorthEdge Capital 1 GP LLP ("Concert Party Members"), who together will hold 30.69 per cent. of the Enlarged Share Capital immediately following Admission.

Since, following Admission and completion of the Placing, the Concert Party Members will have an interest in shares representing, in aggregate, more than 30 per cent. but less than 50 per cent. of the voting rights of the Company, any member of this group will not normally be able to acquire an additional interest in shares carrying voting rights in the Company without incurring an obligation to make a mandatory offer pursuant to Rule 9 of the Takeover Code.

17. Taxation

The attention of prospective investors is drawn to the information regarding taxation which is set out in paragraph 10 of Part VIII of this document. These details are, however, only intended as a guide to the current taxation law position in the UK. **Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their professional advisers.**

18. Risk Factors

Prospective investors should consider carefully the risk factors described in the section headed "Risk Factors" and set out in Part III of this document, in addition to the other information set out in this document and their own circumstances, before deciding to invest in Ordinary Shares.

19. Further Information

Your attention is drawn to Part VIII of this document, which provides additional information on the Company.

PART II

DIRECTORS AND CORPORATE GOVERNANCE

1. Directors

The Board comprises the following persons:

- Andrew David Meehan, Non-Executive Chairman;
- Peter Edward Kenyon, Chief Executive Officer;
- Martin Anthony Clyburn, Chief Financial Officer;
- Simon Edward Herrick, Senior Independent Non-Executive Director; and
- Stephen John Smith, Independent Non-Executive Director.

2. Corporate Governance

The Directors recognise the importance of sound corporate governance and confirm that, following Admission, they intend to comply with the QCA Guidelines (as devised by the QCA in consultation with a number of significant institutional small company investors). The Directors also confirm that, although compliance with the UK Corporate Governance Code is not compulsory for AIM companies, they intend to comply with the recommendations of the UK Corporate Governance Code where practicable, having regard to the current stage of development of the Company. Following Admission, the Board will comprise five Directors of which two are Executives and three are Non-Executives, reflecting a blend of different experience and backgrounds. The Board considers all the Non-Executive Directors to be independent.

Following Admission, the Board will meet regularly to review, formulate and approve the Group's strategy, budgets and corporate actions and oversee the Group's progress towards its goals. In accordance with best practice, the Company has established Audit and Risk, Remuneration and Nomination Committees with formally delegated duties and responsibilities and with written terms of reference. From time to time separate committees may be set up by the Board to consider specific issues when the need arises.

Audit and Risk Committee

The Audit and Risk Committee will assist the Board in discharging its responsibilities, within agreed terms of reference, with regard to corporate governance, financial reporting and external and internal audits and controls, including, amongst other things, reviewing the Group's annual financial statements, reviewing and monitoring the extent of the non-audit services undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Group's internal controls and risk management systems. The ultimate responsibility for reviewing and approving the annual report and accounts and the half yearly reports remains with the Board. Membership of the Audit Committee comprises Simon Herrick, Stephen Smith and Andrew Meehan and it is chaired by Simon Herrick. The Audit Committee will meet formally not less than twice a year and otherwise as required.

Remuneration Committee

The Remuneration Committee is responsible, within agreed terms of reference, for establishing a formal and transparent procedure for developing policy on executive remuneration and to set the remuneration packages of individual Executive Directors. This includes agreeing with the Board the framework for remuneration of the Executive Directors, the Company Secretary and such other members of the executive management of the Group as it is designated to consider. It is furthermore responsible for determining the total individual remuneration packages of each Executive Director including, where appropriate, bonuses, incentive payments and share options. No Director may be involved in any decision as to his or her own remuneration. The membership of the Remuneration Committee comprises Simon Herrick, Stephen Smith and Andrew Meehan and the committee is chaired by Simon Herrick. The Remuneration Committee will meet not less than twice a year and at such other times as the chairman of the committee shall require.

Nomination Committee

The Nomination Committee will have responsibility for reviewing the structure, size and composition of the Board and recommending to the Board any changes required for succession planning and for identifying and nominating (for approval of the Board) candidates to fill vacancies as and when they arise. The Nomination Committee is also responsible for reviewing the results of the Board performance evaluation process and making recommendations to the Board concerning suitable candidates for the role of senior independent director and the membership of the Board's committees and the re-election of Directors at the annual general meeting. The membership of the Nomination Committee comprises Andrew Meehan, Simon Herrick and Stephen Smith and the committee is chaired by Andrew Meehan. The Nomination Committee will meet not less than once a year and at such other times as the chairman of the committee shall require.

3. Staff Incentives and Remuneration

Ramsdens operates in a retail environment where sales incentives are common to drive staff behaviour. Ramsdens is very conscious of the potential for a bonus to lead to irresponsible staff behaviour and has structured bonuses that are either longer term in nature or are behaviourally based.

There are no bonus schemes linked directly to pawnbroking and credit broking.

Ramsdens operates several staff incentive programmes from time to time, none of which are contractual and therefore the Board can amend or withdraw the incentive as necessary.

The Area Managers have a bonus scheme which is dependent upon the financial performance of their region. The financial performance is across all income streams and controllable branch costs. The bonus can be enhanced by success in behaviourally measured or compliance measured areas, e.g. mystery shop results and internal branch audits.

4. Share Incentive Arrangements

The Directors believe that the success of the Group will depend to a significant degree on the future performance of the management team. The Directors also recognise the importance of ensuring that all employees are well motivated and identify closely with the success of the Group. Accordingly the Company has established the following employee incentive arrangements:

The Ramsdens 2017 Long Term Incentive Plan

The Company has adopted The Ramsdens 2017 Long Term Incentive Plan under which awards may be granted to the Executive Directors and other members of the senior management team in the form of options to acquire Ordinary Shares at nominal value (LTIP Awards) or the right to receive a cash amount. It is intended that LTIP Awards will be granted shortly after Admission (Initial LTIP Awards). The Initial LTIP Awards will each be subject to two performance conditions measured over a three year period. 50 per cent. of the award will be dependent on the Company's earnings per share growth and 50 per cent. will be dependent on total shareholder return, being the change in value of a notional investment in a share over the performance period, taking account of share price movement and the value of dividends paid.

The Initial LTIP Awards will vest in relation to the three year's trading ending with the FY20 results to the extent performance targets are met provided that the participant remains employed by the Group at the date of vesting and has not given or been given notice to terminate that employment. The hurdle rates for awards to vest under the LTIP are 30 per cent. growth over the three years and 24 per cent. growth over the three years for total shareholder return and earnings per share growth, respectively. 100 per cent. of the LTIP Award will vest if total shareholder return and earnings per share growth is equal to or greater than 60 per cent. in aggregate over the three year period and 45 per cent. in aggregate over the three year period, respectively.

Details of the Initial LTIP Awards are set out in paragraph 9.1.2 of Part VIII of this document.

Senior Bonus Scheme

The Company has adopted a senior bonus scheme which provides for payment of discretionary annual performance based bonuses to senior key employees and Executive Directors of the Group.

Further details of The Ramsdens 2017 Long Term Incentive Plan and senior bonus scheme are set out in paragraph 9 of Part VIII of this document.

5. Share Dealing Code

The Directors will comply and seek to procure compliance by other employees with the relevant provisions of the Market Abuse Regulation relating to dealings by Directors and other applicable employees in the securities of the Company. The Company has therefore adopted with effect from Admission, as required by Rule 21 of the AIM Rules, a share dealing code for the Directors and certain employees which is appropriate for a company whose shares are admitted to trading on AIM. The Company will take all reasonable steps to ensure compliance with such share dealing code by the Directors and any relevant employees.

PART III

RISK FACTORS

An investment in the Company is subject to a number of risks and uncertainties. Accordingly, in evaluating whether to make an investment in the Company, potential investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including (but not limited to) the risk factors described below, before making any investment decision with respect to the Ordinary Shares. The risk factors described below do not purport to be an exhaustive list and do not necessarily comprise all of the risks to which the Group is exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions and in legal, accounting, regulatory and tax requirements. The risk factors described below are not intended to be presented in any assumed order of priority. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Group. If any of the following risks were to materialise, the Group's business, financial condition, results, prospects and/or future operations may be materially adversely affected. In such case, the value of the Ordinary Shares may decline and an investor may lose all or part of their investment.

GENERAL RISKS

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for him or her in the light of his or her personal circumstances and the financial resources available to him or her. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial objectives of the Group will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to future performance.

Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on demand for the Group's products. A more prolonged downturn may lead to an overall decline in sales. Economic uncertainty might have an adverse impact on the Group's operations and business results.

Risks Relating to the Business and Operations of the Group

Liquidity and forecasting risk

The operations of the Group are dependent on it having sufficient cash resources, liquidity of assets and accurate assessment of the value of customer assets. An inadequate level of financial resource to finance the Group's liquidity requirements in the medium to long term and inaccurate assessment or financial appraisal of the value of customer assets for lending purposes could have an adverse impact on the short, medium and long term cash resources of the Group and the ability of the Group to provide or increase its pledged lending operations. The financial position of the Group would be adversely affected if the Group failed consistently to value correctly items pledged as security for pawnbroking loans as this could limit the ability of the Group to recover the full value of the loan on items forfeited.

Adverse gold price movements

The Group is sensitive to movements in gold prices and the prices of other precious metals.

A reduction in the value of gold and silver and other precious metals may reduce the value of the Group's assets and adversely affect liquidity. A significant and sustained decline in the price of gold would adversely affect the value of jewellery pledged as collateral by pawnbroking customers and the stock held by the Group and may also affect volume of jewellery sales and default rates on pawnbroking loans. As a result the Group's profit margins on existing goods may reduce and may have a material adverse effect on the Group and its commercial and financial performance and reduce the value of an investment in the Ordinary Shares.

Foreign exchange risks and adverse exchange rate movements

Whilst the Group trades wholly in the UK, it is exposed to the risk of an adverse movement in the exchange rates of currencies that are held by the Group in cash in the branch tills. The value is mainly in Euro and US\$ stocks and the Group enters into monthly contracts to hedge the value.

There is the daily risk of buying one day, receiving the currency the next day and subsequently selling it and the intervening movement in the exchange rate.

There is a period end risk for the FX stock which remains in the branch tills.

The Group does not use derivative financial instruments for speculative purposes. There has been increased volatility in the currency markets and reduction in the value of sterling since the recent UK Brexit vote. Continued volatility and requirement of the Group to buy, sell and hold currency could result in increased adverse exchange rate differences which could adversely impact on the financial performance of the Group.

Policies of UK Banks

The Group is reliant on its UK banks for banking facilities. UK banks have had difficulties with their AML controls and as a result some have had policies of barring the pawnbroking or MSB sector from having banking facilities with them.

The Group mitigates this risk by being dual banked, currently Barclays and Yorkshire, and also by having an independent external audit to evidence the Group's industry leading AML policies, procedures and controls.

Any change to the policies or approach of the Group's principal banks or any withdrawal or reduction in the bank facilities available to the Group would have a material adverse impact on the ability of the Group to carry out its business and would have a material adverse effect on the Group and its commercial and financial performance and reduce the value of an investment in Ordinary Shares.

Constitutional Change

The Group faces potential risks associated with the proposed exit by the UK from its membership of the European Union, and the potential uncertainty preceding that exit. The UK exiting the European Union could materially change both the fiscal and legal framework in which the Group operates, and it could have a material impact on the UK's economy and its future economic growth. In addition, prolonged uncertainty regarding aspects of the UK economy due to the uncertainty around the proposed exit could damage customers' and investors' confidence. The proposed exit and these aspects could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

The Scottish National Party's policy to continue to seek independence from the UK creates a risk of Scotland adopting the Euro or other currency and having different legislation, policies, regulators and trading arrangements and agreements. Prolonged uncertainty in relation to the position of Scotland within the UK could have a material adverse effect on the Group's business, operations and financial condition.

Terrorism and Staycation

A core area of the Group's business is foreign currency exchange. Any increase in terrorist activity in Europe and beyond and any reduction in the amount of foreign travel or increase in "staycation" holidays could reduce the amount of foreign currency required and have a material adverse effect on the commercial and financial performance of the Group and reduce the value of an investment in Ordinary Shares.

Reputational Risk

The Group's financial performance is influenced by the image, perception and recognition of the Ramsdens' brand, which in turn depends on many factors such as the image of its stores, its communication activities including marketing, public relations, sponsorship, commercial partnerships and its general corporate and market profile and maintenance of its brand reputation. The Group is also well aware that customer recommendations are critical to growing the business and that poor service will be detrimental.

Any failure to maintain both favourable and trusted brand recognition and customer recommendations could have a material adverse effect on the Group's business, results of operation and financial condition.

Competitive Risk

Ramsdens operates in a competitive environment and has a number of competitors for each of its business segments. Ramsdens competes with companies which may have greater financial resources and negotiation power with suppliers and landlords than it does. The business of the Group could be affected by the loss of market share due to competition.

Competition in the locations of the branch store network has intensified over recent years. As the business diversifies and expands into other markets, it is in competition with other established businesses and new entrants who provide similar services to the Group or who operate in one or more areas of the markets targeted by the Group. An increase in online sales of foreign currency, jewellery and gold buying could lead to loss of market share. A loss of market share may have a material adverse effect on the Group and its commercial and financial performance and reduce the value of an investment in Ordinary Shares.

There is no guarantee that existing lenders or new entrants will not seek to enter the pawnbroking or credit broking market in the future, despite the barriers to entry into this part of the market which the Directors believe exist.

The Group encounters significant competition in connection with the operation of its foreign exchange and its pawnbroking and credit broking businesses as well as jewellery sales and cash for gold operations. In relation to its foreign currency exchange business, the Group competes with banks, the Post Office, travel agents, supermarkets and other high street retail and online foreign currency exchange businesses. In connection with its pawnbroking operations, the Group competes with other pawnbroking stores (owned by independents or by large corporates) and other lenders and providers of alternative credit finance. The Group competes with mainstream jewellery stores in relation to its retail sale of gold and jewellery as well as online retailers. It competes with other retail and online gold purchasing businesses in relation to its purchases of precious metals service.

These competitive conditions may adversely affect the Group's revenues, profitability and ability to expand.

Market Demand Risk

A fall in demand for the products of the Group, particularly in relation to the purchase of gold and silver and sales of foreign currency through a predominately fixed cost branch operation could adversely affect the revenues, profitability and margins of the Group's operations.

Expansion of branch network

As part of its growth strategy, Ramsdens intends to increase the number of its retail stores in the UK. Successful execution of this roll-out strategy depends upon a number of factors including: the identification of suitable available sites; the negotiation of acceptable financial terms; the hiring, training and retention of skilled personnel; the Group's ability to integrate new sites into its operations on an economically acceptable basis; its IT capabilities; and general macro economic conditions in the UK. There may continue to be competition for suitable or desirable sites and there can be no assurance that the Group will be able to open new sites on a timely basis or that it will be able to secure sites on acceptable terms. The costs of the expansion of the branch network may be higher than expected.

Internal financial crime

The Group is at risk in relation to internal financial crime which includes fraud, misconduct, improper practice or theft by any of the Group's employees including loss through theft of cash, jewellery or other assets or data theft. Such actions could expose the Group to financial losses resulting from the need to reimburse customers or other business partners or as a result of fines or other regulatory sanctions, and may significantly damage the Group's reputation.

External crime

The Group is at risk of asset loss from external sources including break-in and theft. Such actions could expose the Group to financial loss resulting from the need to reimburse customers or other business partners or as a result of fines or other regulatory sanctions, and may significantly damage the Group's reputation.

External financial crime

The Group is at risk from various forms of criminal activity including, theft, money laundering, hacking, cyber crime, fraud and dealing in stolen goods. Damage to the Group's reputation as a result of these or other factors could have a material adverse effect on its business, operations, financial condition or growth prospects.

IT Risks

The Group has a significant reliance on the stability and security of its IT system including to track inventory, record and process transactions, summarise results and manage its business. All aspects of the operation of the business, both customer facing as well as internal management, regulation and control are reliant on the IT and software systems of the Group.

The failure of the Group's IT systems to operate effectively could adversely affect its business. In particular, should it be required as the business expands, the implementation of new IT systems could take longer than expected, disrupt the Group's current systems and/or incur cost overruns.

A failure of the Group's ITOPR retail system would have a material adverse effect on the operations of the stores in the branch network and the ability to provide foreign currency, pawnbroking, sale and buyback, gold buying, jewellery retailing and cheque cashing services and would have a material adverse impact on revenues of the Group.

A failure in the Qlikview or Sage 200 systems of the Group would adversely affect the internal management reporting, operations and accounts of the Group and could result in errors and delays and inaccuracies in the financial reporting and monitoring of the operations of the Group.

Any replacement or upgrade to the IT system of the Group could have adverse cost and operational consequences for the Group.

In addition, the Group's IT systems may be subject to damage and/or interruption from power outages; computer, network and telecommunication failures; computer viruses; security breaches and usage errors by its employees. If the Group's IT systems are damaged or cease to function properly, it may have to make a significant investment to fix or replace them, and it may suffer loss of critical data and interruptions or delays in its operations. Any significant disruption in the Group's IT systems could have a material adverse effect on its business, results of operation and financial condition.

Ramsdens relies on third parties, including data centres and bandwidth providers, to host and operate its websites and other IT systems. Any failure or interruption in the services provided by these third parties could harm its operations and reputation. In addition, Ramsdens may have little or no control over these third parties, which increases its vulnerability to service problems. Any disruptions in the network access, co-location or hosting services provided by these parties or any failure of these providers to handle current or higher visitor traffic or transaction volumes could significantly harm the Group's business. Ramsdens may in the future experience disruptions in these services. If these providers were to suffer financial or other difficulties (such as security breaches and computer viruses), their services to the Group could be interrupted or discontinued and replacement providers may be uneconomical, unavailable or not capable of providing

an adequate service sufficiently quickly. Any of these events could have a material adverse effect on the Ramsdens business (including brand reputation), operating profit and overall financial condition.

Business strategy

The value of an investment in the Group is dependent, inter alia, upon the Group achieving the aims set out in this document. Although the Group has a clearly defined strategy, there can be no guarantee that its objectives will be achieved or that the Group will achieve the level of success that the Directors expect. Furthermore, the Board may decide to change aspects of its strategy described in this document. The Group's ability to implement its business strategy successfully may be adversely impacted by factors that the Group cannot currently foresee, such as unanticipated market forces, costs and expenses, regulatory or technological factors. Should it be unsuccessful in implementing its strategy or should it take longer than expected to implement, the future financial results of the Group could be negatively impacted.

Dependence on key executives and personnel

The Group's future development and prospects depend to a significant degree on its capacity to attract and retain effective personnel. The Group's performance depends significantly on the efforts, abilities, experience, performance and continued service of its key management team. These individuals have substantial experience and expertise in the different aspects of the Group's business and operations and have made significant contributions to the Group's continuing growth and success. As a result, these key senior personnel are one of Ramsdens most important assets. If members of the Group's key senior personnel depart, Ramsdens may not be able to find effective replacements in a timely manner, or at all, and its business may be disrupted or damaged. In addition, loss of key personnel to competitors could have a material adverse effect on the Group's competitive position, operations and prospects.

In addition, there can be no assurance that Ramsdens will continue to be able to retain or attract a sufficient number of skilled personnel. Any inability to recruit, train or retrain such personnel could hinder Ramsdens' business generally or expansion plans which could have a material adverse effect on its business, results of operations and its overall financial condition.

Financial controls and internal reporting procedures

The Group has systems and controls in place to allow it to produce accurate and timely financial statements and to monitor and manage risks. If any of these systems or controls were to fail the Group may be unable to produce financial statements accurately or on a timely basis and may expose the Group to additional risk. Any concerns investors may have over the potential lack of available and current financial information and the controls the Group has in place could adversely affect the Company's share price.

Leasing Retail Space

The Group's stores are leased from third parties and, therefore, Ramsdens is subject to risks associated with periodically negotiating or re-negotiating lease terms. When Ramsdens renews expiring leases, it may have to compete over desirable property sites with other businesses, some of which are considerably larger than Ramsdens and have greater economic and financial assets. Ramsdens ability to maintain its existing rental rates or to renew any lease on favourable terms will depend on many factors which are outside of Ramsdens' control, including the local real estate market and relationships with current and/or prospective landlords.

Any inability to renew existing leases may result in, among other things, significant alterations to rental terms, the closure of stores in desirable locations or failure to secure suitable alternative locations. Any of these events affecting Ramsdens stores could have a material adverse effect on its business, results of operations or financial condition.

Existing Shareholder influence

Following Admission, the aggregate beneficial interest in the Company of NorthEdge will amount to 9,462,700 Ordinary Shares, being 30.69 per cent. of the Enlarged Share Capital. Accordingly, save for the obligations contained in the Relationship Agreement, NorthEdge would otherwise be in a position to have significant influence over the Company's operations and business strategy.

REGULATORY TAX AND LEGAL RISKS

Regulatory environment

The Group is subject to a variety of laws and regulations and it routinely incurs costs in complying with these laws and regulations. The pawnbroking business operates in an area which is subject to regulatory requirements including FCA authorisation. FCA authorisation is required for the operation of the Group's pawnbroking business and credit broking service. Failure to comply with regulatory requirements, loss of FCA authorisation and/or failure to identify and comply with future changes to, and tightening of, regulations applicable to the Group's business may have a material adverse effect on the Group and its commercial and financial performance and reduce the value of an investment in the Ordinary Shares. Changes to the regulatory environment including new AML regulations could also increase the compliance costs of the Group.

Taxation and legislative changes

This document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors interpretation thereof. Such interpretation may not be correct and legislation, regulation, rules and practice may change, possibly with retrospective effect.

Any change in legislation, regulation, rules or practice may have an adverse effect on the Group's financial performance.

Data privacy and confidential information

The Group is subject to a number of laws relating to privacy and data protection, including the UK's Data Protection Act 1988 and the Privacy and Electronic Communications (EC Directive) Regulations 2003. Such laws govern the Group's ability to collect, use and transfer personal information relating to its customers as well as its employees. The Group relies on third party contractors and its own employees to collect personal data and to maintain its databases and, therefore, is exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of data protection regulations.

Despite controls to protect the confidentiality and integrity of customer information, the Group may breach restrictions or may be subject to attack from computer programmes that attempt to penetrate its network security and misappropriate confidential information.

If the Group or any of the third party service providers on which it relies fails to store or transmit information and/or payment details online in a secure manner, or if any unauthorised or unlawful loss, disclosure or destruction of personal data were otherwise to occur, the Group may be subject to claims from third parties relating to the infringement of privacy rights and/or investigative or enforcement action (including criminal proceedings and significant pecuniary penalties) by the Information Commissioner's Office in the UK. Whilst the Group strives to comply with all applicable laws, regulations, policies and legal obligations relating to privacy and data protection, it is possible that such requirements may be interpreted and applied in a manner that may conflict with other rules or the Group's practices.

Any perceived or actual failure to protect confidential data could harm the Group's reputation and credibility, reduce its sales, reduce its ability to attract and retain customers or result in litigation or other actions being brought against it or the imposition of fines. It could also result in the loss of goodwill of its customers and deter new customers. Each of these factors could have a material adverse effect on its business, results of operations and financial condition.

Media Scrutiny

The industry in which the Group operates is subject to a high degree of media scrutiny. The Group exited the pay day advance lending market before it came under significant media and parliamentary scrutiny. Changes to public and media sentiment to the businesses operated by the Group may result in adverse media coverage which may have a material adverse effect on the Group and its commercial and financial performance and reduce the value of an investment in the Ordinary Shares.

Evolution and growth of the Group

The governance and systems of the business during the earlier stages of its evolution may be considered inappropriate for a business of its current status and size and its future plans.

The Group has benefited from the process and period of private equity ownership, the inclusion of outside representation on the Board and the process that has led to its current application for Admission. The Group will continue to review and implement appropriate governance procedures and policies and the Board will actively monitor and respond to changes in order to maintain and develop systems and practices that are appropriate for the Group.

Ramsdens Trade Mark

The Group has recently applied to register the Ramsdens' brand as a trade mark. The costs of any actions required to protect the Ramsdens' brand in advance of the grant of the trade mark, or if the trade mark application is unsuccessful, are expected to be higher than after the grant of a trade mark.

RISKS RELATING TO THE ORDINARY SHARES

Prior to Admission, there has been no public market in the Ordinary Shares. Whilst the Company is applying for Admission, there can be no assurance that an active trading market for the Ordinary Shares will develop, or if developed, that it will be maintained. AIM is a market for emerging or smaller companies and may not provide the liquidity normally associated with the Official List or other exchanges. The future success of AIM and the liquidity in the market for Ordinary Shares cannot be guaranteed. In particular, the market for Ordinary Shares may be, or may become, relatively illiquid, particularly given the Lock-in Arrangements described in paragraphs 13.1.2 and 13.2.2 of Part VIII of this document and therefore the Ordinary Shares may be or may become difficult to sell.

The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in investor sentiment regarding the Ordinary Shares or in response to various factors and events, including the Group's performance generally, variations or anticipated changes in the Group's interim or full year operating results, market conditions in the sector, the activities of customers and the economy as a whole, business developments of the Group and/or its competitors, significant purchases or sales of Ordinary Shares or trading volumes in the Ordinary Shares, sales by Directors or substantial shareholders, legislative or regulatory changes, and general economic, political or regulatory conditions, and other factors outside the control of the Group.

Potential investors should be aware that the value of securities and the income from them can go down as well as up, and investors may realise less than, or lose all of, their investment. The market price of the Ordinary Shares may not reflect the underlying value of the Group and an investment in a security which is traded on AIM might be less realisable and generally carries a higher risk than a security quoted on the Official List. The price which investors may realise for their holding of Ordinary Shares, and when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Group and others of which are extraneous.

Lack of Active Market

On Admission, there will be a limited number of Shareholders in the Group and therefore it is possible that an active trading market may not develop. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the Placing Price. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected.

Valuation of Shares

The Placing Price per Ordinary Share has been determined by the Group, and may not relate to the Group's net asset value, net worth or any established criteria or value. There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

Market Perception

Market perception of the Group may change, potentially affecting the value of investors' holdings and the ability of the Group to raise further funds by the issue of further Ordinary Shares or otherwise.

Substantial sales of Ordinary Shares, Lock-in Arrangements

There can be no assurance that certain Directors or other Shareholders will not elect to sell their Ordinary Shares following the expiry of the Lock-in Arrangements, details of which are set out in paragraphs 13.1.2 and 13.2.2 of Part VIII of this document, or otherwise. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Group may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.

Additional capital and dilution

It is possible that the Group will need or choose to raise extra capital in the future to finance the development of the Group's business, to take advantage of acquisition opportunities or respond to new competitive pressures. If the Group is unable to obtain this financing on terms acceptable to it then it may be forced to curtail its development. If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the percentage ownership of such Shareholders may be substantially diluted. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price as the Placing Price or higher.

No guarantee that the Ordinary Shares will continue to be traded on AIM

The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

Dividends

There can be no assurance as to the level of future dividends, if any. The declaration, payment and amount of any future dividends of the Company is subject to the discretion of the Directors and will depend upon, among other things, the Group's earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws and generally accepted accounting practice.

Forward-looking Statements

This document contains forward-looking statements that involve risks and uncertainties. All statements, other than those of historical fact, contained in this document are forward-looking statements. The Group's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors. Investors are urged to read this entire document carefully before making an investment decision.

The forward-looking statements in this document are based on the relevant Directors' beliefs and assumptions and information only as of the date of this document, and the forward-looking events discussed in this document might not occur. Therefore, investors should not place any reliance on any forward-looking statements. Except as required by law or regulation, the Directors undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future earnings or otherwise.

It should be noted that the risk factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is or may be exposed or all those associated with an investment in the Company. In particular, the Group's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware, which may also have an adverse effect upon the Group.

PART IV

FINANCIAL INFORMATION RELATING TO THE GROUP

This Part IV contains in Section A, the accountant's report on the historical financial information of the Group and in Section B, the historical financial information for FY14, FY15 and FY16 of the Group.

Section A – Report on Historical Financial Information on the Group

The Directors
Ramsdens Holdings PLC
Unit 16 Parkway Centre
Coulby Newham
Middlesbrough
TS8 0TJ

2 February 2017

Dear Sirs

Grant Thornton UK LLP
No 1 Whitehall Riverside
Leeds LS1 4BN
T +44 (0)113 245 5514
F +44 (0)113 246 5055
grantthornton.co.uk

Ramsdens Holdings PLC (the Company) and its subsidiary undertakings (together, the Group) – Accountant's Report on Historical Financial Information

We report on the Group combined historical financial information set out in Section B of Part IV, for the three years ended 31 March 2016 (the **Historical Financial Information**). The Historical Financial Information has been prepared for inclusion in the Company's AIM admission document dated 2 February 2017 (the **Admission Document**) on the basis of the accounting policies set out in note 2 to the Historical Financial Information.

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of Ramsdens Holdings PLC are responsible for preparing the Historical Financial Information on the basis of preparation set out in note 2 to the Historical Financial Information. It is our responsibility to form an opinion on the Historical Financial Information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the Historical Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the

Historical Financial Information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Group as at 31 March 2014, 31 March 2015 and 31 March 2016 and of its profits, cash flows and changes in equity for the three years ended 31 March 2016 in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

GRANT THORNTON UK LLP

Section B – Historical Financial Information

Combined statement of comprehensive income

The following historical financial information has been prepared for inclusion in the AIM admission document of Ramsdens Holdings PLC. As explained within note 5, Ramsdens Holdings PLC acquired Ramsdens Financial Limited, via a management buy-out, on 2 September 2014. There has been no essential change in the underlying business and therefore, in accordance with SIR 2000 annex 57, the historical financial information presents the consolidated results of Ramsdens Holdings PLC for the year ended 31 March 2016, alongside the combined results of the groups headed by Ramsdens Holdings PLC and Ramsdens Financial Limited for the year ended 31 March 2015, and the results of the group headed by Ramsdens Financial Limited for the year ended 31 March 2014. This is explained in more detail in note 2.1.

	Notes	2014 £'000	2015 £'000	2016 £'000
Revenue	4	39,036	29,280	29,978
Cost of sales		<u>(17,383)</u>	<u>(9,434)</u>	<u>(8,363)</u>
Gross profit	4	21,653	19,846	21,615
Administrative expenses		<u>(19,923)</u>	<u>(17,356)</u>	<u>(18,425)</u>
Operating profit before effects of acquisition		1,730	2,490	3,190
Gain on bargain purchase	5	–	15,337	–
Acquisition fees		<u>–</u>	<u>(1,044)</u>	<u>–</u>
Operating profit after effects of acquisition		1,730	16,783	3,190
Finance income		54	46	25
Finance costs	6	(435)	(727)	(963)
Gain on fair value of derivative financial liability		<u>194</u>	<u>26</u>	<u>84</u>
Profit before tax		1,543	16,128	2,336
Income tax expense	10	<u>(340)</u>	<u>(438)</u>	<u>(628)</u>
Profit for the period		<u>1,203</u>	<u>15,690</u>	<u>1,708</u>
Earnings per share in pence (basic and diluted)	8	487	6,346	691

Combined statement of financial position

	Notes	2014 £'000	2015 £'000	2016 £'000
Assets				
Non-current assets				
Property, plant and equipment	11	6,939	5,856	4,889
Intangible assets	12	3,758	802	808
Investments	13	197	–	–
		<u>10,894</u>	<u>6,658</u>	<u>5,697</u>
Current assets				
Inventories	15	1,904	2,147	3,336
Trade and other receivables	16	9,368	8,764	8,726
Cash and short term deposits	17	10,079	10,816	10,947
		<u>21,351</u>	<u>21,727</u>	<u>23,009</u>
Total assets		<u><u>32,245</u></u>	<u><u>28,385</u></u>	<u><u>28,706</u></u>
Current liabilities				
Trade and other payables	18	1,577	3,096	3,938
Interest bearing loans and borrowings	18	1,179	3	2,908
Accruals and deferred income	18	620	721	398
Income tax payable	18	–	83	40
		<u>3,376</u>	<u>3,903</u>	<u>7,284</u>
Net current assets		<u>17,975</u>	<u>17,824</u>	<u>15,725</u>
Non-current liabilities				
Interest bearing loans and borrowings	19	4,229	8,860	4,017
Accruals and deferred income	19	574	417	514
Derivative financial liabilities	19	336	310	226
Deferred tax liabilities	19	44	175	237
		<u>5,183</u>	<u>9,762</u>	<u>4,994</u>
Total liabilities		<u><u>8,559</u></u>	<u><u>13,665</u></u>	<u><u>12,278</u></u>
Net assets		<u><u>23,686</u></u>	<u><u>14,720</u></u>	<u><u>16,428</u></u>
Equity				
Issued capital	20	1	247	247
Share premium		468	–	–
Retained earnings		23,217	14,473	16,181
Total equity		<u><u>23,686</u></u>	<u><u>14,720</u></u>	<u><u>16,428</u></u>

Combined statement of changes in equity

	<i>Share Capital £'000</i>	<i>Share premium £'000</i>	<i>Retained earnings £'000</i>	<i>Total £'000</i>
As at 1 April 2013	1	468	22,805	23,274
Profit for the year	–	–	1,203	1,203
Total comprehensive income	–	–	1,203	1,203
Dividends paid	–	–	(800)	(800)
Share based payment	–	–	9	9
Total transactions with owners	–	–	(791)	(791)
As at 31 March 2014	1	468	23,217	23,686
Profit for the year	–	–	15,690	15,690
Total comprehensive income	–	–	15,690	15,690
Issue of shares	247	1	–	248
Effect of acquisition (see note 5)	(1)	(469)	(24,434)	(24,904)
Total transactions with owners	246	(468)	(24,434)	(24,656)
As at 31 March 2015	247	–	14,473	14,720
Profit and total comprehensive income for the year	–	–	1,708	1,708
As at 31 March 2016	247	–	16,181	16,428

Combined statement of cash flows

	Notes	2014 £'000	2015 £'000	2016 £'000
Operating activities				
Profit before tax		1,543	16,128	2,336
Adjustments to reconcile profit before tax to net cash flows:				
Gain on bargain purchase	5	–	(15,337)	–
Depreciation and impairment of property, plant and equipment	11	1,789	1,334	1,135
Amortisation and impairment of intangible assets	12	251	269	365
Change in derivative financial instruments		(194)	(26)	(83)
Loss on disposal of property, plant and equipment		6	63	42
Share based payments		9	–	–
Finance income		(54)	(46)	(25)
Finance costs	6	435	727	963
Working capital adjustments:				
Movement in trade and other receivables and prepayments		2,584	636	108
Movement in inventories		3,113	(243)	(1,189)
Movement in trade and other payables		(510)	1,464	616
		8,972	4,969	4,268
Interest received		54	46	25
Interest paid		(435)	(727)	(963)
Income tax paid		(904)	(423)	(680)
Net cash flows from operating activities		7,687	3,865	2,650
Investing activities				
Proceeds from sale of property, plant and equipment		–	5	–
Purchase of property, plant and equipment		(671)	(318)	(184)
Purchase of intangible assets		(12)	(164)	(371)
Acquisition of subsidiary		–	(6,550)	–
Net cash flows from investing activities		(683)	(7,027)	(555)
Financing activities				
Dividends paid	21	(800)	–	–
Payment of finance lease liabilities		(9)	(9)	(4)
Issue of loan notes		–	10,360	–
Bank loans drawn down		–	–	2,900
Repayment of bank borrowings and Loan Notes		(4,170)	(6,699)	(4,860)
Proceeds of issue of ordinary shares		–	247	–
Net cash flows from/(used in) financing activities		(4,979)	3,899	(1,964)
Net increase in cash and cash equivalents		2,025	737	131
Cash and cash equivalents at 1 April		8,054	10,079	10,816
Cash and cash equivalents at 31 March		10,079	10,816	10,947

Notes to the combined financial information

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 Group (the current group of companies headed by Ramsdens Holdings PLC) is principally engaged in the supply of foreign exchange services, pawnbroking and related financial services, jewellery sales, and the purchase of gold jewellery from the general public.

2. Significant accounting policies

2.1 Basis of preparation

The combined financial information of the Group has been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), except for the departure explained below.

Departures from IFRS:

- IFRS does not provide for the preparation of combined financial information, and accordingly in preparing the combined financial information certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standards applicable to Public Reporting Engagements on Historical Financial Information) issued by the UK Auditing Practices Board have been applied.

The application of these conventions results in the following material departures from IFRSs as adopted by the EU:

- The earnings per share for all periods has been calculated based on the issued share capital of the Group as at 31 March 2016.
- The information contained within this combined financial information contains the financial results of entities that were not controlled by Ramsdens Holdings PLC for the year ended 31 March 2014 and the period from 1 April 2014 to 1 September 2015 (as explained within note 5). The preparation of such combined financial information is not provided for in IFRS and so the combined financial information does not comply with IFRS in this regard.

The financing structure of the Group has changed across the period covered by this combined financial information and so the finance costs are not comparable across the three periods. Details of the changes in borrowings (which represent the primary financing of the business) are detailed in note 19.

On 2 September 2014 Ramsdens Financial Limited was acquired by Ramsdens Group Limited. Ramsdens Group Limited is a wholly owned subsidiary of Ramsdens Holdings PLC. The business combination is discussed in further detail in note 5. As a result of the acquisition, the structure of the group carrying out the Group's business has not been the same throughout the entire period covered by the combined financial information.

For the year ended 31 March 2014 the combined financial information is prepared on the basis of Ramsdens Financial Limited and its subsidiaries.

For the year ended 31 March 2015 the financial information has been prepared by aggregating the results of Ramsdens Financial Limited and its subsidiaries for the period of 1 April 2014 to 1 September 2014 with the results of the Ramsdens Holdings PLC consolidated group for 2 September 2014 to 31 March 2015, as allowed by paragraphs 56 and 57 of the annex to SIR 2000.

For the year ended 31 March 2016 the financial information is based on the existing group structure being the consolidated financial information of Ramsdens Holdings PLC.

The combined financial information has been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The combined financial information is presented in pounds sterling which is the functional currency of the Group and all values are rounded to the thousand (£000), except when otherwise indicated.

2.2 Basis of consolidation

The combined financial information incorporates the financial information 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.

2.3 Going Concern

The Directors have made appropriate enquiries and formed a judgement at the time of approving the financial information that there is a reasonable expectation that the Group has adequate resources (with reference to the facilities disclosed in notes 19 and 26) to continue in business for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial information.

2.4 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred which represents the fair value of the assets acquired and liabilities incurred or assumed. Acquisition related costs are expensed as incurred and included in administrative expenses.

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

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

2.5 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 the balance sheet date no intangible 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 per cent. reducing balance
- Software – 20 per cent. 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.

2.6 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 profit or loss as incurred.

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

- Leasehold property – straight line over the lease term
- Fixtures & fittings – 20 per cent. & 33 per cent. reducing balance
- Computer equipment – 25 per cent. reducing balance
- Motor vehicles – 25 per cent. 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.

2.7 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 CGUs 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. These budgets and forecast calculations are generally covering a 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 annually as at 31 March 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 CGU is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.8 Inventories

Inventories comprise of electronics, retail jewellery and precious metals held to be scrapped and are valued at the lower of cost and net realisable value.

Cost represents the purchase price plus overheads directly related to bringing the inventory to its present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs to sell.

2.9 Financial instruments – initial recognition and subsequent measurement

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

Initial recognition and measurement

In accordance with IAS 39, 'Financial Instruments: Recognition and Measurement' the Group has classified its financial assets as 'loans and receivables'. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This category applies to trade and other receivables due from customers in the normal course of business and includes pawnbroking receivables which are interest bearing. The accrued interest arising on pawnbroking receivables is included in trade and other receivables using the effective rate of interest. All other amounts which are not interest bearing are stated at their recoverable amount, being invoice value less provision for any bad debts.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprises 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.

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

Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter

bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears, fall in value of the secured pledges below the value of the outstanding loans or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or 'other financial liabilities'.

All financial liabilities are recognised initially at fair value and, in the case of other financial liabilities, net of directly attributable transaction costs.

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at fair value through profit or loss

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 profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

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.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:
 - (a) the Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

A financial liability is derecognised when the obligation under the liability is discharged, 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 combined 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.

2.10 **Fair value measurement**

The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date.

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 is 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

2.11 **Taxation**

Current tax

The tax currently payable is based on taxable profit for each year. Taxable profit differs from net profit as reported in the combined 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 balance sheet date.

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 information 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 are reviewed at each balance sheet date 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 combined 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 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.

2.12 **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date.

For arrangements entered into prior to 1 April 2013, the date of inception is deemed to be 1 April 2013 in accordance with IFRS 1 *First-time Adoption of International Reporting Standards*.

Hire purchase agreements and finance lease agreements

Finance leases and hire purchase agreements that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. The leased asset is depreciated over the shorter of the lease term and its useful economic life.

Obligations under such agreements are included within payables, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the combined statement of comprehensive income so as to produce a constant periodic rate of interest on the net obligation outstanding in each period.

Operating lease agreements

Rentals applicable to operating leases, where substantially all of the risks and benefits or ownership remains with the lessor, are charged to the combined statement of comprehensive income on a straight line basis over the period of the lease.

Lease incentives are spread over the period of the lease on a straight line basis.

2.13 **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 balance sheet date.

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.

All of the Group's premises are leased under operating leases. The majority of the leases include an end of lease rectification clause to return the property to its original state. No provision is made until a board decision has been taken to either terminate or not to renew the lease. Additionally, the Group maintains stores to a high standard and completes any necessary repairs and maintenance on a timely basis using the in-house property department and external contractors. The directors consider that the estimated costs of such end of lease rectifications are not material and so these costs are expensed as incurred.

2.14 **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. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Combined Statement of Financial Position.

2.15 **Share based payments**

Equity-settled transactions

The Company has an HMRC approved Company Share Option Plan (CSOP). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award.

Fair value is determined by an external valuer and agreed with HMRC prior to grant. No expense is recognised for awards that do not ultimately vest. At each balance sheet date before vesting, the cumulative expense is calculated; representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognised in the statement of comprehensive income, with a corresponding entry in equity.

2.16 **Revenue recognition**

Revenue is recognised when the Group transfers the significant risks and rewards of ownership to the buyer. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

Pawnbroking revenue

Revenue from pawnbroking comprises interest on pledge loan books and comprises the following two distinct components:

Contractual interest earned:

Contractual interest is earned on pledge loans up to the point of redemption or the end of the primary contract term. Interest receivable on loans is recognised as interest accrues by reference to the principal outstanding and the effective rate applicable, which is the rate that discounts the estimated cash receipts through the expected life of the financial asset to that asset's net carrying value.

Revenue arising from the disposal of unredeemed pledge contracts:

Revenue is recognised on the disposal of unredeemed pledge contracts when additional interest and transaction fee income is earned.

Sale of precious metals and diamonds acquired via over the counter purchases

Gold/Silver – Revenue is recognised at either the prevailing spot price, or in the case of gold, at the fixed amount booked, at the point it is received by the Group's bullion dealer.

Platinum and palladium – Revenue is recognised at the point a confirmed sell instruction is issued to the Group's bullion dealer.

Diamonds – Revenue is recognised at the date the transaction takes place and a firm sales confirmation is issued by the purchaser

Retail sales

Revenue is recognised at the point the goods are delivered to the customer.

Currency 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.

Other financial income

Other financial income comprises cheque cashing fees, buyback and other miscellaneous revenues. Cheque cashing fees earned are recognised within revenue by reference to the date the transaction takes place. Buyback revenue relates to the sale of items to a customer, either the person who originally sold that item to the business, or to a third party. Revenue is recognised at the delivery of the item to a customer.

Dividend income

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

3. Key sources of estimation, uncertainty and significant accounting judgements

The preparation of the Group's combined financial information 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.

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 combined financial information:

Revenue recognition – pawnbroking loans interest accrual estimation

The Group recognises interest on pawnbroking loans as disclosed in note 2.16. The pawnbroking loans interest accrual (pledge accrual) is material and is dependent on the estimate that the Group makes of both the expected level of the unredeemed pawnbroking loans and the ultimate realisation value for the pledge assets supporting those loans. 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 deficits. The principle estimates within the loan interest accrual are:

1. *Non Redemption Rate*

- This is based upon current and historical data held in respect of non – redemption rates

2. *Realisation Value*

This based upon either:

- The current price of the metal that will be received through the sale of the metal content via disposal through a bullion dealer.
- The expected resale value of those jewellery items within the pledge that can be retailed through the branch network.

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

Impairment of property, plant and equipment and intangible assets

Determining whether property, plant and equipment and intangibles are impaired requires an estimation of the value in use of the CGU to which the assets have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and selecting a suitable discount rate in order to calculate present value. The review is conducted annually, in the final quarter of each year. The impairment review is conducted at the level of each CGU, which is usually taken to be each individual branch store.

The principal assumptions applied by management in arriving at the value in use of each CGU are as follows:

1. The Group prepares cash flow forecasts for each branch. Cash flows represent management's estimate of the revenue of the relevant CGU, based upon the specific characteristics of the branch and its stage of development.
2. The Group has discounted the forecast cash flows at a pre-tax, risk adjusted rate of 12 per cent.
3. 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.

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.

Trade receivables provisioning

Trade and other receivables, with the exception of expired pledges, are stated at their nominal amount less expected impairment losses.

For unredeemed pledges, the goods securing the loan are put up for sale as the Group is selling the goods on behalf of the customer to repay the loan. An impairment review of the carrying value for each unredeemed pledge is undertaken and the resultant amount is shown within trade receivables at the lower of:

- (i) the original capital loaned together with the accrued primary term interest less the proceeds of any goods sold to date; and
- (ii) the current market value of the remaining goods within the pledge that have yet to be realised.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

4. Segmental analysis

For management purposes, the Group is split into five operating segments for reporting to the chief operation decision maker. These segments are the basis on which the Group is structured and managed.

	2014 £'000	2015 £'000	2016 £'000
Revenue			
Pawnbroking	4,971	5,505	5,731
Purchases of precious metals	24,806	12,563	9,257
Retail Jewellery sales	3,006	3,275	4,807
Foreign currency margin	3,518	5,363	7,586
Income from other financial services	2,735	2,574	2,597
	<u>39,036</u>	<u>29,280</u>	<u>29,978</u>
Gross profit			
Pawnbroking	4,971	5,505	5,731
Purchases of precious metals	9,687	5,308	3,801
Retail Jewellery sales	2,010	2,233	2,957
Foreign currency margin	3,518	5,363	7,586
Income from other financial services	1,467	1,437	1,540
	<u>21,653</u>	<u>19,846</u>	<u>21,615</u>

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

The Group is unable to meaningfully allocate administrative expenses, or financing costs or income between the segments. This is because the activities are conducted from the same stores, utilising the same assets and staff. Accordingly, the Group is unable to meaningfully disclose an allocation of items included in the Combined Statement of Comprehensive Income below gross profit, which represents the reported segmental results.

	<i>2014</i>	<i>2015</i>	<i>2016</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Other information			
Capital additions (*)	683	1,493	581
Depreciation and amortisation (*)	2,040	1,603	1,500
Assets			
Pawnbroking	8,469	7,580	7,718
Purchases of precious metals	508	472	410
Retail Jewellery sales	1,349	1,606	2,811
Foreign currency margin	1,799	4,842	5,446
Income from other financial services	123	268	327
Unallocated	19,997	13,617	11,994
	<u>32,245</u>	<u>28,385</u>	<u>28,706</u>
Liabilities			
Pawnbroking	19	43	96
Purchases of precious metals	23	–	1
Retail Jewellery sales	46	134	655
Foreign currency margin	872	1,811	1,896
Income from other financial services	68	297	372
Unallocated	7,531	11,380	9,258
	<u>8,559</u>	<u>13,665</u>	<u>12,278</u>

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

5. Business Combinations

Ramsdens Financial Limited

On 2 September 2014, Ramsdens Holdings PLC, via its wholly owned subsidiary Ramsdens Group Limited, acquired 100 per cent. of the ordinary share capital of Ramsdens Financial Limited and its subsidiaries for a cost of £6,550,000 to facilitate the exit of the major shareholders at that date.

The fair values of the identifiable assets and liabilities at the date of acquisition were:

	<i>Book value at acquisition £'000</i>	<i>Fair value adjustments £'000</i>	<i>Fair value recognised at acquisition £'000</i>
Assets			
Intangible assets	3,889	(2,851)	1,038
Property, plant & equipment	6,520	–	6,520
Investments	197	–	197
Inventories	1,924	–	1,924
Trade and other receivables	8,690	–	8,690
Cash	12,214	–	12,214
	<u>33,434</u>	<u>(2,851)</u>	<u>30,583</u>
Liabilities			
Liabilities due within one year	(3,740)	–	(3,740)
Bank loans	(4,800)	–	(4,800)
Deferred tax	10	(166)	(156)
	<u>(8,530)</u>	<u>(166)</u>	<u>(8,696)</u>
Fair value of identifiable net assets acquired	<u>24,904</u>	<u>(3,017)</u>	<u>21,887</u>
Gain on bargain purchase arising on acquisition			<u>15,337</u>
Cash consideration transferred			<u><u>6,550</u></u>

The fair value adjustments made above are to de-recognise the goodwill and customer relationships that were included in the book value of assets in the consolidated financial statements of Ramsdens Financial Limited at 2 September 2014 and recognise an intangible asset arising on the acquisition in relation to customer lists of £1,011,000.

As part of the aggregation process for the year ended 31 March 2015 (as detailed in note 2.1) the book value on acquisition as show above was eliminated from capital and reserves as shown in the combined statement of changes in equity.

Ramsdens Financial Limited

	<i>RFL</i>	<i>Group</i>	<i>Adjustments</i>	<i>As</i>
	<i>2015 pre</i>	<i>2015 post</i>	<i>in</i>	<i>presented</i>
	<i>acquisition</i>	<i>acquisition</i>	<i>relation to</i>	<i>for 2015</i>
	<i>(5 months)</i>	<i>(7 months)</i>	<i>acquisition</i>	
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Revenue	12,749	16,531	–	29,280
Cost of sales	(4,279)	(5,155)	–	(9,434)
Gross profit	8,470	11,376	–	19,846
Administrative expenses	(6,931)	(10,425)	–	(17,356)
Operating profit before effects of acquisition	1,539	951	–	2,490
Gain on bargain purchase	–	–	15,337	15,337
Acquisition related expenses	–	–	(1,044)	(1,044)
Operating profit after effect of acquisition	1,539	951	14,293	16,783
Finance income	20	26	–	46
Finance costs	(116)	(611)	–	(727)
Gain on fair value of derivative financial liability	33	(7)	–	26
Profit before tax	1,476	359	14,293	16,128
Income tax expense	(259)	(179)	–	(438)
Profit after tax	1,217	180	14,293	15,690

6. Finance costs

	<i>2014</i>	<i>2015</i>	<i>2016</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Interest on debts and borrowings	434	726	962
Finance charges payable under finance leases and hire purchase contracts	1	1	1
Total finance costs	435	727	963

7. Profit before taxation has been arrived at after charging

	<i>2014</i>	<i>2015</i>	<i>2016</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Depreciation of property, plant and equipment reported within:			
– Administrative expenses	1,523	1,258	1,135
Amortisation of intangible assets reported within:			
– Administrative expenses	18	269	365
Impairment of property, plant and equipment	266	76	–
Impairment of intangible assets	233	–	–
Loss on disposal of property, plant and equipment	6	63	43
Cost of inventories recognised as an expense	17,383	9,434	8,363
Staff costs	8,928	8,023	8,404
Foreign currency losses	30	103	35
Operating lease payments	2,709	2,586	2,760

8. Earnings per share

	2014 £'000	2015 £'000	2016 £'000
Profit for the year	1,203	15,690	1,708
Effect of acquisition removed	–	(14,293)	–
Restated profit for the year	<u>1,203</u>	<u>1,397</u>	<u>1,708</u>
Weighted average number of shares in issue	247,233	247,233	247,233
Earnings per share (in pence) removing effect of acquisition	487	565	691
Earnings per share (in pence) including effect of acquisition	487	6,346	691

The weighted average number of shares in issue has been assumed to be the share capital of Ramsdens Holdings PLC throughout all periods. The effect of acquisition comprises the gain on bargain purchase of £15,337,000 less costs of acquisition of £1,044,000.

9. Employee benefits expense

	2014 £'000	2015 £'000	2016 £'000
Included in administrative expenses:			
Wages and salaries	8,222	7,381	7,892
Social security costs	591	472	367
Pension costs	115	170	145
Total employee benefits expense	<u>8,928</u>	<u>8,023</u>	<u>8,404</u>

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

	2014 No.	2015 No.	2016 No.
Head Office and management	83	63	61
Branch counter staff	462	448	469
	<u>545</u>	<u>511</u>	<u>530</u>

Details of key management personnel compensation is given in note 24.

10. Income Tax

The major components of income tax expense are:

Combined Statement of Comprehensive Income

	2014 £'000	2015 £'000	2016 £'000
Current income tax:			
Current income tax charge	472	468	610
Adjustments in respect of current income tax of previous years	(124)	8	12
	<u>348</u>	<u>476</u>	<u>622</u>
Deferred tax:			
Relating to origination and reversal of temporary differences	(8)	(38)	6
Income tax expense reported in the Combined Statement of Comprehensive Income	<u>340</u>	<u>438</u>	<u>628</u>

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

	2014 £'000	2015 £'000	2016 £'000
Profit before income tax	1,543	16,128	2,336
At statutory income tax rate (2014: 23%, 2015: 21%, 2016: 20%)	355	3,387	467
Expenses not deductible for tax purposes	109	25	149
Non- taxable income	–	(2,982)	–
Prior period adjustment	(124)	8	12
Income tax reported in the combined statement of comprehensive income	<u>340</u>	<u>438</u>	<u>628</u>

Deferred tax

Deferred tax relates to the following:

	2014 £'000	2015 £'000	2016 £'000
Accelerated depreciation for tax purposes	51	18	64
Other short-term differences	(7)	157	173
Deferred tax liabilities	<u>44</u>	<u>175</u>	<u>237</u>

Reconciliation of deferred tax liabilities

	2014 £'000	2015 £'000	2016 £'000
Opening balance as of 1 April	53	44	175
Deferred tax recognised in profit or loss	(8)	(38)	6
Other deferred tax	(1)	(11)	56
Deferred taxes acquired in business combinations	–	180	–
Closing balance as at 31 March	<u>44</u>	<u>175</u>	<u>237</u>

11. Property, plant and equipment

	<i>Leasehold property</i> £'000	<i>Fixtures & fittings</i> £'000	<i>Computer equipment</i> £'000	<i>Motor vehicles</i> £'000	<i>Total</i> £'000
Cost					
At 1 April 2013	5,779	5,395	924	26	12,124
Additions	293	351	27	–	671
Disposals	–	(8)	–	–	(8)
At 31 March 2014	<u>6,072</u>	<u>5,738</u>	<u>951</u>	<u>26</u>	<u>12,787</u>
Depreciation					
At 1 April 2013	1,487	2,147	422	5	4,061
Depreciation charge for the year	605	782	131	5	1,523
Impairment	155	111	–	–	266
Disposals	–	(2)	–	–	(2)
At 31 March 2014	<u>2,247</u>	<u>3,038</u>	<u>553</u>	<u>10</u>	<u>5,848</u>
Net book value					
At 31 March 2014	3,825	2,700	398	16	6,939
At 31 March 2013	4,292	3,248	502	21	8,063

	<i>Leasehold property £'000</i>	<i>Fixtures & fittings £'000</i>	<i>Computer equipment £'000</i>	<i>Motor vehicles £'000</i>	<i>Total £'000</i>
Cost					
At 1 April 2014	6,072	5,738	951	26	12,787
Additions	131	108	79	–	318
Disposals	(55)	(6)	(167)	–	(228)
Effect of acquisition	(2,496)	(3,271)	(462)	(12)	(6,241)
At 31 March 2015	3,652	2,569	401	14	6,636
Depreciation					
At 1 April 2014	2,247	3,038	553	10	5,848
Depreciation charge for the year	589	559	106	4	1,258
Impairment	44	32	–	–	76
Disposals	(24)	(4)	(133)	–	(161)
Effect of acquisition	(2,496)	(3,271)	(462)	(12)	(6,241)
At 31 March 2015	360	354	64	2	780
Net book value					
At 31 March 2015	3,292	2,215	337	12	5,856
At 31 March 2014	3,825	2,700	398	16	6,939
	<i>Leasehold property £'000</i>	<i>Fixtures & fittings £'000</i>	<i>Computer equipment £'000</i>	<i>Motor vehicles £'000</i>	<i>Total £'000</i>
Cost					
At 1 April 2015	3,652	2,569	401	14	6,636
Additions	4	124	56	26	210
Disposals	(38)	(147)	(58)	–	(243)
At 31 March 2016	3,618	2,546	399	40	6,603
Depreciation					
At 1 April 2015	360	354	64	2	780
Depreciation charge for the year	580	462	90	3	1,135
Disposals	(32)	(119)	(50)	–	(201)
At 31 March 2016	908	697	104	5	1,714
Net book value					
At 31 March 2016	2,710	1,849	295	35	4,889
At 31 March 2015	3,292	2,215	337	12	5,856

For details of impairment losses see note 2.7.

Finance leases

The carrying value of plant and equipment held under finance leases and hire purchase contracts at 31 March 2016 was £26,000 (2015: £12,000, 2014: £16,000). Additions during the year ended 2016 include £26,000 (2015: £nil, 2014 £nil) of motor vehicles on hire purchase contracts. Assets under hire purchase contracts are pledged as security for the related hire purchase liabilities.

12. Intangible assets

	<i>Customer relationships</i> £'000	<i>Website</i> £'000	<i>Goodwill</i> £'000	<i>Total</i> £'000
Cost				
At 1 April 2013	–	97	3,952	4,049
Additions	–	12	–	12
At 31 March 2014	–	109	3,952	4,061
Amortisation				
At 1 April 2013	–	52	–	52
Amortisation charge for the year	–	18	–	18
Impairment	–	–	233	233
At 31 March 2014	–	70	233	303
Net book value				
At 31 March 2014	–	39	3,719	3,758
At 31 March 2013	–	45	3,952	3,997
	<i>Customer relationships</i> £'000	<i>Website</i> £'000	<i>Goodwill</i> £'000	<i>Total</i> £'000
Cost				
At 1 April 2014	–	109	3,952	4,061
Additions	1,175	–	–	1,175
Effect of acquisition	(164)	–	(3,952)	(4,116)
Disposals	–	(23)	–	(23)
At 31 March 2015	1,011	86	–	1,097
Amortisation				
At 1 April 2014	–	70	233	303
Effect of acquisition	(21)	–	(233)	(254)
Amortisation charge for the year	257	12	–	269
Disposals	–	(23)	–	(23)
At 31 March 2015	236	59	–	295
Net book value				
At 31 March 2015	775	27	–	802
At 31 March 2014	–	39	3,719	3,758
	<i>Customer relationships</i> £'000	<i>Website</i> £'000	<i>Goodwill</i> £'000	<i>Total</i> £'000
Cost				
At 1 April 2015	1,011	27	–	1,038
Additions	312	59	–	371
Disposals	–	(27)	–	(27)
At 31 March 2016	1,323	59	–	1,382
Amortisation				
At 1 April 2015	236	–	–	236
Amortisation charge for the year	334	31	–	365
Disposals	–	(27)	–	(27)
At 31 March 2016	570	4	–	574
Net book value				
At 31 March 2016	753	55	–	808
At 31 March 2015	775	27	–	802

13. Investments

	<i>Other investments</i> £'000
Cost	
At 1 April 2013 & 31 March 2014	197
Disposal – capital distribution 2015	(197)
	<hr/>
At 31 March 2015 & 31 March 2016	–
	<hr/> <hr/>

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 the year ended 31 March 2015. The investment now has a £nil carrying value.

Group Investments

Details of the investments in which the Group and Company holds 20 per cent. or more of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i> Holding</i>	<i> Proportion of voting rights and shares held</i>	<i> Activity</i>
Subsidiary undertakings			
Ramsdens Group Limited	Ordinary Shares	100%	Supply of management & strategic services
Ramsdens Financial Limited	Ordinary Shares	100%	Supply of foreign exchange services, pawnbroking, purchase of gold jewellery, jewellery retail and related financial services.
Ramsdens Gold Recycling Limited	Ordinary Shares	100%	Dormant subsidiary (previous activity – purchase of gold & silver)
Brightmobile Limited	Ordinary Shares	100%	Dormant subsidiary (dissolved 10 April 2015)
Ramsdens Recycling Limited	Ordinary Shares	100%	Dormant subsidiary

14. Financial assets and financial liabilities

<i>At 31 March 2016</i>	<i> Fair value through profit & loss</i> £'000	<i> Loans and receivables</i> £'000	<i> Financial liabilities at amortised cost</i> £'000	<i> Book Value</i> £'000	<i> Fair Value</i> £'000
Financial assets					
Trade and other receivables	–	7,968	–	7,968	7,968
Cash and cash equivalents	–	10,947	–	10,947	10,947
Financial liabilities					
Trade and other payables	–	–	(4,661)	(4,661)	(4,661)
Borrowings	–	–	(6,925)	(6,925)	(6,925)
Derivative financial liabilities	(226)	–	–	(226)	(226)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net financial assets/(liabilities)	(226)	18,915	(11,586)	7,103	7,103
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<i>At 31 March 2015</i>	<i>Fair value through profit & loss £'000</i>	<i>Loans and receivables £'000</i>	<i>Financial liabilities at amortised cost £'000</i>	<i>Book Value £'000</i>	<i>Fair Value £'000</i>
Financial assets					
Trade and other receivables	–	7,960	–	7,960	7,960
Cash and cash equivalents	–	10,816	–	10,816	10,816
Financial liabilities					
Trade and other payables	–	–	(4,088)	(4,088)	(4,088)
Borrowings	–	–	(8,863)	(8,863)	(8,863)
Derivative financial liabilities	(310)	–	–	(310)	(310)
Net financial assets/(liabilities)	(310)	18,776	(12,951)	5,515	5,515

<i>At 31 March 2014</i>	<i>Fair value through profit & loss £'000</i>	<i>Loans and receivables £'000</i>	<i>Financial liabilities at amortised cost £'000</i>	<i>Book Value £'000</i>	<i>Fair Value £'000</i>
Financial assets					
Trade and other receivables	–	8,589	–	8,589	8,589
Cash and cash equivalents	–	10,079	–	10,079	10,079
Financial liabilities					
Trade and other payables	–	–	(2,649)	(2,649)	(2,649)
Borrowings	–	–	(5,408)	(5,408)	(5,408)
Derivative financial liabilities	(336)	–	–	(336)	(336)
Net financial assets/(liabilities)	(336)	18,668	(8,057)	10,275	10,275

Trade and other receivables shown above comprises trade receivables, other receivables and pledge accrued income as disclosed in note 16.

Trade and other payables comprises of trade payables, other payables and accruals as disclosed in notes 18 and 19.

Borrowings comprises of bank borrowings, obligations under finance leases, loan notes and other loans as disclosed in notes 18 and 19.

Derivatives not designated as hedging instruments reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are nevertheless intended to reduce the level of foreign currency risk for expected sales and purchases.

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

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

Fair value

The assumptions used by the Group to estimate the fair values are summarised below:

The fair value of the interest rate swaps is based upon the projected interest rate curves, over the life of the interest rate swaps. This valuation falls within level 2 of the fair value hierarchy in IAS39.

The fair value of all other financial instruments is equivalent to their book value due to their short maturities.

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 trade receivables

The Group is exposed to credit risk through customers defaulting on their loans. The key mitigant 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.

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 trade receivables in the loan book is reviewed against its expected realisation proceeds should it not be redeemed and any deficits are provided for based on current and historical non-redemption rates. In addition a further provision is made in respect of those expired pledges that are in the course of realisation by reviewing the carry value of each pledge against the expected realisation proceeds and writing the pledge down to its recoverable amount.

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.

The pawnbroking trade receivables are disclosed net of the provision for bad and doubtful debts associated with these financial assets. The movement on these provisions is as follows:

	<i>Pawnbroking Trade Receivables £'000</i>	<i>Pawnbroking Trade receivables in the course of realisation £'000</i>
At 1 April 2013	369	217
Statement of comprehensive income	32	558
Provision utilised	–	(562)
At 31 March 2014	401	213
Statement of comprehensive income	(50)	(72)
Balance at 31 March 2015	351	141
Statement of comprehensive income	(50)	(29)
Balance at 31 March 2016	301	112

Bad Debts written off during the year net of recoveries were:

	<i>2014 £'000</i>	<i>2015 £'000</i>	<i>2016 £'000</i>
Pawnbroking Trade Receivables	22	66	3

The ageing of the Pawnbroking trade receivables excluding those in the course of realisation is as follows:

	<i>2014 £'000</i>	<i>2015 £'000</i>	<i>2016 £'000</i>
Within contractual term	4,745	4,512	5,020
Past due	1,195	823	688
	<u>5,940</u>	<u>5,335</u>	<u>5,708</u>

The Group has not provided for the contractually overdue receivables (i.e. loans where the pawnbroking agreement has terminated but the customer has not redeemed the assets) at the reporting date since the realisable value of the security held is greater than the carrying value of the pledge loan as disclosed above. The Group does not start the disposition process of the unredeemed pledges until at least one month after the due repayment date since it is commercial practice to allow additional time for the customers to redeem their pledges.

Cash and cash equivalents

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

Market risk

Pawnbroking trade receivables

The collateral which protects the Group from credit risk on non-redemption of pawnbroking loans is principally comprised of gold, jewellery items and watches. The value of gold items held as security is directly

linked to the price of gold. The Group is therefore exposed to adverse movements in the price of gold on the value of the security that would be attributable for sale in the event of default by the borrower.

The Group considers this risk to be limited for a number of reasons. First of all, the Group applies conservative lending policies in pawnbroking pledges reflected in the margin made on retail sales and scrap gold when contracts forfeit. The Group is also protected due to the short term nature of the pawnbroking contract (5 months). 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 IAS 39, 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.

Liquidity risk

Cash and cash equivalents

Bank balances are held on short term / no notice terms to minimise liquidity risk.

Trade and other payables

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

Borrowings

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

	<i>2014</i>	<i>2015</i>	<i>2016</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Bank borrowings	5,199	–	2,900
Loan notes	–	8,860	4,000
Total	<u>5,199</u>	<u>8,860</u>	<u>6,900</u>

	<i>2014</i> £'000	<i>2015</i> £'000	<i>2016</i> £'000
Amount repayable			
In one year or less	1,170	–	2,900
In more than one year but no more than two years	1,200	–	–
In more than two years but no more than five years	2,829	8,860	4,000
	<u>5,199</u>	<u>8,860</u>	<u>6,900</u>

The Group has both bank borrowings and loan notes issued to shareholders.

The bank borrowings are based on a fixed percentage above the London Inter Bank Offer Rate (LIBOR). There is therefore a cash flow risk should there be any upward movement in LIBOR. Assuming the £5 million revolving credit facility was fully utilised then a 1 per cent. increase in LIBOR would increase finance costs by £50,000 pre-tax and reduce post-tax profits by £40,000.

The Loan notes issued carry a fixed interest rate throughout their term and therefore no interest rate change risk arises.

Derivative financial instruments comprise of two interest rate swap facilities that mature in April 2017 and October 2018.

15. Inventories

	<i>2014</i> £'000	<i>2015</i> £'000	<i>2016</i> £'000
New and second hand inventory for resale (at lower of cost or net realisable value)	<u>1,904</u>	<u>2,147</u>	<u>3,336</u>

16. Trade and other receivables

	<i>2014</i> £'000	<i>2015</i> £'000	<i>2016</i> £'000
Trade receivables	6,839	6,578	7,126
Other receivables	44	90	15
Pledge accrued income	1,706	1,292	827
Corporation tax receivable	12	42	57
Prepayments and accrued income	767	762	701
	<u>9,368</u>	<u>8,764</u>	<u>8,726</u>

17. Cash and cash equivalents

	<i>2014</i> £'000	<i>2015</i> £'000	<i>2016</i> £'000
Cash and cash equivalents	<u>10,079</u>	<u>10,816</u>	<u>10,947</u>

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less from inception.

Further details on financial instruments, including the associated risks to the Group and allowances for bad and doubtful debts and fair values is provided in note 14.

18. Current liabilities

	2014 £'000	2015 £'000	2016 £'000
Bank borrowings	1,170	–	2,900
Trade payables	1,333	2,576	3,285
Other payables	122	374	464
Current tax liabilities	–	83	40
Other taxes and social security	122	146	189
Accruals and deferred income	620	721	398
Obligations under finance leases (note 23)	9	3	8
	<u>3,376</u>	<u>3,903</u>	<u>7,284</u>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms

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

19. Non-current liabilities

	2014 £'000	2015 £'000	2016 £'000
Loan Notes	–	8,860	4,000
Bank borrowings	4,029	–	–
Other loans	197	–	–
Obligations under finance leases (note 23)	3	–	17
Accruals and deferred income	574	417	514
Derivative financial instruments (note 14)	336	310	226
Deferred tax (note 10)	44	175	237
	<u>5,183</u>	<u>9,762</u>	<u>4,994</u>

Loan Notes

To fund the acquisition of Ramsdens Financial Limited and its subsidiaries, the following loan notes were issued on 2 September 2014:

	<i>10% fixed rate secured A loan notes repayable 2 September 2018 £'000</i>	<i>10% fixed rate secured B loan notes repayable 2 September 2018 £'000</i>	<i>10% fixed rate secured C loan notes repayable 2 September 2018 £'000</i>
Issued 2 September 2014	9,593	267	500
Repaid	(733)	(267)	(500)
At 31 March 2015	<u>8,860</u>	<u>–</u>	<u>–</u>
Repaid	(4,860)	–	–
At 31 March 2016	<u>4,000</u>	<u>–</u>	<u>–</u>

The loan notes are secured by a fixed and floating charge over all the Group's assets which rank behind the group's new revolving credit facility and carry a coupon rate of 10 per cent., interest being paid quarterly on 2 January, 2 April, 2 July and 2 September each year. Should interest not be paid there is a provision for

payment in kind (PIK) notes to be issued. The loan notes are issued by Ramsdens Group Limited. They are listed on the Channel Islands Stock Exchange.

At 31 March 2016 the accrued interest charge in relation to the loan notes was £33,000 (2015: £66,000)

Bank borrowings

Ramsdens Financial Limited negotiated five year facilities with its bankers in August 2012 comprising of a £6 million term loan repayable in monthly capital instalments of £100,000 chargeable at an interest rate of 3 per cent. above base rate and two revolving credit facilities (RCF) of £5 million to meet working capital and £4 million to finance capital expansion. Each RCF carried interest of 3 per cent. above base rate. During the year ended 31 March 2014 £2.5 million of the RCF working capital facilities were cancelled and all £4 million of the RCF capital finance facilities were cancelled as they were no longer thought necessary given the reduction in forecast growth and capital expenditure. The long term loans were secured by fixed and floating charges over Ramsdens Financial Limited's assets.

A new RCF for £5 million was negotiated on the 31 March 2016 and made available to Ramsdens Financial Limited, of which £2.9 million was drawn down at 31 March 2016.

Details of the facility are as follows:

<i>Key Term</i>	<i>Description</i>
Facility	Revolving Credit Facility
Total facility size	£5 million.
Termination date	30 March 2017.
Utilisation	The £5 million facility is available subject to the EBITDA/ interest covenant ratio stipulated in the bank facility agreement.
Interest	Interest is charged on the amount drawn down at 3.5 per cent. above LIBOR rate when the initial drawdown is made and for unutilised funds fees are charged at 1.4 per cent. from the date when the facility was made available. The LIBOR rate is reset to the prevailing rate every interest period typically three months throughout the facility period.
Interest Payable	Interest is payable at intervals to suit the company but typically 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 the company and cross guarantees and debentures have been given by Ramsdens Group Limited and Ramsdens Holdings PLC the intermediate and ultimate parent companies.
Undrawn facilities	At the 31 March 2016 the group had available £2.1 million of undrawn committed facilities.

Other loans – a loan of £197,000 being part of the financing of Big Screen Productions 5 LLP investment (note 13). This loan was repaid during the period ended 31 March 2015 through a distribution of funds with Big Screen productions 5 LLP paid directly to the loan providers and a corresponding reduction in the carrying value of the investment has been made.

20. Issued share capital

Ramsdens Financial Limited

<i>Ordinary shares of £0.01 each, issued and fully paid</i>	<i>No.</i>	<i>£'000</i>
At 1 April 2013	99,625	1
At 31 March 2014	99,625	1
At 2 September 2014	99,649	1

On 2 September 24 ordinary shares with an aggregate nominal value of £0.24 were allotted for cash at £43.67 each on the exercise of share options.

Ramsdens Holdings PLC

<i>Ordinary shares issued and fully paid</i>	<i>No.</i>	<i>£'000</i>
Issued on 2 September 2014:		
Ordinary A shares of £1 each	186,250	186
Ordinary B shares of £1 each	60,983	61
At 31 March 2015	247,233	247
At 31 March 2016	247,233	247

The Ordinary 'A' shares & 'B' shares rank equally in all aspects but constitute separate classes of shares.

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 debt, which includes the borrowings disclosed in note 19, cash and cash equivalents and equity attributable to the equity holders of the parent, comprising issued capital, reserves and retained earnings.

21. Dividends

£800,000 (803p per share) was paid as a dividend to the shareholders of Ramsdens Financial Limited on 23 April 2013.

22. 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 31 March 2016 are £32,000 (2015: £20,000, 2014: £nil)

23. Commitments and contingencies

Operating lease commitments – Group as lessee

At the balance sheet date, the Group had outstanding commitments for future minimum rentals payable under non-cancellable operating leases, which fall due as follows:

	<i>2014</i>	<i>2015</i>	<i>2016</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Land and buildings			
Within one year	2,546	2,647	2,482
After one year but not more than five years	5,491	9,286	8,549
More than five years	1,193	3,799	2,368
	<u>9,230</u>	<u>15,732</u>	<u>13,399</u>

	2014 £'000	2015 £'000	2016 £'000
Other			
Within one year	58	33	76
After one year but not more than five years	24	10	100
	<u>82</u>	<u>43</u>	<u>176</u>

Significant operating lease payments represent rentals payable by the Group for rental of store premises. Leases are normally negotiated for an average term of ten years at the then prevailing market rate, with a break option after five years. The Group also sublets two of the premises above the stores, the outstanding receipts from which are immaterial.

Finance lease and hire purchase commitments

The Group has finance leases and hire purchase contracts for one motor vehicle. The Group's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases and hire purchase contracts, together with the present value of the net minimum lease payments is:

	2014 £'000	2015 £'000	2016 £'000
	<u>12</u>	<u>3</u>	<u>25</u>

24. Related party disclosures

Ultimate controlling party

The Company is controlled by NorthEdge Capital Fund 1 LP which held 73.89 per cent. of the issued share capital at 31 March 2016 and since 2 September 2014.

Prior to 2 September 2014, the Company was controlled by Mr C S Smith and his wife Mrs S R Smith who were also directors.

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.

Fees charged in the period by NorthEdge Capital LLP the manager of NorthEdge Capital Fund 1 LP, amounted to £101,000 (2015: £95,000, 2014: nil).

The Group has £3,910,000 (2015: £8,662,000, 2014: nil) of loan notes outstanding at 31 March 2016 to NorthEdge Capital Fund 1 LP. Interest of £830,000 was charged during the year (2015: £534,000, 2014: nil). There was £32,000 of interest accrued on these loan notes at 31 March 2016 (2015: £64,000, 2014: nil).

The Group has £90,000 (2015: £198,000, 2014: nil) of loan notes outstanding at 31 March 2016 to NorthEdge Capital 1 GP LLP. Interest of £19,000 was charged during the year (2015: £12,000, 2014: nil) and there was £1,000 of interest accrued on these loan notes at 31 March 2016 (2015: £2,000, 2014: nil).

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 for each of the categories specified in the Companies Act:

	2014 £'000	2015 £'000	2016 £'000
Remuneration receivable	533	445	437
Social security cost	61	50	55
Value of company pension contributions to money purchase schemes	43	73	83
	<u>637</u>	<u>568</u>	<u>575</u>

Remuneration of the highest paid director:

	2014 £'000	2015 £'000	2016 £'000
Remuneration receivable	107	149	168
Social security cost	13	19	22
Value of company pension contributions to money purchase schemes	7	13	13
	<u>127</u>	<u>181</u>	<u>203</u>

The number of directors accruing retirement benefits under the money purchase scheme is four in all periods.

25. Standards issued but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments (Effective for periods starting on or after 1 January 2018)
IFRS 15	Revenue from Contracts with Customers (Effective for periods starting on or after 1 January 2018)
IFRS 16	Leases (Effective for periods starting on or after 1 January 2019)
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (Effective for periods starting on or after 1 January 2016)
Amendments to IAS 27	Equity Method in Separate Financial Statements (Effective for periods starting on or after 1 January 2016)
Amendments to IFRS 10, IFRS 12 and IAS 28	Sale or Contribution of Assets between, Disclosure of Interests in Other Entities and Investor and its Associate or Joint Venture (Effective for periods starting on or after 1 January 2016)
Amendments to IAS 1	Disclosure initiative (Effective for periods starting on or after 1 January 2016)
Annual Improvements to IFRSs: 2010-2012	Amendments to: IFRS 2 Share-based Payment, IFRS 3 Business Combinations, IFRS 8 Operating Statements, IFRS 13 Fair Value Measurement, IAS 16 Property, Plant and Equipment, IAS 24 Related Party Disclosures and IAS 38 Intangible Assets (Effective for periods starting on or after 1 January 2016)
Annual Improvements to IFRSs: 2011-2013	Amendments to: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 3 Business Combinations, IFRS 13 Fair Value Measurement and IAS 40 Investment Property (Effective for periods starting on or after 1 January 2016)

Annual Improvements to IFRSs: 2012: 2014

Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures, IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting (Effective for periods starting on or after 1 January 2016)

The directors have considered the likely impact of the above standards on the financial statements of the Group in future periods. Other than those detailed below, the directors do not consider that the standards will have a material impact on the financial statements in future periods.

IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. Beyond the information above it is not practicable to provide a reasonable estimate of the impact of IFRS 9 and IFRS 15 until a detailed review has been completed.

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.

Under IFRS 16 significant changes are introduced to lessee accounting, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets).

Upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any direct costs incurred by the lessee. Under the cost model, a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. The lease liability is initially measured at the present value of the lease payment payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate.

Subject to EU endorsement, IFRS 16 would apply for annual reporting periods beginning on or after 1 January 2019. The Group is currently assessing the impact of accounting changes that will arise under IFRS 16. The changes are expected to have a material impact on the Group Statement of Comprehensive Income and Consolidated Financial Statements.

26. Post balance sheet events

In November and December 2016, as detailed in Part VIII section 14, the Group purchased the business and assets of four branches of Cheque Centres Limited together with the acquisition of 30 pawnbroking loan books. The total consideration paid was £82,000.

On 31 January 2017, as detailed in Part VIII section 14.3, the Group entered into a new revolving credit facility of £7 million with Yorkshire Bank dependent on admission to AIM occurring. This facility has a term of 36 months from inception and replaces the facilities referred to in note 19.

On 1 February 2017, as detailed in Part VIII section 9, the Group adopted The Ramsdens 2017 Long Term Incentive Plan under which awards over 805,554 Ordinary Shares will be granted following the admission to AIM.

PART V

INTERIM RESULTS RELATING TO THE GROUP

This Part V contains in Section A, the accountant's review report on unaudited financial information of the Group and in Section B, the unaudited financial information.

Section A – Review Report on Unaudited Interim Financial Information

The Directors
Ramsdens Holding PLC
Unit 16 Parkway Centre
Coulby Newham
Middlesbrough
TS8 0TJ

2 February 2017

Dear Sirs

Grant Thornton UK LLP
No 1 Whitehall Riverside
Leeds LS1 4BN
T +44 (0)113 245 5514
F +44 (0)113 246 5055
grantthornton.co.uk

Ramsdens Holdings PLC (the Company) and its subsidiary undertakings (together the Group) – Review Report on Unaudited Interim Financial Information

We have been engaged by the Company to review the Group's unaudited interim financial information for the six months ended 30 September 2016, which comprises a statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and associated disclosure notes, set out in Section B of Part V of the Company's AIM admission document dated 2 February 2017 (the **Unaudited Interim Financial Information**). We have read the other information contained in the Company's AIM admission document dated 2 February 2017 (the **Admission Document**) and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Unaudited Interim Financial Information.

This report is made solely to the Company in accordance with guidance contained in ISRE 2400 (Revised) 'Engagements to Review Historical Financial Statements'. Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusion we have formed or consenting to its inclusion in the Admission Document.

Directors' responsibilities

The Admission Document and the Unaudited Interim Financial Information are the responsibility of, and have been approved by, the directors of the Company. The AIM rules of the London Stock Exchange plc require that the accounting policies and presentation applied to the Unaudited Interim Financial Information in the Admission Document are consistent with those which will be adopted in the Group's next published annual financial statements having regard to the accounting standards applicable for such annual financial statements and the requirements of paragraph 20.6 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by Paragraph (a) of Schedule Two of the AIM Rules for Companies.

As disclosed in Note 1 to the Unaudited Interim Financial Information, the next annual financial statements of the Group will be prepared in accordance with International Financial Reporting Standards as adopted by the European Union (**IFRS**). The Unaudited Interim Financial Information has been prepared in accordance with the basis of preparation in Note 1 to the Unaudited Interim Financial Information.

Our responsibility

Our responsibility is to express to the Company a conclusion on the Unaudited Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2400 (Revised), 'Engagements to Review Historical Financial Statements' issued by the International Auditing and Assurance Standards Board. A review of unaudited interim financial information in accordance with International Standard on Review Engagements 2400 (Revised), 'Engagements to Review Historical Financial Statements' is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures performed in a review are substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Unaudited Interim Financial Information is not prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the Unaudited Interim Financial Information.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

GRANT THORNTON UK LLP

Section B – Unaudited Interim Financial Information

Unaudited statement of comprehensive income

For the six months ended 30 September 2016

	<i>6 months ended 30 September 2016 £'000</i>	<i>6 months ended 30 September 2015 £'000</i>	<i>12 months ended 31 March 2016 £'000</i>
Revenue	18,441	16,197	29,978
Cost of sales	(5,258)	(4,291)	(8,363)
Gross profit	13,183	11,906	21,615
Administrative expenses	(9,703)	(9,094)	(18,425)
Operating profit	3,480	2,812	3,190
Finance income	–	12	25
Finance costs	(346)	(558)	(963)
Gain on fair value of derivative financial liability	40	57	84
Profit before tax	3,174	2,323	2,336
Income tax expense	(675)	(528)	(628)
Profit for the period	<u>2,499</u>	<u>1,795</u>	<u>1,708</u>
Total comprehensive income	<u>2,499</u>	<u>1,795</u>	<u>1,708</u>
Earnings per share in pence	1,011	726	691

Unaudited statement of financial position

As at 30 September 2016

	30 September 2016 £'000	30 September 2015 £'000	31 March 2016 £'000
Assets			
Non-current assets			
Property, plant and equipment	4,650	5,346	4,889
Intangible assets	688	647	808
	<u>5,338</u>	<u>5,993</u>	<u>5,697</u>
Current Assets			
Inventories	4,068	2,739	3,336
Trade and other receivables	7,765	7,500	8,025
Prepayments and accrued income	787	792	701
Cash and short term deposits	17,649	13,015	10,947
	<u>30,269</u>	<u>24,046</u>	<u>23,009</u>
Total assets	<u>35,607</u>	<u>30,039</u>	<u>28,706</u>
Current liabilities			
Trade and other payables	6,605	2,642	3,938
Interest bearing loans and borrowings	3,903	–	2,908
Accruals and deferred income	738	693	398
Income tax payable	538	511	40
	<u>11,784</u>	<u>3,846</u>	<u>7,284</u>
Net current assets	<u>18,485</u>	<u>20,200</u>	<u>15,725</u>
Non-current liabilities			
Interest bearing loans and borrowings	4,019	8,860	4,017
Accruals and deferred income	454	432	514
Derivative financial liabilities	186	253	226
Deferred tax liabilities	237	133	237
	<u>4,896</u>	<u>9,678</u>	<u>4,994</u>
Total liabilities	<u>16,680</u>	<u>13,524</u>	<u>12,278</u>
Net assets	<u>18,927</u>	<u>16,515</u>	<u>16,428</u>
Equity			
Issued capital	247	247	247
Retained earnings	18,680	16,268	16,181
Total equity	<u>18,927</u>	<u>16,515</u>	<u>16,428</u>

Unaudited statement of changes in equity

For the six months ended 30 September 2016

	<i>6 months ended 30 September 2016 £'000</i>	<i>6 months ended 30 September 2015 £'000</i>	<i>12 months ended 31 March 2016 £'000</i>
Opening total equity	16,428	14,720	14,720
Total comprehensive income for the period	<u>2,499</u>	<u>1,795</u>	<u>1,708</u>
Closing total equity	<u><u>18,927</u></u>	<u><u>16,515</u></u>	<u><u>16,428</u></u>

Unaudited statement of cash flows

For the six months ended 30 September 2016

	<i>6 months ended 30 September 2016 £'000</i>	<i>6 months ended 30 September 2015 £'000</i>	<i>12 months ended 31 March 2016 £'000</i>
Operating activities			
Profit before tax	3,174	2,323	2,336
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment	513	545	1,135
Amortisation and impairment of intangible assets	157	145	365
Change in derivative financial instruments	(40)	(57)	(83)
Loss on disposal of property, plant and equipment	63	15	42
Finance income	–	(12)	(25)
Finance costs	346	558	963
Working capital adjustments:			
Movement in trade and other receivables and prepayments	117	472	108
Movement in inventories	(737)	(592)	(1,189)
Movement in trade and other payables	2,947	(467)	616
	6,540	2,930	4,268
Interest received	–	12	25
Interest paid	(341)	(558)	(963)
Income tax paid	(120)	(100)	(680)
Net cash flows from operating activities	6,079	2,284	2,650
Investing activities			
Purchase of property, plant and equipment	(337)	(50)	(184)
Purchase of intangible assets	(37)	(32)	(371)
Net cash flows from investing activities	(374)	(82)	(555)
Financing Activities			
Payment of finance lease liabilities	(3)	(3)	(4)
Issue of loan notes	–	2,000	–
Bank loans drawn down	1,000	–	2,900
Repayment of bank borrowings and Loan Notes	–	(2,000)	(4,860)
Net cash flows from/(used in) financing activities	997	(3)	(1,964)
Net increase in cash and cash equivalents	6,702	2,199	131
Cash and cash equivalents at start of period	10,947	10,816	10,816
Cash and cash equivalents at end of period	17,649	13,015	10,947

Notes to the unaudited interim financial information

1. Basis of preparation

The interim financial statements of the Group for the six months ended 30 September 2016, which are unaudited, have been prepared in accordance with the International Financial Reporting Standards ('IFRS') accounting policies adopted by the Group and set out in the annual report and accounts for the year ended 31 March 2016. The Group does not anticipate any change in these accounting policies for the year ending 31 March 2017. As permitted, this interim report has been prepared in accordance with the AIM rules and not in accordance with IAS 34 "Interim financial reporting." While the financial figures included in this preliminary interim earnings announcement have been computed in accordance with IFRS's applicable to interim periods, this announcement does not contain sufficient information to constitute an interim financial report as that term is defined in IFRS's.

The financial information contained in the interim report also does not constitute statutory accounts for the purpose of section 434 of the Companies Act 2006. The financial information for the year ended 31 March 2016 is based on the statutory accounts for the year ended 31 March 2016. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

After conducting a further review of the Group's forecasts and cash over the next twelve months and after making appropriate enquiries as considered necessary, the directors have a reasonable expectation that the Company and Group have adequate resources (including consideration of the facilities disclosed in note 9) to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half yearly condensed financial statements.

2. Divisional Reporting

	<i>6 months ended 30 September 2016 £'000</i>	<i>6 months ended 30 September 2015 £'000</i>	<i>12 months ended 31 March 2016 £'000</i>
Revenue			
Pawnbroking	2,944	2,774	5,731
Purchases of precious metals	6,142	5,125	9,257
Retail Jewellery sales	2,539	2,124	4,807
Foreign currency margin	5,520	4,825	7,586
Income from other financial services	1,296	1,349	2,597
	<u>18,441</u>	<u>16,197</u>	<u>29,978</u>
	<i>6 months ended 30 September 2016 £'000</i>	<i>6 months ended 30 September 2015 £'000</i>	<i>12 months ended 31 March 2016 £'000</i>
Gross profit			
Pawnbroking	2,944	2,774	5,731
Purchases of precious metals	2,534	2,176	3,801
Retail Jewellery sales	1,470	1,355	2,957
Foreign currency margin	5,520	4,825	7,586
Income from other financial services	715	776	1,540
	<u>13,183</u>	<u>11,906</u>	<u>21,615</u>

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

3. Borrowings

	<i>6 months ended 30 September 2016 £'000</i>	<i>6 months ended 30 September 2015 £'000</i>	<i>12 months ended 31 March 2016 £'000</i>
Short term bank loans	3,900	–	2,900
Hire purchase agreements	3	–	8
Amount due for settlement within one year	<u>3,903</u>	<u>–</u>	<u>2,908</u>
Loan notes	4,000	8,860	4,000
Hire purchase agreements	19	–	17
Amount due for settlement after more than one year	<u>4,019</u>	<u>8,860</u>	<u>4,017</u>

4. Finance costs

	<i>6 months ended 30 September 2016 £'000</i>	<i>6 months ended 30 September 2015 £'000</i>	<i>12 months ended 31 March 2016 £'000</i>
Interest on debts and borrowings	346	558	962
Finance charges payable under finance leases and hire purchase contracts	–	–	1
Total finance costs	<u>346</u>	<u>558</u>	<u>963</u>

5. Tax on profit

The taxation charge for the six months ended 30 September 2016 has been calculated by reference to the expected effective corporation tax and deferred tax rates for the full financial year to end on 31 March 2017. The underlying effective full year tax charge is estimated to be 20 per cent.

6. Earnings per share

	<i>6 months ended 30 September 2016 £'000</i>	<i>6 months ended 30 September 2015 £'000</i>	<i>12 months ended 31 March 2016 £'000</i>
Profit for the period	2,499	1,795	1,708
Weighted average number of shares in issue	247,233	247,233	247,233
Earnings per share in pence	1,011	726	691

7. Issued share capital

		<i>6 months ended 30 September 2016 £'000</i>	<i>6 months ended 30 September 2015 £'000</i>	<i>12 months ended 31 March 2016 £'000</i>
Ordinary shares issued and fully paid	<i>No.</i>			
Ordinary A shares of £1 each	186,250	186	186	186
Ordinary B shares of £1 each	60,983	61	61	61
		<u>247</u>	<u>247</u>	<u>247</u>

The Ordinary 'A' shares & 'B' shares rank equally in all aspects but constitute separate classes of shares.

8. Dividends

No dividends have been paid during the period.

9. Post balance sheet events

In November and December 2016, as detailed in Part VIII section 14, the Group purchased the business and assets of four branches of Cheque Centres Limited together with the acquisition of 30 pawnbroking loan books. The total consideration paid was £82,000.

On 31 January 2017, as detailed in Part VIII section 14.3, the Group entered into a new revolving credit facility of £7 million with Yorkshire Bank dependent on admission to AIM occurring. This facility has a term of 36 months from inception.

On 1 February 2017, as detailed in Part VIII section 9, the Group adopted The Ramsdens 2017 Long Term Incentive Plan under which awards over 805,554 Ordinary Shares will be granted following the admission to AIM.

PART VI

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

Set out below is an unaudited pro forma statement of net assets for the Group based on the statement of financial position for the Group as at 30 September 2016 together with other adjustments described in the notes below. It has been prepared on the basis set out in the notes to illustrate the impact of Admission, the Placing and the repayment of the Loan Notes, as if they had occurred at 30 September 2016.

The unaudited pro forma statement of net assets has been prepared for illustrative purposes only. Because of its nature, it addresses a hypothetical situation and does not therefore represent the Group's actual financial position or results. It is based on the unaudited consolidated net assets of the Group as at 30 September 2016 as shown in section B of Part V of this document. The unaudited pro forma statement of net assets does not constitute statutory accounts within the meaning of section 434 of the Companies Act, and no adjustment has been made to take account of trading, expenditure or other movements subsequent to 30 September 2016, being the date of the last published balance sheet for the Group as disclosed in Part V of this document.

Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part VI.

	<i>Adjustments</i>			
<i>As at</i>	<i>Net proceeds</i>	<i>Repayment</i>	<i>of Loan</i>	<i>Pro forma</i>
<i>30 September</i>	<i>from the</i>	<i>Notes on</i>	<i>Admission</i>	<i>balance</i>
<i>2016</i>	<i>Placing</i>	<i>Notes on</i>	<i>Admission</i>	<i>sheet of</i>
<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>the Group</i>
<i>000's</i>	<i>000's</i>	<i>000's</i>	<i>000's</i>	<i>000's</i>
<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 3</i>	<i>Note 4</i>
Non-current assets	–	–	–	–
Other intangible assets	688	–	–	688
Property, plant and equipment	4,650	–	–	4,650
	<u>5,338</u>	<u>–</u>	<u>–</u>	<u>5,338</u>
Current assets				
Inventories	4,068	–	–	4,068
Trade and other receivables	7,765	–	–	7,765
Other current financial assets	787	–	–	787
Cash and cash equivalents	17,649	3,900	(4,000)	17,549
	<u>30,269</u>	<u>3,900</u>	<u>(4,000)</u>	<u>30,169</u>
Total assets	<u>35,607</u>	<u>3,900</u>	<u>(4,000)</u>	<u>35,507</u>
Non-current liabilities				
Interest-bearing loans and borrowings	(4,019)	–	4,000	(19)
Accruals and deferred income	(454)	–	–	(454)
Derivative financial liabilities	(186)	–	–	(186)
Deferred tax liabilities	(237)	–	–	(237)
	<u>(4,896)</u>	<u>–</u>	<u>4,000</u>	<u>(896)</u>
Current liabilities				
Trade and other payables	(6,605)	–	–	(6,605)
Interest-bearing loans and borrowings	(3,903)	195	–	(3,708)
Accruals and deferred income	(738)	–	–	(738)
Income tax payable	(538)	–	–	(538)
	<u>(11,784)</u>	<u>195</u>	<u>–</u>	<u>(11,589)</u>
Total liabilities	<u>(16,680)</u>	<u>195</u>	<u>4,000</u>	<u>(12,485)</u>
Net assets	<u>18,927</u>	<u>4,095</u>	<u>–</u>	<u>23,022</u>

Notes

1. The net assets of the Group as at 30 September 2016 have been extracted without adjustment from the unaudited interim financial information contained in section B of Part V of this document.
2. The adjustment represents the receipt by the Company of the net proceeds from the Placing of £3,900,000, which comprises gross proceeds from the Placing of £5,000,000 through the issue of new ordinary shares less the fees and expenses of the Placing expected to be approximately £1,100,000 (net of recoverable VAT and includes £195,000 for debt arrangement fees). The costs attributable to the issue of new ordinary shares will be deducted from share premium and the other costs attributable to the Admission will be expensed.
3. The adjustment reflects the repayment of £4,000,000 of Loan Notes held by NorthEdge Capital Fund 1 LP and NorthEdge Capital Fund 1 GP LLP.
4. This column comprises the sum of the preceding columns and represents the pro forma net assets of the Group as at 30 September 2016 assuming Admission, the Placing and repayment of the Loan Notes had occurred on that date.

PART VII

TERMS AND CONDITIONS OF THE PLACING

For invited Placees only—Important Information

The information contained in this Part VII is restricted and is not for publication, release or distribution in or into the United States, any province of Canada, Australia, Japan, the Republic of South Africa or New Zealand.

Each Placee should consult with its own advisers as to legal, tax, business and related aspects in relation to any acquisition of Placing Shares.

Ramsdens Holdings PLC

Proposed Placing of Sale Shares and New Ordinary Shares at the Placing Price of 86 pence per Placing Share

The terms and conditions set out in this Part VII (the “**Terms and Conditions**”) do not constitute an offer or invitation to acquire, underwrite or dispose of, or any solicitation of any offer or invitation to acquire, underwrite or dispose of, any Ordinary Shares or other securities of the Company to any person in any jurisdiction to whom it is unlawful to make such offer, invitation or solicitation in such jurisdiction. Persons who seek to participate in the Placing must inform themselves about and observe any such restrictions and must be persons who are able to lawfully receive this document in their jurisdiction (all such persons being “**Relevant Persons**”). In particular, neither this document (the “**Admission Document**”) nor these Terms and Conditions constitutes an offer or invitation (or a solicitation of any offer or invitation) to acquire, underwrite or dispose of or otherwise deal in any Ordinary Shares or other securities of the Company in the United States, Canada, Australia, the Republic of South Africa, Japan or New Zealand, or in any other jurisdiction in which any such offer, invitation or solicitation is or would be unlawful.

Members of the public are not eligible to take part in the Placing. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of the Ordinary Shares. The Admission Document (including these Terms and Conditions) does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Ordinary Shares in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the Selling Shareholders or Liberum. The offer and sale of Ordinary Shares has not been and will not be registered under the applicable securities laws of Canada, Australia, Japan, New Zealand or the Republic of South Africa. Subject to certain exemptions, the Ordinary Shares may not be offered to or sold within Canada, Australia, Japan, New Zealand or the Republic of South Africa or to any national, resident or citizen of Canada, Australia, Japan, New Zealand or the Republic of South Africa.

The Ordinary Shares have not been, and will not be, registered under the US Securities Act, or the securities laws of any other jurisdiction of the United States. The Ordinary Shares may not be offered or sold, directly or indirectly, in or into the United States (except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the US Securities Act). No public offering of the Ordinary Shares is being made in the United States. The Ordinary Shares are being offered and sold only outside the United States in “offshore transactions” within the meaning of, and in reliance on, Regulation S. The Ordinary Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed on or endorsed the merits of the Placing or the accuracy or adequacy of the information contained in this Admission Document (including these Terms and Conditions). Any representation to the contrary is a criminal offence in the United States.

In the United Kingdom this Admission Document (including these Terms and Conditions) is being distributed to, and is directed only at qualified investors (as defined in the Prospectus Directive (as defined below)) who

are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order and persons within the United Kingdom who receive this document (other than persons falling within (i) and (ii) above) should not rely on or act upon this Admission Document.

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), no Ordinary Shares have been offered, or will be offered, pursuant to the Placing to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- B. to fewer than 150, or, if the Relevant Member State has not implemented the relevant provision of the Prospectus Directive, 100 natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive) in such Relevant Member State; or
- C. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive. For the purposes of this provision, the expression “an offer to the public” in relation to any offer of Ordinary Shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression the “Prospectus Directive” means Directive 2003/71/EC (as amended), to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

These Terms and Conditions apply to persons who are invited to and who choose to purchase Placing Shares in the Placing (each a “**Placee**”). Each Placee hereby agrees with Liberum to be legally and irrevocably bound by these Terms and Conditions which will be the Terms and Conditions on which the Placing Shares will be acquired in the Placing.

The Terms and Conditions must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which the Terms and Conditions set out herein relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Acceptance of any offer incorporating the Terms and Conditions (whether orally or in writing or evidenced by way of a contract note) will constitute a binding irrevocable commitment by a Placee, subject to the Terms and Conditions set out below, to subscribe and pay for the relevant number of Placing Shares (the “**Placing Participation**”). Such commitment is not capable of termination or rescission by the Placee in any circumstances except fraud. All such obligations are entered into by the Placee with Liberum in their capacity as agents for the Company and the Selling Shareholders and are therefore directly enforceable by the Company and the Selling Shareholders.

In the event that Liberum has procured acceptances from Placees in connection with the Placing prior to the date of the despatch of the Admission Document to a Placee, Liberum will, prior to Admission, request confirmation from any such Placee that its Placing Participation as agreed in any earlier commitment remains firm and binding upon the Terms and Conditions of this document and referable to the contents of the Admission Document of which these terms form part. Upon such confirmation being given (whether orally, in writing or by conduct (including without limitation by receipt of the relevant placing proceeds by Liberum)) any agreement made in respect of the Placing Shares shall be varied, amended and/or ratified in accordance

with the Terms and Conditions and based upon this Admission Document and no reliance may be placed by a Placee on any earlier version of this document.

Terms of the Placing

Application will be made to the London Stock Exchange for the admission of the Placing Shares to be issued pursuant to the Placing to trading on AIM. Except as otherwise set forth herein, it is anticipated that dealings in the Placing Shares will commence on AIM at 8:00 a.m. on 15 February 2017 for normal account settlement and that Admission will become effective on that date. The Placing Shares will not be admitted to trading on any stock exchange other than AIM. Each Placee will be deemed to have read these Terms and Conditions in their entirety. Liberum is acting for the Company and the Selling Shareholders and no one else in connection with the Placing and will not regard any other person (whether or not a recipient of these Terms and Conditions) as a client in relation to the Placing and to the fullest extent permitted by law and applicable FCA rules, neither Liberum nor any of its affiliates will have any liability to Placees or to any person other than the Company and the Selling Shareholders in respect of the Placing.

The Placing Shares will rank equally in all respects with the Existing Ordinary Shares of the Company on Admission, including the right to receive dividends or other distributions, if any.

Conditions

Your Placing Participation is in all respects conditional upon:

- (i) the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- (ii) Admission having become effective,

in each case by 15 February 2017 or such later time and/or date as the Company and Liberum agree, but in any event being no later than 22 February 2017.

Pursuant to the Placing Agreement, Liberum has agreed, on behalf of and as agent for the Company and the Selling Shareholders, to use its reasonable endeavours to procure subscribers or purchasers for the Placing Shares at the Placing Price, subject to these Terms and Conditions.

The Placing Agreement contains certain warranties and indemnities from the Company, the Directors and the Selling Shareholders who are party thereto for the benefit of Liberum. Liberum may, in their absolute discretion, terminate the Placing Agreement if prior to, Admission, inter alia, a force majeure event occurs, there is a material breach of any of the undertakings or any fact or circumstance arises which causes a warranty to become untrue or inaccurate in any material respect. The exercise by Liberum of any right of termination or any right of waiver exercisable by Liberum contained in the Placing Agreement or under the Terms and Conditions set out herein is within the absolute discretion of Liberum and they will not have any liability to you whatsoever in connection with any decision to exercise or not exercise any such rights.

If (i) any of the conditions in the Placing Agreement are not satisfied (or, where relevant, waived) or (ii) the Placing Agreement is terminated or (iii) the Placing Agreement does not otherwise become unconditional in all respects, the Placing will not proceed and all funds delivered by you to Liberum will be returned to you at your risk without interest, and your rights and obligations hereunder shall cease and determine at such time and no claim shall be made by you in respect thereof.

None of the Company, the Directors, any Selling Shareholder or Liberum owes any fiduciary duty to any Placee in respect of the representations, warranties, undertakings or indemnities in the Placing Agreement.

Settlement

The Company has applied for the Ordinary Shares to be held in CREST and settlement of the Placing Shares will take place in CREST.

Placing Shares will be delivered direct into your CREST account, provided payment has been made in terms satisfactory to Liberum and the details provided by you have provided sufficient information to allow the CREST system to match to the CREST account specified. Placing Shares comprised in your Placing

Participation are expected to be delivered to the CREST account which you specify by telephone to your usual sales contact at Liberum.

If you do not provide any CREST details or if you provide insufficient CREST details to match within the CREST system to your details, Liberum may at their discretion deliver your Placing Participation in certificated form provided payment has been made in terms satisfactory to Liberum and all conditions in relation to the Placing have been satisfied or waived.

Subject to the conditions set out above, payment in respect of your Placing Participation is due as set out below. You should provide your settlement details in order to enable instructions to be successfully matched in CREST. The relevant settlement details are as follows:

CREST participant ID of Liberum:	LBQAAQ
Expected Trade date:	2 February 2017
Settlement date:	15 February 2017
ISIN code for the Placing Shares:	GB00BDR6V192
Deadline for you to input instructions into CREST:	12.00 p.m. (UK time) on 13 February 2017

In the event that the Placing Agreement does not become unconditional in all respects or is terminated, the Placing will not proceed. Once the Placing Shares are allotted and issued, such Placing Shares will be admitted to CREST with effect from Admission. It is expected that dealings on AIM in the Placing Shares will commence at 8:00 a.m. on 15 February 2017.

Further Terms, Confirmations and Warranties

In accepting the Placing Participation, you make the following confirmations, acknowledgements, warranties and/or undertakings to Liberum and the Company and their respective directors/ agents and advisers and the Selling Shareholders:

1. You represent and warrant that you have read these Terms and Conditions in its entirety and acknowledge that your participation in the Placing will be governed by the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings of these Terms and Conditions.
2. You acknowledge and agree that your acceptance of your Placing Participation on the terms set out in the Admission Document and these Terms and Conditions is legally binding, irrevocable and is not capable of termination or rescission by you in any circumstances.
3. You confirm, represent and warrant that you have not relied on, received nor requested nor do you have any need to receive, any prospectus, offering memorandum, listing particulars or any other document, other than the Admission Document describing the business and affairs of the Company which has been prepared for delivery to prospective investors in order to assist them in making an investment decision in respect of the Placing Shares, any information given or any representations, warranties agreements or undertakings (express or implied), written or oral, or statements made at any time by the Company, any Selling Shareholder or Liberum or by any subsidiary, holding company, branch or associate of the Company or Liberum, or any of their respective officers, directors, agents, employees or advisers, or any other person in connection with the Placing, the Company and its subsidiaries or the Placing Shares and that in making your application under the Placing you will be relying solely on the information contained in the Admission Document and these Terms and Conditions and you will not be relying on any agreements by the Company and its subsidiaries or Liberum or any director, employee or agent of the Company or Liberum other than as expressly set out in the Admission Document and these Terms and Conditions for which none of Liberum, the Company or any of their directors and/or employees and/or person(s) acting on behalf of any of them shall to the maximum extent permitted under law have any liability except in the case of fraud. You further confirm, represent and warrant that you have reviewed the Admission Document, including the discussion of the conditions of the Placing Agreement, commission to Liberum, and risks related to the Company, its operations and the Ordinary Shares.
4. You confirm, represent and warrant that you are sufficiently knowledgeable to understand and be aware of the risks associated with, and other characteristics of, the Placing Shares and, among others, of

the fact that you may not be able to resell the Placing Shares except in accordance with certain limited exemptions under applicable securities legislation and regulatory instruments.

5. You confirm, represent and warrant, if a company, that you are a valid and subsisting company and have all the necessary corporate capacity and authority to execute your obligations in connection with your Placing Participation.
6. You agree that the exercise by Liberum of any right of termination or any right of waiver exercisable by Liberum contained in the Placing Agreement or the exercise of any discretion thereunder is within the absolute discretion of Liberum and Liberum will not have any liability to you whatsoever in connection with any decision to exercise or not exercise any such rights. You acknowledge that if (i) any of the conditions in the Placing Agreement are not satisfied (or, where relevant, waived) or (ii) the Placing Agreement is terminated or (iii) the Placing Agreement does not otherwise become unconditional in all respects, the Placing will lapse and your rights and obligations hereunder shall cease and determine at such time and no claim shall be made by you in respect thereof.
7. You acknowledge and agree that Liberum is not acting for, and that you do not expect Liberum to have any duties or responsibilities towards, you for providing protections afforded to its customers or clients under the Financial Conduct Authority Conduct of Business Source Book or advising you with regard to your Placing Participation and that you are not, and will not be, a customer or client of Liberum as defined by the Financial Conduct Authority Conduct of Business Source Book. Likewise, Liberum will not treat any payment by you pursuant to these Terms and Conditions as client money governed by the Financial Conduct Authority Conduct of Business Source Book.
8. You confirm, represent and warrant that you may lawfully acquire the Placing Shares comprising your Placing Participation and that you have complied with and will comply with all applicable provisions of FSMA with respect to anything done by you in relation to the Placing Shares in, from or otherwise involving, the United Kingdom.
9. You acknowledge and agree that your agreement with Liberum to acquire Placing Shares, whether by telephone or otherwise is a legally binding contract and the Terms and Conditions of your Placing Participation and any non-contractual obligation therefrom will be governed by and construed in accordance with, the laws of England and Wales to the exclusive jurisdiction of whose courts you irrevocably agree to submit.
10. You acknowledge and agree that time shall be of the essence as regards obligations pursuant to these Terms and Conditions.
11. You acknowledge and agree that it is the responsibility of any person outside of the United Kingdom wishing to subscribe for or purchase Placing Shares to satisfy himself that, in doing so, he complies with the laws of any relevant territory in connection with such subscription or purchase and that he obtains any requisite governmental or other consents and observes any other applicable formalities.
12. You acknowledge and agree that the Placing Shares have not been and will not be registered under the laws, or with any securities regulatory authority, of any province of Canada, Australia, Japan, the Republic of South Africa or New Zealand and, subject to limited exceptions, the Placing Shares may not be offered, sold, transferred or delivered, directly or indirectly into any province of Canada, Japan, Australia, the Republic of South Africa or New Zealand or their respective territories and possessions.
13. You warrant that you have complied with all relevant laws of all relevant territories, obtained all requisite governmental or other consents which may be required in connection with your Placing Participation, complied with all requisite formalities and that you have not taken any action or omitted to take any action which will or may result in Liberum, the Company, the Selling Shareholders or any of their respective directors, officers, agents, employees, affiliates or advisers acting in breach of the legal or regulatory requirements of any territory in connection with the Placing or your application.
14. You acknowledge and agree that your acquisition of Placing Shares does not trigger, in the jurisdiction in which you are resident or located: (i) any obligation to prepare or file a prospectus or similar document or any other report with respect to such purchase; (ii) any disclosure or reporting obligation of the Company; or (iii) any registration or other obligation on the part of the Company.
15. You are acting as principal and for no other person and that your acceptance of the Placing Participation will not give any other person a contractual right to require the issue by the Company of any Placing Shares.

16. You warrant that in accepting your Placing Participation you are not applying for registration as, or as a nominee or agent for, a person who is or may be a person mentioned in sections 67 to 72 inclusive and sections 93 to 97 inclusive of the Finance Act 1986.
17. You confirm that, to the extent applicable to you, you are aware of your obligations in connection with the Criminal Justice Act 1993, the Terrorism Act 2006, the UK Anti Terrorism Crime and Security Act 2001, the Money Laundering Regulations 2007, the Proceeds of Crime Act 2002 and Part VIII of the Financial Services and Markets Act 2000 (as amended), you have identified your clients in accordance with the Money Laundering Regulations 2007 and you have complied fully with your obligations pursuant to those Regulations.
18. You acknowledge and agree that all times and dates in this Admission Document and these Terms and Conditions may be subject to amendment and Liberum shall notify you of any such amendments.
19. You acknowledge and agree that your agreement with Liberum to acquire Placing Shares shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person other than the Company, the Selling Shareholders or any affiliate of Liberum.
20. You acknowledge that any of your monies held or received by Liberum will not be subject to the protections conferred by the FCA's Client Money Rules.
21. You acknowledge and agree that the Placing Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and are being offered and sold only outside the United States in "offshore transactions" (as defined in Regulation S). Accordingly, the Placing Shares may not be offered, sold, transferred or delivered directly or indirectly in or into the United States, except pursuant to an effective registration statement under the US Securities Act or an exemption from the registration requirements of the US Securities Act, and, in connection with any such transfer, the Company will have the right to obtain, as a condition to transfer, a legal opinion of counsel, in form and by counsel reasonably satisfactory to the Company, that no such US Securities Act registration is or will be required along with appropriate certifications by the transferee as to appropriate matters. No representation has been made as to the availability of any exemption under the US Securities Act for the reoffer, resale, transfer or delivery of the Placing Shares.
22. You represent and warrant that you have not distributed, forwarded, transferred or otherwise transmitted this Admission Document or any other presentation or offering materials concerning the Placing Shares within the United States, nor will you do any of the foregoing. You understand that the information in this Admission Document, including financial information, may be materially different from any disclosure that would be provided in a registered offering in the United States.
23. You agree, represent and warrant as follows:
 - 23.1 you are, acquiring the Placing Shares in an "offshore transaction" (as defined in Regulation S);
 - 23.2 you will not offer or sell the Placing Shares in the United States absent registration or an exemption from registration under the US Securities Act;
 - 23.3 you are not acquiring the Placing Shares as a result of any form of directed selling efforts (as defined in Rule 902 under the US Securities Act); and
 - 23.4 if you are in the United Kingdom, you are a person falling within the exemption contained in Section 86(1)(a) of the Financial Services and Markets Act 2000 (as amended) or falling within one or more of the categories of persons set out in Article 19 (Investment Professionals) or Article 49 (High net worth companies, unincorporated associations etc.) of the Order.
24. In making an investment decision with respect to the Placing Shares, for yourself and on behalf of any person for whose account you are acquiring the Placing Shares, you represent and warrant that you have:
 - 24.1 not relied on any representation, warranty or statement made by the Company, any Selling Shareholder, Liberum or any of their respective affiliates;
 - 24.2 the ability to bear the economic risk of your investment in the Placing Shares and have no need for liquidity with respect to your investment in the Placing Shares;

- 24.3 such knowledge and experience in financial and business matters that you are capable of evaluating the merits, risks and suitability of investing in the Placing Shares, and are able to sustain a complete loss of any investment in the Placing Shares;
- 24.4 had access to such financial and other information concerning the Company and the Placing Shares as you deem necessary in connection with your decision to purchase the Placing Shares; and
- 24.5 investigated independently and made your own assessment and satisfied yourself concerning the relevant tax, legal, currency and other economic considerations relevant to your investment in the Placing Shares, including any federal, state and local tax consequences, affecting you in connection with your purchase and any subsequent disposal of the Placing Shares.

You acknowledge that the Company, Liberum, the Selling Shareholders, any transfer agent, any distributors or dealers and their respective affiliates and others will rely on the truth and accuracy of the foregoing warranties, acknowledgements, representations, undertakings and agreements, and you agree to indemnify and hold harmless the Company, Liberum, the Selling Shareholders and any of their respective officers, directors, agents, employees or advisers (the "Indemnified Persons") from and against any and all costs, claims losses, damages, liabilities or expenses, including legal fees and expenses (including any VAT thereon), which an Indemnified Person may incur by reason of, or in connection with, any representation, warranty, acknowledgement, agreement or undertaking made herein not having been true when made, any breach thereof or any misrepresentation.

You further agree that these Terms and Conditions shall survive after completion of the Placing.

PART VIII

ADDITIONAL INFORMATION

1. Responsibility

The Company whose registered office address is set out in paragraph 2.4 of this Part VIII and the Directors, whose names, business address and functions are set out on page 8 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and General

- 2.1 The Company was incorporated in England and Wales on 12 December 2013 under the name TimeC 1456 Limited and with registered number 0881 1656 as a private company with limited liability under the Companies Act. The Company changed its name to Ramsdens Holdings Limited on 17 June 2016. The Company was re-registered as a public company on 31 October 2016.
- 2.2 The Company is a public limited company and accordingly, the liability of its members is limited.
- 2.3 The principal legislation under which the Company was formed and operates is the Companies Act.
- 2.4 The registered office and principal place of business of the Company is at Unit 16, Parkway Centre, Coulby Newham, Middlesbrough, England, TS8 0TJ. It is domiciled in England and Wales.
- 2.5 The business of the Company and its principal activity is to act as the holding company of the Group. The Group's activities and operations are carried on by Ramsdens, a wholly owned subsidiary within the Group.
- 2.6 The Company is the ultimate holding company of the Group and, at the date of this document, it has the following subsidiaries:

<i>Name</i>	<i>Registered Number</i>	<i>Principal Activity</i>	<i>Status</i>	<i>Country of Incorporation</i>	<i>Percentage of issued share capital or interest held and proportion of voting power</i>
Ramsdens Group Limited	08819441	Provision of management and strategic services	Active	England and Wales	100%
Ramsdens Financial Limited	03045495	Foreign currency exchange, pawnbroking, gold and silver buying, jewellery retail	Active	England and Wales	100%
Ramsdens Gold* Recycling Limited	07298634	Purchase of gold jewellery for resale	Dormant	England and Wales	100%
Ramsdens* Recycling Limited	07647815	Dormant subsidiary	Dormant	England and Wales	100%

*Applications for voluntary strike off of each of Ramsdens Recycling Limited and Ramsdens Gold Recycling Limited have been submitted to Companies House.

3. Share Capital

- 3.1 The Company was incorporated on 12 December 2013 with an issued share capital of 1 ordinary share of £1.
- 3.2 On 2 September 2014 the 1 issued ordinary share of £1 in the capital of the Company was redesignated as an A ordinary share of £1.
- 3.3 On 2 September 2014, the Company issued 186,249 A ordinary shares of £1 each and 60,983 B ordinary shares of £1 each, fully paid, pursuant to the Investment Agreement referred to at paragraph 14.18 of this Part VIII. The share taken by the subscriber to the memorandum of association was fully paid up.
- 3.4 On 6 September 2014, the Company filed a statement of capital notifying the allotment of 186,249 A ordinary shares of £1 each and 63,750 B ordinary shares of £1 each on 2 September 2014.
- 3.5 On 18 November 2016, a second statement of capital was filed at Companies House correcting the notification of the allotments on 2 September 2014 to 186,249 A ordinary shares of £1 each and 60,983 B ordinary shares of £1 each.
- 3.6 On 1 February 2017, 2,937 A ordinary shares of £1 each in the capital of the Company were allotted to NorthEdge Capital Fund 1 LP by way of a bonus issue of shares and 67 A ordinary shares of £1 each in the capital of the Company were allotted to NorthEdge Capital 1 GP LLP by way of a bonus issue of shares, in accordance with the provisions of the articles of association of the Company, as amended by special resolution passed on 1 February 2017, in each case conditional on Admission.
- 3.7 On 1 February 2017, each of the issued A ordinary shares of £1 each in the capital of the Company was subdivided into 100 A ordinary shares of £0.01 each and redesignated as ordinary shares of £0.01 each, conditional on Admission.
- 3.8 On 1 February 2017, each of the issued B ordinary shares of £1 each in the capital of the Company was subdivided into 100 B ordinary shares of £0.01 each and redesignated as ordinary shares of £0.01 each, conditional on Admission.
- 3.9 The issued share capital of the Company as at the date of this document and as it is expected to be immediately following the Placing and Admission is set out below:

	<i>Present*</i>		<i>Immediately following Admission</i>	
	<i>Aggregate</i>	<i>Aggregate</i>	<i>Aggregate</i>	<i>Aggregate</i>
	<i>Nominal</i>	<i>Nominal</i>	<i>Nominal</i>	<i>Nominal</i>
	<i>Number</i>	<i>Value (£)</i>	<i>Number</i>	<i>Value (£)</i>
A ordinary shares	–	–	–	–
B ordinary shares	–	–	–	–
Ordinary Shares	25,023,700	250,237	30,837,653	308,376.53

*assuming completion of the reorganisation and the resolutions referred to in paragraphs 3.6, 3.7 and 3.8 of this Part VIII becoming unconditional.

- 3.10 The Ordinary Shares shall have the rights and be subject to the restrictions referred to in paragraph 4 of this Part VIII.
- 3.11 The Ordinary Shares to be issued under the Placing will rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions declared, made or paid in respect of the Ordinary Shares after Admission.
- 3.12 Save as disclosed in this Part VIII, no share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash.
- 3.13 Save for the issue of the Placing Shares, no share or loan capital of the Company or any of its subsidiaries is proposed to be issued or is under option or is agreed conditionally or unconditionally

to be put under option, nor are there any outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company.

3.14 Save as set out in this document, no commission, discount, brokerage or any other special term has been granted by the Company or any subsidiary or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company.

3.15 By:

3.15.1 ordinary resolution passed on 2 September 2014 the 1 issued ordinary share of £1 in the capital of the Company was redesignated as an A ordinary share of £1;

3.15.2 ordinary resolution passed on 2 September 2014 the Directors were authorised for the purposes of section 551 of the Companies Act (in substitution for all previous authorities) to allot shares in the capital of the Company up to an aggregate nominal amount of £2,499,999 in respect of 186,249 A ordinary shares of £1 each and 63,750 B ordinary shares of £1 each in the capital of the Company, such authorisation to expire unless sooner renewed, varied or revoked on 2 September 2019;

3.15.3 special resolution passed on 2 September 2014, the Directors were empowered to allot equity securities (as defined in Section 560 of the Companies Act) as if section 561 of the Companies Act did not apply to such allotment;

3.15.4 ordinary resolution passed on 1 February 2017, the Directors were authorised for the purposes of Section 551 of the Companies Act (in substitution for all previous authorities) to allot shares in the capital of the Company up to an aggregate nominal amount of £3,004, such authorisation to expire unless sooner renewed, varied or revoked, on 31 March 2017;

3.15.5 ordinary resolution passed on 1 February 2017, the sum of £3,004 being part of the profit and loss account of the Company was capitalised and appropriated to the holders of A ordinary shares of £1 each and applied in paying up in full 3,004 A ordinary shares of £1 each, conditional on Admission.

3.16 By:

3.16.1 ordinary resolution, passed at a general meeting of the Company convened at short notice and held on 1 February 2017, the Directors were generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all the powers of the Company to allot shares or grant rights to subscribe for, or to convert any security into shares in the capital of the Company (Relevant Securities);

(a) up to an aggregate nominal amount of £58,139.53 in connection with the Placing;

(b) up to an aggregate nominal amount of £30,837.66 in connection with any employee share option scheme or arrangement (being equal to approximately 10 per cent. of the Enlarged Share Capital); and

(c) otherwise than pursuant to sub paragraphs (a) and (b) above, up to an aggregate nominal amount of £102,792.18, (being equal to approximately one third of the Enlarged Share Capital);

such authority to expire unless sooner renewed, varied or revoked by ordinary resolution of the Company, on 31 December 2017 or, if earlier, conclusion of the annual general meeting of the Company in 2017 (save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority had not expired);

3.16.2 special resolution passed at a general meeting of the Company convened at short notice and held on 1 February 2017, the Directors were empowered pursuant to section 570 of the Companies Act to allot equity securities (as defined in Section 560 of the Companies Act) for cash pursuant to the authority referred to in paragraph 3.16.1 above as if Section 561(1) of the Companies Act did not apply to any such allotment, such power being limited to:

(a) the allotment and issue of up to 5,813,953 New Ordinary Shares in connection with the Placing;

- (b) the allotment and issue of up to 3,083,766 New Ordinary Shares in connection with any employee share option scheme or arrangement;
- (c) the allotment of equity securities in connection with a rights issue or similar offer in favour of holders of ordinary shares in the Company where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the Directors may consider appropriate to deal with fractional entitlements or legal, regulatory or practical difficulties under the laws of, or the requirements of, any regulatory body or stock exchange in any territory or otherwise; and
- (d) the allotment (otherwise than pursuant to sub paragraphs (a), (b) or (c) above) of equity securities up to an aggregate nominal amount of £15,418.83 (being equal to approximately five per cent. of the Enlarged Share Capital);

such power to expire unless sooner renewed, varied or revoked by ordinary resolution of the Company, on 31 December 2017 or, if earlier, on conclusion of the annual general meeting of the Company in 2017 (save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power had not expired).

- 3.17 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 3.18 The Ordinary Shares are in registered form and capable of being held in uncertificated form. Application has been made to CRESTCo for the Ordinary Shares to be enabled for dealing through CREST as a participating security. None of the Ordinary Shares are being marketed or made available in whole or in part to the public in conjunction with the application for Admission other than pursuant to the Placing. The New Ordinary Shares to be issued pursuant to the Placing are being issued at a price of 86 pence per share, representing a premium of 85 pence over the nominal value of £0.01 each. The expected issue date is 15 February 2017.
- 3.19 There are no shares held by or on behalf of the Company in itself and no shares in the Company held by any other member of the Group.
- 3.20 The Company does not have in issue any securities not representing share capital.
- 3.21 Save as disclosed in paragraphs 3.15 and 3.16 of this Part VIII, no person has any acquisition right over, and the Company has no obligation over, its unissued share capital and the Company has not given any undertaking to increase its capital.
- 3.22 The currency of the Placing is in pounds Sterling.
- 3.23 The proposed issue of New Ordinary Shares pursuant to the Placing will be carried out by virtue of the authorities contained in paragraph 3.16 above and in accordance with the expected timetable of events set out on page 6.
- 3.25 The provisions of section 561 of the Companies Act (to the extent not disapplied pursuant to section 570 of the Companies Act) confer on Shareholders rights of pre-emption in respect of the allotment of equity securities and sales of equity securities held in treasury which are or are to be paid in cash, and apply to the unissued share capital of the Company to the extent not disapplied as described in this paragraph 3. Subject to certain limited exceptions, and save pursuant to any disapplication which is for the time being in effect, unless the approval of Shareholders in a general meeting is obtained, the Company must normally offer Ordinary Shares to be issued for cash to the holders of existing Ordinary Shares on a *pro rata* basis.

4. Articles of Association

The Articles contain *inter alia*, provisions to the following effect;

4.1 Objects

Section 31 of the Companies Act provides that the objects of a company are unrestricted unless any restrictions are set out in its articles. The Articles contain no restriction on the objects of the Company.

4.2 Capital structure

The share capital of the Company is represented by an unlimited number of Ordinary Shares having the rights described in the Articles.

4.3 Voting rights

On a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote, and on a poll every member shall have one vote for every Ordinary Share of which he is the holder. Votes may be given personally or by proxy. A proxy need not be a member of the Company.

In the case of a poll every member has one vote for every share held by him and his voting rights may be exercised by one or more proxies.

4.4 Dividends

Subject to the Companies Act and as set out in the Articles, the Company may by ordinary resolution declare dividends but no dividend shall exceed the amount recommended by the Directors. No dividend may be paid otherwise than in accordance with the Companies Act. The Directors may at any time declare and pay such interim dividends as they think fit.

Except as otherwise provided by the rights attached to the shares, all dividends shall be declared and paid according to the amounts paid up or credited as paid on the nominal amount of the shares on which the dividend is paid but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the nominal amount of the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

Any dividend or other moneys payable in respect of a share may be paid:

4.4.1 in cash;

4.4.2 by cheque or warrant sent by post to the address in the Register of the person entitled to the moneys or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder or otherwise by operation of law, to the address in the Register of that one of those persons who is first named in the Register in respect of the joint holding or to such person and to such address as the person or persons entitled to the moneys may in writing direct. Every such cheque or warrant shall be made payable to the person or persons entitled to the moneys or to such other person as the person or persons so entitled may in writing direct and shall be sent at the risk of the person or persons so entitled. Any such cheque or warrant may be crossed "account payee" although the Company shall not be obliged to do so;

4.4.3 by bank transfer to such account (of a type approved by the Directors) as the person or persons entitled to the moneys may in writing direct; or

4.4.4 by such other method of payment approved by the Directors as the person or persons entitled to the moneys may in writing agree to.

4.5 **Redemption**

Subject to the provisions of the Companies Act and the Articles, the Company can issue shares which are required to be redeemed and shares which may be redeemed at the option of the Company or the relevant member.

4.6 **Variation of class rights**

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of the shares in issue may from time to time be varied or abrogated, whether or not the Company is being wound up, with the sanction of a special resolution passed at a separate meeting of holders of the issued shares of the class held in accordance with the Articles (but not otherwise).

The special rights conferred on the holders of any shares or class of shares shall, unless otherwise provided by the Articles or the terms of issue of the shares concerned, be deemed to be varied by a reduction of capital paid up on those shares but shall be deemed not to be varied by the creation or issue of further shares ranking *pari passu* with them or subsequent to them. The rights conferred on the holders of shares shall be deemed not to be varied by the creation or issue of any further shares ranking in priority to them nor shall any consent or sanction of the holders of Ordinary Shares be required to any variation or abrogation effected by a resolution on which only the holders of Ordinary Shares are entitled to vote.

4.7 **Alteration of Capital**

The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger nominal value, sub-divide all or any of its shares into shares of a smaller nominal value and cancel any shares not taken, or agreed to be taken, by any person.

The Company may, subject to the Companies Act, by special resolution reduce or cancel its share capital or any capital redemption reserve or share premium account.

Subject to and in accordance with the provisions of the Companies Act, the Company may purchase its own shares (including any redeemable shares), provided that the Company shall not purchase any of its shares unless such purchase has been sanctioned by a special resolution passed at a separate meeting of the holders of any class of shares convertible into equity share capital of the Company.

4.8 **Issue of shares**

Subject to the provisions of the Companies Act and without prejudice to any rights attaching to any existing shares, shares may be issued with such rights or restrictions as the Company may, by ordinary resolution, determine or in the absence of such determination, or as far as any such resolution does not make specific provision, as the Directors may determine.

4.9 **Form and transfer of shares**

The Directors may issue shares as certificated or uncertificated shares, subject to any restrictions on transfers described below:

A share held in certificated form may be transferred by an instrument of transfer in any usual form or in any other form which the Directors may approve, which shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. A share held in uncertificated form may be transferred by means of a relevant system. The transferor shall be deemed to remain the holder of the share until the transferee is entered on the Register as its holder.

Every member (other than a person who is not entitled to a certificate under the Companies Act) is entitled, on becoming a holder of any shares in certificated form and without payment, to a certificate for all shares of each class held by him in certificated form. If a share certificate is worn out, defaced, lost, destroyed or stolen it may be renewed without fee but on such terms as to evidence and indemnity as the Directors requires. In the case of loss, theft, or destruction, the person to whom the new certificate is issued may be required to pay any exceptional out of pocket expenses incidental to the investigation of evidence of loss, theft or destruction and the preparation of an appropriate form of indemnity. Every share certificate is sent at the risk of the person entitled thereto.

The Directors may, in the case of shares held in certificated form, in their absolute discretion refuse to register the transfer of a share which is not fully paid provided that, where any such shares are admitted to the Official List or admitted to trading on AIM, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Directors may also refuse to register a transfer of shares held in certificated form unless the instrument of transfer is:

4.9.1 duly stamped or duly certified or otherwise shown to the satisfaction of the Directors to be exempt from stamp duty, lodged at the transfer office or at such other place as the Directors may appoint and (save in the case of a transfer by a person to whom no certificate was issued in respect of the shares in question) accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do;

4.9.2 in respect of only one class of shares; and

4.9.3 in favour of not more than four transferees.

If the Directors refuse to register a transfer of shares held in certificated form, it shall as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal together with its reasons for the refusal.

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share or for making any entry in the Register affecting the title to any share.

The Company shall be entitled to retain any instrument of transfer which is registered, but (except in the case of fraud) any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

For all purposes of these Articles relating to the registration of transfers of shares, the renunciation of the allotment of any shares by the allottee in favour of some other person shall be deemed to be a transfer and the Directors shall have the same powers of refusing to give effect to such a renunciation as if it were a transfer.

If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing contained in these Articles shall release the estate of a deceased member from any liability in respect of any share which had been held (whether solely or jointly) by him.

4.10 **Calls**

Subject to the terms of allotment, the Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares including any premium and each member shall (subject to being given at least 14 clear days' notice specifying where and when payment is to be made) pay to the Company the specified amount called on his shares. If any sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid. Interest shall be paid at a rate fixed by the terms of allotment of the share or in the notice of the call; or if no rate is fixed, at the appropriate rate per annum from the day appointed for the payment thereof to the time of the actual payment. Directors may at their discretion waive payment of any such interest in whole or in part.

4.11 **Forfeiture**

If a member fails to pay any call or instalment of a call on the day appointed for payment of such call or instalment, the Directors may serve a notice on him requiring payment of so much of the amount unpaid together with any interest which may have accrued and any expenses which have been

incurred by the Company due to the default. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

A forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding such forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the shares, together with all expenses and interest from the date of forfeiture or surrender until payment, but his liability shall cease if and when the Company receives payment in full of the unpaid amount.

A statutory declaration in writing that the declarant is a director or the secretary of the Company, and that the particular share of the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the forfeited share.

4.12 **Disclosure of interests**

The Company may give notice to any member or any person whom the Company knows or has reasonable cause to believe (a) to be interested in the Company's shares or (b) to have been so interested at any time in the three years immediately preceding the date on which the notice is issued. The notice may require the person (a) to confirm that fact or (as the case may be) to state whether or not it is the case and (b) if he holds, or has during that time held, any such interest, to give such further information as may be required in accordance with section 793 of the Companies Act (including particulars of the interest (present or past) and the identity of the persons interested in the shares in question).

If the Company has served a disclosure notice on a member or any other person appearing to be interested in shares referred to in the disclosure notice, and the Company has not received the information required in the disclosure notice within fourteen days after service of the disclosure notice, the Directors may determine that the member holding the specified shares shall be subject to restrictions in respect of those shares (including restrictions as to voting, right to transfer the shares and right to receive dividends).

4.13 **Directors**

Unless otherwise determined by the Board, the number of Directors shall be not less than two.

The Directors may be paid all reasonable travelling, hotel and other expenses as they may incur in connection with their attendance at meetings of the Board or of committees of the Board or general meetings or separate meetings of the holders of any class of shares or debentures of the Company or otherwise in connection with the discharge of their duties.

The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director, employee or former employee who has held but no longer holds any office or employment with the Company or with anybody corporate which is or has been a subsidiary undertaking or a predecessor in business of the Company or of any subsidiary undertaking, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit. The power conferred by the Companies Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries, in connection with the cessation or the transfer to any person of the whole or party of the undertaking of the Company or any subsidiary shall be exercised by the Board.

At each annual general meeting one third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to one-third) shall retire from office. A Director who retires at an annual general meeting shall be eligible for re-election. Any Director may be removed from office

by ordinary resolution of the Company of which special notice has been given in accordance with section 312 of the Companies Act. The Directors are not subject to a mandatory retirement age.

4.14 **Directors' interests**

A Director who to his knowledge is in any way directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company shall disclose the nature of his interest at a meeting of the Board.

A Director may not vote (or be counted in the quorum) in respect of any resolution of the Directors or committee of the Directors concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him) is, to his knowledge, a material interest (otherwise than by his interest in shares or debentures or other securities of or otherwise in or through the Company). This is subject to certain exceptions including (i) where the contract, arrangements, transaction or proposal concerns general employee privileges or insurance policies for the benefit of Directors or (ii) in circumstances where a Director acts in a personal capacity in the giving of a guarantee, security or indemnity for the benefit of the Company or any of its subsidiary undertakings.

Any Director may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

4.15 **Disclosure of interests**

Subject to the provisions of the Companies Act, and provided that he has disclosed to the Board the nature and extent of any interest of his in accordance with the Articles, a Director notwithstanding his office:

- 4.15.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
- 4.15.2 may be a Director or other officer of, or employed by or party to any transaction or arrangement with, or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested; and
- 4.15.3 shall not be, by reason of his office, accountable to the Company for any benefits derived from any such office or employment or from any transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

4.16 **Authorisation of interests**

The Directors may authorise, to the fullest extent permitted by law, any matter proposed to them which would otherwise result in a director infringing his duty under the Companies Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest.

Authorisation of a matter is effective only if (i) the matter has been proposed to the Directors at a meeting of the Directors or for the authorisation of the directors by resolution in writing and in accordance with the Board's normal procedures or in such other manner as the Board may approve, (ii) any requirement as to quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director; and (iii) the matter has been agreed to without the Director in question and any other interested director voting or would have been agreed to if their votes had not been counted.

An interest of a person connected (within the meaning ascribed by section 252 of the Companies Act) with a Director shall be treated as an interest of the director.

4.17 ***Borrowing powers***

The Directors may exercise all the powers of the Company to borrow money and to give guarantees, hypothecate, mortgage, charge or pledge the assets, property and undertaking of the Company or any part thereof and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

4.18 ***Annual General Meetings and General Meetings***

An annual general meeting shall be held at such time and place as the Board may determine. The Board may call general meetings and, on the requisition of members pursuant to the provisions of the Companies Act, shall forthwith convene a general meeting. If there are not sufficient Directors capable of acting to call a general meeting, any Director may call a general meeting. If there is no Director able to act, any two members may call a general meeting for the purpose of appointing Directors.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. A quorum is two members present in person or by proxy and entitled to vote upon the business to be transacted at the meeting.

A general meeting and a meeting called for the passing of a special resolution shall be called by at least 21 days' clear notice in writing. A meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by not less than 14 days' clear notice. The notice shall specify the place, the day and the time of the meeting and, in the case of special business, the general nature of that business. A notice calling an annual general meeting shall specify the meeting as such and a notice for the passing of a special resolution shall specify the intention to propose the resolution as a special resolution and the terms of the resolution. Every member entitled to attend and vote is entitled to appoint one or more proxies to attend, vote and speak instead of him and that a proxy need not be a member. To determine which persons are entitled to attend or vote at a meeting and how many votes a person may cast, the Company may specify in the notice a time, not more than 48 hours before the time fixed for the general meeting (not taking into account non-working days) by which a person must be entered in the Register in order to have the right to attend or vote at the meeting or appoint a proxy to do so.

The accidental omission to give notice of a meeting, or to send an instrument of proxy or invitation to appoint a proxy as provided by these Articles, to any person entitled to receive notice, or the non-receipt of notice of a meeting or instrument of proxy or invitation to appoint a proxy by such a person, shall not invalidate the proceedings at that meeting.

Every notice of meeting shall state with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, vote and speak instead of him and that a proxy need not be a member.

4.19 ***Annual Accounts and Financial Statements***

Save as provided in the Articles, a copy of the annual accounts of the Company together with a copy of the auditors' report and the directors' report and any other documents required to accompany or to be annexed to them shall, not less than 21 clear days before the date of the general meeting at which copies of those documents are to be laid, be sent to every member and to every debenture holder of the Company and to every other person who is entitled to receive notices from the Company of general meetings.

Copies of the documents referred to in the Articles need not be sent:

- 4.19.1 to a person who is not entitled to receive notices of general meetings and of whose address the Company is unaware; or
- 4.19.2 to more than one of the joint holders of shares or debentures in respect of those shares or debentures.

provided that any member or debenture holder to whom a copy of such documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

The Company may send a summary financial statement to any of the persons otherwise entitled to be sent copies of the documents referred to in the Articles instead of or in addition to those documents and, where it does so, the statement shall be delivered or sent to such person not less than 21 clear days before the general meeting at which copies of those documents are to be laid.

4.20 **Winding up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

4.21 **Untraceable shareholders**

The Company shall be entitled to sell at the best price reasonably obtainable any member's shares or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law if:

- 4.21.1 for a period of twelve years, no cash dividend payable in respect of the shares has been claimed, no cheque or warrant sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled to the shares at his address on the Register or (if different) the last known address given by the member or the person so entitled to which cheques and warrants are to be sent has been paid, each attempt to make a payment in respect of the shares by means of bank transfer or other method for the payment of dividends or other moneys in respect of shares has failed and no communication has been received by the Company from the member or the person so entitled (in his capacity as member or person entitled);
- 4.21.2 in such period of twelve years at least three dividends (whether interim or final) have become payable on the shares;
- 4.21.3 the Company has at the expiration of the said period of twelve years by advertisement in both a national newspaper and in a newspaper circulating in the area in which the address referred to in the Articles is located given notice of its intention to sell such shares; and
- 4.21.4 during the period of three months following the publication of the said advertisements the Company has received no communication in respect of such share from such member or person entitled.

If at any time during or after the said period of twelve years further shares have been issued in right of those held at the commencement of that period or of any issued in right during that period and, since the date of issue, the requirements of the Articles have been satisfied in respect of such further shares, the Company may also sell the further shares.

To give effect to a sale pursuant to the preceding Article the Board may authorise any person to execute an instrument of transfer or otherwise affect the transfer of the shares to be sold. If the shares concerned are in uncertificated form, in accordance with the Regulations, the Company may issue a written notification to the Operator requiring conversion of the shares into certificated form. The purchaser shall not be bound to see to the application of the purchase moneys and the title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled to the shares for an amount equal to the net proceeds, which shall be a debt of the Company, and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created and no interest shall be payable in respect of the debt, and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments for the benefit of the Company as the Board may from time to time determine.

5. Takeover Code, Mandatory Bids, Squeeze Out and Sell Out and Notification of Major Interests in Ordinary Shares

Other than as provided by the Takeover Code and Chapter 28 of the Companies Act, there are no rules or provisions relating to mandatory bids and/or squeeze out and sell out rules that apply to the Ordinary Shares of the Company.

Mandatory Bid

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate interest in shares of the acquirer and any parties acting in concert with it to Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties (if any) would be required (except with the consent of the Takeover Panel) to make a cash offer for the Ordinary Shares not already owned by the acquirer and its concert parties (if any) at a price not less than the highest price paid for Ordinary Shares by the acquirer or its concert parties (if any) during the previous 12 months. A similar obligation to make such a mandatory cash offer would also arise on the acquisition of Ordinary Shares by a person holding together with its concert parties (if any) Ordinary Shares carrying at least 30 per cent., but not more than 50 per cent., of the voting rights in the Company if the effect of such acquisition were to increase the percentage of the aggregate voting rights held by the acquirer and its concert parties (if any).

Squeeze Out

Under the Companies Act, if a “takeover offer” (as defined in section 974 of the Companies Act) is made by an offeror to acquire all of the shares in the Company not already owned by it and the offeror were to acquire, or contract to acquire, not less than 90 per cent. in value of the ordinary shares which are the subject of such offer and not less than 90 per cent. of the voting rights carried by those shares, the offeror could then compulsorily acquire the remaining shares. The offeror would do so by sending a notice to outstanding shareholders before the end of the 3 month period beginning on the day after the last day on which the offer can be accepted. The notice must be made in the prescribed manner. Six weeks later, the offeror would send a copy of the notice to the Company together with an instrument of transfer executed in respect of the outstanding ordinary shares on behalf of the holder in favour of the offeror and pay the consideration for those ordinary shares. The Company would hold the consideration on trust for outstanding shareholders. The consideration offered to those shareholders whose ordinary shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the original offer unless a member can show the offer value is unfair.

Sell-out Rules

The Companies Act gives minority shareholders a right to be bought out in certain circumstances by a person who has made a takeover offer. If a takeover offer related to all the shares in the Company and at any time before the end of the period within which the offeror could be accepted, the offeror holds, or has agreed to acquire, not less than 90 per cent. in value of the ordinary shares and not less than 90 per cent. of the voting rights in the Company, any holder of ordinary shares to which the offer relates who has not accepted the offer can, by a written communication to the offeror, require it to acquire that holder’s ordinary shares.

The offeror is required to give each Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority shareholders to be bought out but that period cannot end less than three months after the end of the acceptance period or, if later, three months after the date specified in the notice given by the offeror. If a Shareholder exercises his rights, the offeror is entitled and bound to acquire those ordinary shares on the terms of the offer or on such other terms as may be agreed.

Notification of Major Interests in Ordinary Shares

Chapter 5 of the Disclosure and Transparency Rules makes provisions regarding notification of certain shareholdings and holdings of financial instruments.

Where a person holds voting rights in the Company as a Shareholder through direct or indirect holdings of financial instruments, then that person has an obligation to make a notification to the FCA and the Company

of the percentage of voting rights held where that percentage reaches, exceeds or falls below three per cent. or any whole percentage point above three per cent.

The requirement to notify also applies where a person is an indirect Shareholder and can acquire, dispose of or exercise voting rights in certain cases.

Shareholders are encouraged to consider their notification and disclosure obligations carefully as a failure to make any required notification to the Company may result in disenfranchisement pursuant to the Articles (see paragraph 4.12 above).

6. Directors

6.1 The Directors of the Company and their respective functions are set out in Part II of this document.

6.2 The Directors currently hold and have held the following directorships and/or been a partner in the following partnerships within the five years prior to the date of this document in addition to their directorships of the Company:

<i>Name</i>	<i>Current directorships and interests in partnerships</i>	<i>Previous directorships and interests in partnerships held in the last five years</i>
Peter Edward Kenyon	Ramsdens Group Limited Ramsdens Financial Limited Ramsdens Gold Recycling Limited Ramsdens Recycling Limited The National Pawnbrokers Association	Brightmobile Limited
Martin Anthony Clyburn	Ramsdens Group Limited Ramsdens Financial Limited	
Andrew David Meehan	Lanthorne Limited Nightingale Care Beds Limited Direct Healthcare Group Holdings Limited Direct Healthcare Group Limited University Hospitals Coventry and Warwickshire Charity Mayday Trust Cvqo Ltd Cheviot Court (Luxborough Street) Limited University Hospitals Coventry and Warwickshire NHS Trust	Listercorne Limited Skips Holdings Limited Fortnum and Mason Plc Royal Orthopaedic Hospital NHS Foundation Trust Oldrid & Co Limited Simons Group Limited Myton Hospices Limited
Simon Edward Herrick	Sports Punk Limited Herrick Inc Limited	Baroness Holdings UK Limited Debenhams Gift Vouchers Limited Jumpneck Limited Leapneck Limited Debenhams Overseas Holdings Limited Debenhams Investments Limited Jubilee Fashions Limited Debenhams Profit Sharing Trustees Limited Debsub (CSR) Limited Debsub (Tr) Limited Debenhams Holdings Limited Bf Viii Limited

<i>Name</i>	<i>Current directorships and interests in partnerships</i>	<i>Previous directorships and interests in partnerships held in the last five years</i>
Simon Edward Herrick <i>(continued)</i>		Bf Properties (No. 1) Ltd Baroness Group Holdings Limited Debenhams Card Handling Services Limited Jerimain Investments Limited Bf Properties (No. 3) Ltd Bf Iii Limited Debenhams Direct Limited Debenhams Properties Limited Debenhams Group Holdings Limited Debenhams Principles Limited Debenhams.Com Ltd Debenhams Retail Plc Debenhams Plc Baroness Retail Limited Bf Properties (No. 2) Ltd Debenhams Finance Holdings Limited Aktieselskabet Th. Wessel & Vett Magasin Du Nord Kylie (Jersey) Limited
Stephen John Smith	Procomm Site Services Limited Procomm Site Services (Holdings) Limited John Nixon Limited Transflex Vehicle Rental Limited Kitwave Limited The Aquarius Origin Fund LLP	Secured Mail Limited Hartlepool and Stockton NHS Clinical Commissioning Group Thornaby Rainbow Trust Limited

- 6.3 Peter Kenyon was a director of and employed by National Distance Learning College (“NDLC”) between June 2000 and November 2001. NDLC went into administrative receivership in November 2001. Peter Kenyon was charged with two counts of fraudulent trading in October 2006 which proceeded to trial. One charge was dismissed during the course of the trial and Mr Kenyon was found not guilty on the other charge. The liquidator did not make any adverse findings against Mr Kenyon in relation to his action as a director.
- 6.4 Andrew Meehan was appointed a non-executive director of Pimlico Homes Limited in July 2006. Pimlico Homes Limited went into insolvent liquidation in August 2008. The liquidator of the company did not make any adverse findings against Mr Meehan in relation to his actions as a director and after investigation the Secretary of State advised that it did not propose to take disqualification proceedings against Mr Meehan.
- 6.5 Save as set out in paragraphs 6.3 and 6.4 of this Part VIII, at the date of this document none of the Directors:
- 6.5.1 has any unspent convictions in relation to fraudulent or indictable offences;
 - 6.5.2 has been declared bankrupt or has been the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such Director;
 - 6.5.3 has been a director of any company which, while he was a director, or within 12 months after he ceased to be a director had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement or made any composition or arrangement with its creditors generally or any class of its creditors;

- 6.5.4 has been a partner in any partnership which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement or had a receiver appointed to any partnership asset;
- 6.5.5 has owned, or been a partner in a partnership which owned that asset, or while he was a partner within 12 months after his ceasing to be a partner in the partnership which owned that asset, entering into receivership;
- 6.5.6 has been the subject of any public criticisms and/or sanctions by any statutory or regulatory authority (including any designated professional body); or
- 6.5.7 has been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

7. Directors' and Other Interests

- 7.1 The interests of the Directors, (including the interests of persons connected with them (within the meaning of section 252 of the Companies Act) which would, if the connected person were a Director be required to be disclosed and the existence of which is known to, or could with reasonable diligence be ascertained by that Director, in the issued share capital of the Company (all of which, save where stated otherwise in the notes below, are beneficial interests), as at the date of this document and will immediately following Admission be, as follows:

<i>Director</i>	<i>At the date of this document*</i>		<i>Immediately following Admission</i>	
	<i>No of Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>
Peter Edward Kenyon	2,375,000	9.49	1,591,250	5.16
Martin Anthony Clyburn	312,500	1.25	209,375	0.68
Andrew David Meehan	496,000	1.98	332,320	1.08
Simon Edward Herrick	–	–	–	–
Stephen John Smith	–	–	–	–

*assuming completion of the reorganisation and the resolutions referred to in paragraphs 3.6, 3.7 and 3.8 of this Part VIII becoming unconditional.

- 7.2 Save as disclosed in paragraph 7.1 of this Part VIII:
- (a) none of the Directors has any interest in the share capital or loan capital of the Company or any of its subsidiaries nor has any director any interest in a related financial product referenced to the Ordinary Shares nor does any person connected with the Directors (within the meaning of section 252 of the Companies Act) have any such interest whether beneficial or non-beneficial;
- (b) as at the date of this document, no Director has any option over or warrant to subscribe for any shares in the Company.
- 7.3 Save for the service agreements and letters of appointment referred to in paragraph 8 of this Part VIII, the Placing Agreement and Lock-in Arrangements referred to in paragraphs 13.1 and 13.2 of this Part VIII and the Relationship Agreement referred to in paragraph 13.4 of this Part VIII, there are no agreements, arrangements or understandings (including compensation agreements) between any of the Directors or Shareholders connected with or dependent upon Admission.
- 7.4 In addition to the interests of the Directors set out in paragraph 7.1 above, as at 1 February 2017 (being the latest practicable date prior to the publication of this document), insofar as is known to the Company, the following persons will as at the date of this document and immediately following Admission, be directly or indirectly interested (within the meaning of Part VI of the Companies Act) in 3 per cent. or more of the issued share capital of the Company:

<i>Shareholder</i>	<i>At the date of this document*</i>		<i>Immediately following Admission</i>	
	<i>No of Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>
North Edge Capital Fund 1 LP	18,500,700	73.93	9,250,350	30.00
Kevin Nigel Brown	1,252,000	5.00	–	–
Michael Johnson	1,252,000	5.00	838,840	2.72
City Financial Investment Company Limited	–	–	3,220,930	10.44
Premier Fund Managers Limited	–	–	2,662,791	8.63
Artemis Investment Management LLP	–	–	2,197,674	7.13
AXA Investment Managers GS Limited	–	–	1,732,558	5.62
Hargreave Hale Limited	–	–	1,656,977	5.37
Otus Capital Management Limited	–	–	1,133,721	3.68
Hadron Capital LLP	–	–	1,104,651	3.58

*assuming completion of the reorganisation and the resolutions referred to in paragraphs 3.6, 3.7 and 3.8 of this Part VIII becoming unconditional.

- 7.5 Save as disclosed above, there are no persons, so far as the Directors are aware, who will immediately following Admission be interested, directly or indirectly, in three per cent. or more of the issued share capital, nor, so far as the Company is aware, are there any persons who at the date of Admission, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 7.6 So far as the Directors are aware there are no arrangements the operation of which may at a later date result in a change of control of the Company.
- 7.7 Save as disclosed in the document, no Director is or has been interested in any transactions which are or were unusual in their nature or conditions or significant to the business of the Group and which was effected by the Company or any of its subsidiaries during the current or immediately preceding financial year or which were effected during any earlier financial year and remains in any respect outstanding or unperformed.
- 7.8 There are no outstanding loans or guarantees granted or provided by any member of the Group to or for the benefit of any Director.
- 7.9 Neither the Directors nor any substantial shareholders have different voting rights to other holders of the share capital of the Company.

8. Directors' Remuneration and Service Agreements

On 1 February 2017 each of Peter Kenyon and Martin Clyburn entered into new service contracts with the Company. These contracts replaced the service contracts previously entered into by Mr Kenyon with RGL dated 2 September 2014 and by Mr Clyburn with Ramsdens dated 2 September 2014. The key provisions of the contracts are set out below:

8.1 Peter Edward Kenyon

The contract provides for Peter Kenyon to act as Chief Executive Officer of the Group and is entitled to receive a basic annual salary of £175,000 per annum. The Company will make an annual contribution equal to 10 per cent. of basic salary into a pension plan for Mr Kenyon. Mr Kenyon will also participate in a performance related bonus scheme in terms of which the maximum bonus payable would be equivalent to 100 per cent. of basic salary and which will have two component parts (i) a profit before tax target component and (ii) other business objectives. Mr Kenyon will also be entitled to participate in the LTIP.

Mr Kenyon is entitled to 25 days holiday (plus public holidays) per annum. He is also entitled to private medical cover for himself and his family.

Mr Kenyon will be subject to confidentiality and intellectual property undertakings and post termination restrictions. Subject to time spent on garden leave, Mr Kenyon is bound to observe these restrictions for 12 months.

In order to terminate employment, the Company is required to give 12 months' notice, other than in circumstances of, *inter alia*, gross misconduct and material breach of contract. The Company may choose to pay in lieu of notice and/or to place the Executive on garden leave. Except where the Company has materially breached the contract, the Executive will be required to give 12 months' notice.

8.2 **Martin Anthony Clyburn**

The contract provides for Martin Clyburn to act as Chief Financial Officer of the Group and is entitled to receive a basic annual salary of £100,000 per annum rising to £120,000 per annum following publication of the results for the year ending 31 March 2017 and providing the results are approved by shareholders. The Company will make an annual contribution equal to 10 per cent. of basic salary into a pension plan for Mr Clyburn. Mr Clyburn will also participate in a performance related bonus scheme in terms of which the maximum bonus payable would be equivalent to 100 per cent. of basic salary and which will have two component parts (i) a profit before tax target component and (ii) other business objectives. Mr Clyburn will also be entitled to participate in the LTIP.

Mr Clyburn is entitled to 25 days holiday (plus public holidays) per annum. He is also entitled to private medical cover for himself and his family.

Mr Clyburn will be subject to confidentiality and intellectual property undertakings and post termination restrictions. Subject to time spent on garden leave, Mr Clyburn is bound to observe these restrictions for 12 months.

In order to terminate employment the Company is required to give 12 months' notice, other than in circumstances of, *inter alia*, gross misconduct and material breach of contract. The Company may choose to pay in lieu of notice and/or to place the Executive on garden leave. Except where the Company has materially breached the contract, the Executive will be required to give 12 months' notice.

8.3 **Non-Executive Directors**

Andrew David Meehan was appointed non-executive Chairman of the Company and also of RGL and Ramsdens by letter of appointment dated 2 September 2014. The terms of this appointment letter were amended by letter of amendment dated 5 December 2016.

Simon Edward Herrick entered into a letter of appointment as a non-executive director of the Company dated 16 December 2016, with an effective date of appointment of 1 January 2017. Stephen John Smith entered into a letter of appointment as a non-executive director of the Company dated 15 December 2016, with an effective date of appointment of 1 January 2017 (the appointment of each of Mr Meehan, Mr Herrick and Mr Smith being referred to as an "Appointment" and together being referred to as the "**Appointments**"). The key provisions of the Appointments are set out below:

In terms of each of the Appointments, each Non-Executive agrees to provide services as a non-executive director for a basic annual salary. The annual salary for Mr Meehan is £57,500. The annual salary for Mr Smith is £35,000, and the annual salary for Mr Herrick is £35,000 together with an additional salary of £7,000 in respect of his position as chair of the Audit and Risk and Remuneration Committees. The Non-Executives fees will be paid monthly. Each Non-Executive is responsible for payment of tax, national insurance, VAT and other contributions required by law. In the event that a Non-Executive undertakes additional assignments for the Group, such Non-Executive's fee will be as agreed by the Company in respect of each assignment.

Each Non-Executive is required to attend annual and extraordinary general meetings of the Company as requested and all full Board meetings, which are held not less than 10 times a year. In addition, each Non-Executive is also required to serve as a member of the Company's Remuneration, Audit and Risk and Nomination Committees. Each Non-Executive warrants that he is an independent contractor and is subject to confidentiality and intellectual property undertakings.

Either the Company or the Non-Executive must give 3 months' notice in order to terminate the Appointment. However, the Appointments may be terminated by the Company without notice or payment in lieu of notice if terminated in accordance with the Company's Articles of Association or if the Non-Executive is not re-elected to the Board after having been required to retire by rotation.

- 8.4 The total aggregate of the remuneration paid and benefits in kind granted to directors of Group companies by the members of the Group during the financial year ended 31 March 2016 was £519,672 (including pension contributions). The aggregate estimated amount payable to the directors of Group companies by the members of the Group for the financial year ending on 31 March 2017 under arrangements in force at the date of this document (excluding quantifiable bonus payments) is £576,510.
- 8.5 Save as set out in paragraphs 8.1 – 8.4 above, there are no service agreements in existence between any of the Directors and the Company or any of its subsidiaries which cannot be determined by the employing company without payment of compensation (other than statutory compensation) within one year.

9. Incentive Arrangements Following Admission

9.1 The Ramsdens 2017 Long-Term Incentive Plan

- 9.1.1 The Company adopted The Ramsdens 2017 Long-Term Incentive Plan (the "**LTIP**") on 1 February 2017, conditional on Admission. Awards under the LTIP may be in the form of options to buy shares at nominal value or conditional share awards over Ordinary Shares, or the right to receive a cash amount (together, "**Awards**").
- 9.1.2 It is intended that Awards will be granted under the LTIP shortly after Admission ("**Admission Awards**") with the number of Ordinary Shares the subject of the Admission Awards to be allocated as follows:

<i>Directors/Employees</i>	<i>Number of Ordinary Shares the subject of Admission Awards under LTIP</i>
Peter Kenyon	250,000
Martin Clyburn	138,889
Mike Johnson	138,889
Jason Carr	69,444
Matt Fothergill	69,444
Michael Wilson	69,444
Mark Smith	69,444

- 9.1.3 *Administration.* The LTIP is administered by the Remuneration Committee. The Remuneration Committee may determine the form, amount and other terms and conditions of Awards and determine the persons to whom Awards will be granted.
- 9.1.4 *Eligibility for Participation.* Employees, including the Executive Directors, of the Group will be eligible to participate in the LTIP at the discretion of the Remuneration Committee. It is intended that participation will be limited to Executive Directors and senior management including the Key Employees.
- 9.1.5 *Grant of Awards.* With the exception of Admission Awards (as defined above), Awards may subsequently be granted within the period of 42 days following the day of announcement of the Company's results for any period; or at any other time as the Remuneration Committee may determine in exceptional circumstances, providing that Awards may not be granted during a closed period. Awards granted under the LTIP will be granted by deed ("**Award Deed**") and evidenced with Award certificates, which will set out any additional terms, conditions, limitations and/or restrictions covering the Award, including, without limitation, any performance conditions (the "**Performance Conditions**").

- 9.1.6 *Nominal cost options.* The Remuneration Committee may grant rights to any eligible employee in the form of options to acquire Ordinary Shares for an exercise price, equivalent to the nominal value of the Ordinary Shares.
- 9.1.7 *Conditional Share Awards.* The Remuneration Committee may grant an Award to any eligible employee in the form of a right to receive Ordinary Shares without payment.
- 9.1.8 *Right to receive cash amount.* The Remuneration Committee may grant Awards on terms that may be satisfied by the payment of a cash sum equal to the market value of the notional number of Ordinary Shares in respect of which the Award vests.
- 9.1.9 *Performance Conditions.* The Remuneration Committee may, in its absolute discretion, grant Awards subject to the attainment of Performance Conditions stated at the date of grant. Any Performance Condition may be amended or substituted if one or more events occur which cause the Remuneration Committee to consider that an amended or substituted Performance Condition would be more appropriate. Any amended or substituted Performance Condition would not be materially less difficult to satisfy.

It is intended that the Performance Conditions for the Admission Awards will be measured over a three year period (the “**Performance Period**”), commencing on the date of Admission. 50 per cent. of the Admission Awards will be dependent on the Company’s earnings per share growth and 50 per cent. will be dependent on shareholder return (being the change in value of a notional investment in an Ordinary Share over the performance period, taking account of share price movement and the value of dividends which are deemed to be reinvested). The hurdle rates for Awards to vest under the LTIP are 30 per cent. growth over the three years for total shareholder return (“**TSR**”) and 24 per cent. growth over the three years for earnings per share growth (“**EPS**”).

Participants would be entitled to a sliding scale at the discretion of the Remuneration Committee for performance above the minimum hurdle up to the maximum award for achieving a TSR of, in aggregate 60 per cent. over the three years and EPS growth of, in aggregate, 45 per cent. over the three years. Awards will not vest or become exercisable until after the end of the Performance Period, save in certain circumstances.

The Performance Period for subsequent Awards will commence at the beginning of the relevant financial year. It is intended that, initially, Performance Conditions for subsequent Awards will be calculated in the same manner as Admission Awards.

The Remuneration Committee will review and set appropriate Performance Conditions for future Awards, taking into account institutional investor guidelines and prevailing market practice.

- 9.1.10 *Individual Limits.* Awards may not normally be granted to a participant over Ordinary Shares having a market value at the date of grant in excess of two times the individual’s annual base salary. It is intended that the Admission Awards will be granted over Ordinary Shares having a market value at the date of grant of approximately 1.2 times the relevant individual’s Admission annual base salary.
- 9.1.11 *Dividend equivalents.* The Remuneration Committee may grant an Award on the basis that it carries a right to receive a cash payment equal in value to ordinary dividends (“**Dividend Equivalent**”) which would have been paid on vested Ordinary Shares during the period starting on the date of grant or, if the Award is subject to Performance Conditions, starting on the first day of the relevant performance period, and ending on the vesting date (or, if the Award is a nominal cost option, on the day before the date on which such option first becomes exercisable). The Dividend Equivalent will be calculated at the discretion of the Remuneration Committee, and does not represent an entitlement to actual dividends on the underlying Ordinary Shares. On vesting (or in the case of nil cost options, exercise) the Remuneration Committee may satisfy any entitlement to a Dividend Equivalent by making a cash payment or by issuing or transferring Ordinary Shares to an equivalent value.

- 9.1.12 *Exercise/Vesting of Awards.* Awards will become exercisable or vest (as applicable) in whole or in part (subject to any applicable Performance Conditions) on a vesting or exercise date(s). The vesting or exercise dates will be specified by the Remuneration Committee at the date of grant, but Awards will not normally become exercisable or vest prior to the third anniversary of the grant date. Where Performance Conditions apply, Awards will only become exercisable or vest to the extent such conditions have been satisfied. Any cash sum payable in respect of an Award which is the right to receive a cash amount will be paid as soon as practicable after the date on which it vests. Where an Award has been exercised or has vested and Ordinary Shares have not yet been allotted or transferred to the participant, the Remuneration Committee may determine that, instead of allotting or transferring the Ordinary Shares to the participant, it shall pay him a cash amount equal to the value of the Ordinary Shares he would otherwise have received. A nominal cost option will normally remain exercisable until the tenth anniversary of the date of grant.
- 9.1.13 *Reduction for malus and claw-back.* The Remuneration Committee may reduce the number of Ordinary Shares under an unvested Award (“**malus**”) or require the participant to repay an amount to the Company in respect of the value of a vested Award (“**claw-back**”) in any of the following circumstances: material misstatement of financial results; the Participant engaging in fraud, material dishonesty or conduct which has a materially detrimental effect on the Company’s reputation or justifying the Participant’s summary dismissal; assessment of a Performance Condition being based on an error, or inaccurate or misleading information or assumption; a material failure of risk management; or serious reputational damage to the Company. In assessing the repayable amount, the Remuneration Committee may take into account any tax or social security contributions applicable to the Award.
- 9.1.14 *Cessation of employment.* If a participant ceases to be employed by the Group as a Good Leaver, his Awards will become exercisable or vest on the normal exercise or vesting date, subject to applicable Performance Conditions having been achieved over the full performance period, and such Awards will be pro-rated for that part of the performance period elapsed to the date of cessation. The Remuneration Committee will have the discretion to disapply time pro-rating and to bring forward exercise/vesting to the date of cessation of employment. In the case of a nominal cost option, a Good Leaver will normally be able to exercise their option during the period of three months following cessation of employment (or 12 months where cessation of employment is by reason of death). A “**Good Leaver**” is a participant who ceases employment by reason of death; injury, ill-health or disability; redundancy; retirement; the participant’s employing company ceasing to be a Group member; the participant’s employment being transferred, as part of business transfer, to a person who is not a Group member or under the control of a Group member; or any other reason that the Remuneration Committee in its discretion determines. If a participant who is not a Good Leaver ceases to be employed by the Group, his unvested Awards will lapse on the date of such cessation, unless the Remuneration Committee in its absolute discretion determines that Good Leaver treatment will apply.
- 9.1.15 *Corporate events.* In the event of a change of control (whether by way of a takeover offer or a scheme of arrangement or compromise) or a voluntary winding-up of the Company, Awards will vest or become exercisable immediately, to the extent any Performance Conditions have been met on the date of change of control. Such Awards will be pro-rated for that part of the performance period as has elapsed to the date of change of control, unless the Remuneration Committee in its discretion determines to permit a higher number of Ordinary Shares to vest or become exercisable. In the event of an internal reorganisation, Awards may be replaced by equivalent awards over shares in a new holding company.
- 9.1.16 *Variation of share capital.* In the event of a variation of the Company’s share capital (whether by way of capitalisation or rights issue or sub-division or consolidation of the Ordinary Shares or a share capital reduction), the number of Ordinary Shares subject to an Award may be adjusted by the Remuneration Committee.
- 9.1.17 *Terms of Awards.* Awards granted under the LTIP are non-transferable, other than to a participant’s personal representatives on the death of a participant. Any attempt to transfer will result in lapse of the Award. Participation in the LTIP will not be a term of a participant’s

contract of employment, and Awards will not form part of a participant's pensionable earnings.

- 9.1.18 *Shareholder Rights*. Except as otherwise provided in the applicable Award Agreement, all Ordinary Shares allotted or transferred to a participant on the vesting of an Award or the exercise of an option, will rank equally with other Ordinary Shares then in issue (except in respect of rights arising prior to the date of vesting or exercise, as the case may be).
- 9.1.19 *Overall Limits*. In any ten year period, (i) the number of Ordinary Shares which may be issued in respect of Awards granted after Admission under the LTIP and under any other employees' share plan adopted by the Company may not exceed 10 per cent. of the issued ordinary share capital of the Company from time to time, and (ii) the number of Ordinary Shares which may be issued in respect of Awards granted after Admission under the LTIP and under any other discretionary employees' share plan adopted by the Company may not exceed 8 per cent. of the issued ordinary share capital of the Company from time to time. Ordinary Shares held in treasury will be treated as newly issued Ordinary Shares for the purpose of these limits for as long as guidelines published by institutional investors so recommend. Ordinary Shares purchased in the market will not count towards these limits. Ordinary Shares transferred or issued pursuant to Awards that vested or were exercised prior to Admission will not count towards these limits.
- 9.1.20 *Amendment*. The Remuneration Committee may amend the LTIP at any time, provided that the prior approval of the Shareholders of the Company in general meeting will be required for amendments to the advantage of eligible employees or participants, and majority participants' consent will be required for amendments which would adversely affect their subsisting rights. However, any minor amendment to benefit the administration of the LTIP, to take into account legislative changes, or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment may be made by the Remuneration Committee without Shareholder and/or participants' approval.
- 9.1.21 *Term*. The LTIP will terminate 10 years from its adoption date unless the Board resolves to terminate it earlier. No Award may be granted more than 10 years after the LTIP is adopted. Awards granted before that date shall remain valid in accordance with their terms and the terms of the LTIP.

9.2 **Awards following Admission**

As noted in paragraph 9.1.2 and 9.1.10 of this Part VIII, it is intended that the Company will grant Awards under the LTIP to Executive Directors and other members of the senior management teams shortly after Admission.

9.3 **Future Remuneration Policy**

- 9.3.1 In anticipation of Admission, the Company undertook a review of its remuneration policy for Directors in order to ensure that it is appropriate for the listed company environment.
- 9.3.2 The Company's remuneration package for Executive Directors has been designed based on the following key principles:
- (a) to promote the long-term success of the Company;
 - (b) to provide appropriate alignment with investors' expectations in relation to the Group's strategy and outcomes; and
 - (c) to provide a competitive package of base salary and benefits and short and long term incentives, with an appropriate proportion being subject to the achievement of stretching individual and corporate performance conditions.
- 9.3.3 In connection with these key principles, the Remuneration Committee has adopted the LTIP (summarised in paragraph 9.1 of this Part VIII). It is intended that Admission Awards will be granted under the LTIP as set out in paragraph 9.1.2 of this Part VIII.

9.3.4 In connection with these key principles, the Remuneration Committee intends to adopt a senior bonus scheme (**Senior Bonus Scheme**) which will apply from 1 April 2017. The Senior Bonus Scheme provides for payment of discretionary annual performance based bonuses to employees and executive directors of the Company and the Group ("**Bonuses**"). The Senior Bonus Scheme will be operated in line with the remuneration policy approved by Shareholders from time to time. The maximum potential bonus which may be awarded to a participant in respect of the relevant bonus year shall not exceed 100 per cent. of the participant's annual base salary. It is anticipated that Executive Directors may be awarded Bonuses of up to 100 per cent. of their annual base salary, and other employees may be awarded bonuses which range between 20-50 per cent. of their annual base salary. The Remuneration Committee will set performance targets for annual Bonuses at the start of each financial year, based on a combination of an individual's personal, departmental and Group performance. It is intended that the Senior Bonus Scheme will have two component parts – a profit before tax component and other performance objectives.

9.3.5 Executive Directors' fixed and variable remuneration packages applying post-Admission have been determined taking into account:

- (a) The role and experience of the Executive Directors;
- (b) Remuneration arrangements at comparable UK listed companies; and
- (c) Best practice for UK AIM quoted companies.

9.3.6 It is intended to adopt a sales bonus scheme after Admission to reward employees in a senior sales role linked to achievement of financial targets together with other performance objectives.

9.3.7 It is intended to adopt a discretionary bonus scheme after Admission for head office staff linked to achievement of Group performance and individual performance.

9.4 **Shareholding Guidelines**

The Remuneration Committee intends to adopt shareholding guidelines in accordance with which Executive Directors will be required to build up and maintain a shareholding with a value equal to two time base annual salary. Executive Directors will be required to retain any shares which vest under the LTIP (after sales to cover tax) until this requirement is met.

10. **Taxation**

The following summary is intended as a general guide only for UK tax resident Shareholders as to their tax position under current UK tax legislation and HMRC practice as at the date of this document. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time.

The Company is at the date of this document resident for tax purposes in the United Kingdom and the following is based on that status.

This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of Ordinary Shares. It addresses certain limited aspects of the UK taxation position applicable to Shareholders resident and domiciled for tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents) and who are absolute beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as an investment. This summary does not address the position of certain classes of Shareholders who (together with associates) have a 10 per cent. or greater interest in the Company, or, such as dealers in securities, market makers, brokers, intermediaries, collective investment schemes, pension funds, charities or UK insurance companies or whose shares are held under a self-invested personal pension or an individual savings account or are "employment related securities" as defined in section 421B of the Income Tax (Earnings and Pensions) Act 2003. Any person who is in any doubt as to his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his professional advisers immediately as to the taxation consequences of their purchase, ownership and disposition of Ordinary Shares. This summary is based on current United Kingdom tax legislation. Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below.

10.1 **Taxation of dividends**

Under current UK taxation legislation, there is no UK withholding tax on dividends, including cases where dividends are paid to a Shareholder who is not resident (for tax purposes) in the UK.

Individual Shareholders

As of 6 April 2016, Shareholders who are individuals receive a tax free dividend allowance of £5,000 per tax year on the amount of any cash dividends received. If an individual receives dividends in excess of this allowance in a tax year, the excess will be taxed at 7.5 per cent. (for individuals not liable to tax at a rate above the basic rate), 32.5 per cent. (for individuals subject to the higher rate of income tax) and 38.1 per cent. (for individuals subject to the additional rate of income tax).

Trustees of discretionary trusts receiving dividends from shares are liable to account for income tax at the dividend trust rate, currently 38.1 per cent. Trustees do not qualify for the new £5,000 dividend allowance available to individuals. This is a complex area and trustees of such trusts should consult their own tax advisers.

United Kingdom pension funds and charities are generally exempt from tax on dividends which they receive.

Corporate Shareholders

A corporate shareholder resident in the UK for tax purposes will generally not be subject to corporation tax on dividend payments received from the Company.

Non-resident

In general, the right of a Shareholder who is not resident (for tax purposes) in the UK to claim relief in respect of a dividend received from the Company will depend upon the existence and the terms of an applicable double taxation treaty between the Country in which the Shareholders is resident and the UK. Shareholders may also be liable to tax on the dividend income under the tax law of their jurisdiction of residence.

Non-UK resident Shareholders should consult their own tax advisers in respect of the application of such provisions, their liabilities on dividend payments and/or what relief or credit may be claimed in the jurisdiction in which they are relevant.

10.2 **Taxation of Chargeable Gains**

For the purpose of UK tax on chargeable gains, the acquisition of Ordinary Shares pursuant to the Placing will be regarded as an acquisition of a new holding in the share capital of the Company. The Ordinary Shares so allotted will, for the purpose of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the Ordinary Shares will usually constitute the base cost of a shareholder's holding.

Individual Shareholders

If a UK resident individual Shareholder disposes of all or some of his Ordinary Shares a liability to tax on chargeable gains may, depending on their circumstances, arise. The shareholder's annual exemption (currently £11,100 for individuals) and any capital losses they have may reduce the chargeable gain. UK resident individuals are generally subject to capital gains tax at a current flat rate of 20 per cent., (reduced to 10 per cent. where a gain falls within an individual's unused basic rate income tax band). Trustees and personal representatives are generally subject to capital gains tax at 20 per cent.

A Shareholder who is not resident in the UK for tax purposes, but who carries on a trade, profession or vocation in the UK through a permanent establishment (where the Shareholder is a company) or through a branch or agency (where the Shareholder is not a company) and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation or such permanent establishment, branch or agency (as appropriate) will be subject to UK tax on capital gains on the disposal of Ordinary Shares.

In addition, any holders of Ordinary Shares who are individuals and who dispose of shares while they are temporarily non-resident may be treated as disposing of them in the tax year in which they again become resident in the UK.

For UK resident trusts or personal representatives, capital gains are chargeable at a flat rate of 20 per cent. subject to certain reliefs and exemptions.

Corporate Shareholders

For disposals by corporate Shareholders, capital gains are chargeable currently at the rate of 20 per cent. (19 per cent. from 1 April 2017) subject to the availability of an exemption (e.g. the substantial shareholding exemption) or relief indexation allowance may apply to reduce any such gain, although indexation cannot create or increase a capital loss (indexation is no longer available to individuals and trustees).

10.3 **Stamp duty and Stamp Duty Reserve Tax**

No stamp duty or stamp duty reserve tax (“SDRT”) will generally be payable on the issue of the Placing Shares.

Neither UK stamp duty nor SDRT should arise on transfers of Ordinary Shares on AIM (including instruments transferring Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

- 10.3.1 the Shares are admitted to trading on AIM, but are not listed on any market (with the term “listed” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- 10.3.2 AIM continues to be accepted as a “recognised growth market” (as construed in accordance with section 99A of the Finance Act 1986). In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of Ordinary Shares in certain circumstances, at the rate of 0.5 per cent. of the amount or value of the consideration (rounded up in the case of stamp duty to the nearest £5).

10.4 **Inheritance Tax**

Individual and trustee Shareholders domiciled or deemed to be domiciled in any part of the UK may be liable on occasions to inheritance tax (“IHT”) on the value of any Ordinary Shares held by them. Under current law, the primary occasions on which IHT is charged are on the death of the Shareholder, on any gifts made during the seven years prior to the death of the Shareholder (which will also be brought into account when calculating the IHT on the death of the Shareholder), and on certain lifetime transfers, including transfers to trusts or appointments out of trusts to beneficiaries, save in very limited and exceptional circumstances.

However, a relief from IHT known as business property relief (“BPR”) may apply to ordinary shares in trading companies once these have been held for two years by the Shareholder. This relief may apply notwithstanding that a company’s shares will be admitted to trading on AIM (although it does not apply to companies whose shares are listed on the Official List). BPR operates by reducing the value of shares by 100 per cent. for IHT purposes which means that there will be no IHT to pay.

Shareholders should consult an appropriate professional adviser if they intend to make a gift of any kind or intend to hold any Ordinary Shares through trust arrangements. They should also seek professional advice in a situation where there is a potential for a double charge to UK IHT and an equivalent tax in another country.

10.5 **AIM**

Companies whose shares trade on AIM are deemed unlisted for the purposes of certain areas of UK taxation. Following Admission, Shares held by individuals for at least two years from Admission may qualify for more generous exemptions from inheritance tax on death or in relation to lifetime transfers of those Shares. Shareholders should consult their own professional advisers on whether an

investment in an AIM security is suitable for them, or whether the tax benefit referred to above may be available to them.

The comments set out above are intended only as a general guide to the current tax position in the UK at the date of this document. The rates and basis of taxation can change and will be dependent on a Shareholder's personal circumstances.

Neither the Company nor its advisers warrant in any way the tax position outlined above which, in any event, is subject to changes in the relevant legislation and its interpretation and application.

Any person who is in any doubt as to his tax position or who may be subject to tax in any other jurisdiction should consult his professional adviser.

11. Working Capital

The Directors are of the opinion, having made due and careful enquiry and taking into account the net proceeds of the Placing and the bank facilities available to the Group, that the working capital available to the Group will be sufficient for the Group's present requirements that is for at least twelve months from the date of Admission.

12. Litigation

No member of the Group is, or has been, involved in any legal or arbitration proceedings and the Company is not aware of any such proceedings pending or threatened by or against the Group during the 12 months preceding the date of this document which may have or have had in the 12 months preceding the date of this document a significant effect on the Group's financial position or profitability.

13. Placing Arrangements

13.1 Placing Agreement

13.1.1 Under an Agreement dated 2 February 2017 and made between (1) the Company, (2) the Directors, (3) NorthEdge and (4) Liberum, Liberum has agreed (conditionally, *inter alia*, on Admission becoming effective not later than 15 February 2017), as agent for the Company, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

Under the Placing Agreement, the Company and the Directors have given Liberum certain warranties regarding, *inter alia*, the accuracy of the information contained in this document and other matters relative to the Group and its business. In addition, the Company has given an indemnity to Liberum in respect of any liabilities resulting from the carrying out by Liberum of its obligations or services under or in connection with the Placing Agreement. Provisions permit the Placing Agreement to be terminated prior to Admission in certain circumstances, including a material breach of the Placing Agreement.

Under the Placing Agreement and subject to it becoming unconditional, the Company has agreed to pay Liberum a corporate advisory fee and commission on the New Ordinary Shares.

The Company will pay certain other costs and expenses (including any applicable VAT) of, or incidental to, the Placing including all fees and expenses payable in connection with Admission, expenses of the registrars, printing and advertising expenses, postage and all other legal, accounting and other professional fees and expenses.

13.1.2 Under the Placing Agreement each of Peter Kenyon, Martin Clyburn and Andrew Meehan has agreed to be subject to a 12 month lock-up period and NorthEdge has agreed to be subject to a 6 month lock-up period, during which time (subject to certain exceptions) they may not issue, offer, sell or contract to sell or otherwise dispose of any Ordinary Shares they hold at Admission or any Ordinary Shares that may accrue to them as a result of their

shareholdings at Admission (each a “Disposal”). In addition they have also agreed (subject to certain exceptions) that any Disposal in the subsequent 12 month period (or 6 month period in respect of NorthEdge) will be undertaken by Liberum (for so long as Liberum remains the Company’s nominated advisor and broker) from time to time.

13.1.3 Peter Kenyon, Martin Clyburn, Andrew Meehan and NorthEdge have each agreed to sell a portion of his or its existing Ordinary Shares in the Placing through the Placing Agreement.

13.2 **Deeds of Election**

13.2.1 Each of the Selling Shareholders has agreed to sell a portion of his existing Ordinary Shares in the Placing and (other than Peter Kenyon, Martin Clyburn, Andrew Meehan and NorthEdge) has entered into a Deed of Election appointing the Company as its agent to sell such shares in the Placing.

13.2.2 Each Selling Shareholder (other than Peter Kenyon, Martin Clyburn, Andrew Meehan and NorthEdge) has entered into a Deed of Election with the Company and Liberum whereby each such Selling Shareholder has agreed to be subject to a 12 month lock-up period, during which time (subject to certain exceptions) they may not issue, offer, sell or contract to sell or otherwise dispose of any Ordinary Shares they hold at Admission or any Ordinary Shares that may accrue to them as a result of their Shareholdings at Admission (each a “**Disposal**”). In addition they have also agreed (subject to certain exceptions) that any Disposal in the subsequent 12 month period will be undertaken by Liberum (for so long as Liberum remains the Company’s nominated advisor and broker) from time to time.

13.2.3 Under the Deeds of Election the Selling Shareholders have granted certain warranties to Liberum in relation to title to the Sale Shares and authority to sell and, in relation to Kevin Nigel Brown and Michael Johnson only, certain additional warranties in relation to the business of the Group. The Selling Shareholders have also given an indemnity to Liberum in respect of any liabilities resulting from the carrying out by Liberum of its obligations or services under or in connection with the Placing.

13.3 **Selling Shareholders**

The name, business address of each Selling Shareholder and the number of Ordinary Shares to be sold by each Selling Shareholder pursuant to the Placing is set out below.

<i>Name</i>	<i>Business Address</i>	<i>Relationship to the Company (if any)</i>	<i>No. of Ordinary Shares to be sold</i>
NorthEdge Capital Fund 1 LP	6th Floor, Vantage Point, Hardman Street, Spinningfields, Manchester, M3 3HF	Investor Shareholder	9,250,350
NorthEdge Capital 1 GP LLP	6th Floor, Vantage Point, Hardman Street, Spinningfields, Manchester, M3 3HF	Investor Shareholder	212,350
Peter Edward Kenyon	Unit 16, The Parkway Centre, Coulby Newham, Middlesbrough, TS8 0TJ	Director	783,750
Martin Anthony Clyburn	Unit 16, The Parkway Centre, Coulby Newham, Middlesbrough, TS8 0TJ	Director	51,579
Kevin Nigel Brown	Unit 16, The Parkway Centre, Coulby Newham, Middlesbrough, TS8 0TJ	Ramsdens director	1,252,000
Michael Johnson	Unit 16, The Parkway Centre, Coulby Newham, Middlesbrough, TS8 0TJ	Ramsdens director	413,160

<i>Name</i>	<i>Business Address</i>	<i>Relationship to the Company (if any)</i>	<i>No. of Ordinary Shares to be sold</i>
Jason John Carr	Unit 16, The Parkway Centre, Coulby Newham, Middlesbrough, TS8 0TJ	Ramsdens director	123,750
Matthew William Leslie Fothergill	Unit 16, The Parkway Centre, Coulby Newham, Middlesbrough, TS8 0TJ	Employee	11,814
Andrew David Meehan	Unit 16, The Parkway Centre, Coulby Newham, Middlesbrough, TS8 0TJ	Director	81,180
Susan Meehan	Unit 16, The Parkway Centre, Coulby Newham, Middlesbrough, TS8 0TJ	Connected person of Andrew David Meehan	82,500
Jacqueline Jane Clyburn	Unit 16, The Parkway Centre, Coulby Newham, Middlesbrough, TS8 0TJ	Connected person of Martin Anthony Clyburn	51,546

13.4 **Relationship Agreement**

On 1 February 2017, the Company and Liberum entered into the Relationship Agreement with NorthEdge Capital 1 GP LLP and NorthEdge Capital Fund 1 LP. The Relationship Agreement includes, amongst other things, provisions intended to ensure that the Company will, following Admission, be able to operate independently of NorthEdge. Amongst other things, the Relationship Agreement provides that NorthEdge, as far as it is able to do as Shareholder shall, conditional upon Admission:

- procure that the Group is managed for the benefit of the Shareholders as a whole and independently of NorthEdge.
- procure that all arrangements between any members of the Group and NorthEdge be at arms' length and on a commercial basis or on terms more favourable to the Group than arms' length.
- not take any action that could reasonably be expected to have the effect of preventing the Company from complying with its obligations under the AIM Rules for Companies.
- not propose or procure the proposal of a resolution intended to circumvent the proper application of the AIM Rules for Companies.
- procure that the Remuneration Committee, Nomination Committee and Audit Committee will be comprised of at least three members a majority of whom shall be independent directors.
- procure that the Company will be managed, so far as practicable, in accordance with the QCA Guidelines.

Under the Relationship Agreement NorthEdge will have the power to appoint an observer to the Board and will replace that observer as it sees fit (subject to consultation with the Company's nominated adviser at that time). The Relationship Agreement will continue in force for so long as the Shares are admitted to trading on AIM and NorthEdge holds in aggregate in excess of ten per cent. of the total voting shares of the Company.

14. **Material Contracts**

In addition to the Placing Agreement, details of which are set out in paragraph 13.1 above, the Deeds of Election, details of which are set out in paragraph 13.2 above and the Relationship Agreement, details of which are set out in paragraph 13.4 above, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or by its subsidiaries during the two years immediately preceding the date of this document and are, or may be, material;

- 14.1 On 31 March 2016, the Company entered into a revolving Credit Facility Agreement with Yorkshire Bank (“Yorkshire Bank”) in respect of a revolving credit facility of £5 million to be made available to the Group (“Existing Facility”). Interest is payable on amounts drawn down at the rate of 3.5 per cent. per annum (margin) above the London Inter Bank offered rate together with certain mandatory costs. The facility is for a period of 12 months. All amounts become immediately repayable and undrawn amounts cease to be available for draw down in the event of a flotation, sale of shares or sale of substantially all of the assets of the Group. There is a non-utilisation fee of 40 per cent. of the applicable margin of 3.5 per cent. per annum.

Certain securities were granted as security for the Existing Facility. These comprised a debenture granted by Ramsdens, a debenture granted by RGL and a debenture granted by the Company together with an unlimited guarantee granted by each of the Company, RGL and Ramsdens in favour of Yorkshire Bank.

- 14.2 On 31 March 2016, an inter creditor deed was entered into amongst Yorkshire Bank, NorthEdge Capital Fund 1 LP, NorthEdge Capital 1 GP LLP, the Company, RGL and Ramsdens to regulate the ranking of the Existing Facility and the Loan Notes.

- 14.3 On 31 January 2017 the Company entered into a revolving credit facility agreement with Yorkshire Bank in respect of a revolving credit facility of £7 million and a direct debit originator facility of £15,000 to be made available to the Group (“New Facility”). The New Facility will be available, conditional on Admission, and will replace the Existing Facility. The term of the New Facility is 36 months. Interest is calculated at the rate of 2.5 per cent. per annum (Margin) above the London Inter-Bank offered rate together with certain mandatory costs.

The securities granted in relation to the Existing Facility will remain in place in respect of the New Facility.

- 14.4 On 2 September 2014 RGL created a loan note instrument in respect of the creation of up to £9,592,951 10 per cent. fixed rate secured guaranteed A loan notes 2018. The repayment date of the A Loan Notes is 2 September 2018 or earlier in the event of a flotation, sale of shares or sale of assets. Interest is payable on the outstanding principal of the loan notes at the rate of 10 per cent. per annum. The A Loan Notes are guaranteed by Ramsdens and the Company. The balance outstanding of the Loan Notes as at 1 February 2017 (being the latest practicable date prior to the date of this document) is £4,000,000. The remaining A Loan Notes will be repaid out of the proceeds of the Placing.

- 14.5 On 2 September 2014, RGL created a loan note instrument in respect of the creation of up to £267,500 10 per cent. fixed rate secured guaranteed B loan notes 2018. The repayment date was 2 September 2018 or earlier in the event of a flotation, sale of shares or sale of assets. Interest was payable on the outstanding principal of the B Loan Notes at the rate of 10 per cent. per annum. The Loan Notes are guaranteed by the Company and Ramsdens. The B Loan Notes have been repaid in full.

- 14.6 On 2 September 2014 RGL created a loan note instrument in respect of the creation of up to £500,000 10 per cent. fixed rate secured guaranteed C loan notes 2015. The C Loan Notes had a repayment date of 2 March 2015 or earlier in the event of a flotation, sale of shares or sale of assets. Interest was payable on the outstanding principal of the C Loan Notes at the rate of 10 per cent. per annum. The loan notes were guaranteed by the Company and Ramsdens. The C Loan Notes have been repaid in full.

- 14.7 On 15 November 2016, Ramsdens entered into an asset purchase agreement with Cheque Centres Limited in relation to the acquisition of a pawnbroking loan book together with the benefit, subject to the burden, of the pawnbroking loan agreements relating to the loan book, the items pledged pursuant to the pawnbroking loan agreements and goodwill for an aggregate consideration of £53,130.27. The pawnbroking loan book and post completion restrictions of the seller relate to various locations in England and Scotland.

- 14.8 On 25 November 2016, Ramsdens entered into an asset purchase agreement with Cheque Centres Limited in relation to the acquisition of a pawnbroking loan book together with the benefit, subject to

the burden, of the pawnbroking loan agreements relating to the loan book, the items pledged pursuant to the pawnbroking loan agreements and goodwill for an aggregate consideration of £14,248.58. The pawnbroking loan book and post completion restrictions on the seller relate to Leven, Montrose and Portobello, Scotland.

- 14.9 On 12 December 2016, Ramsdens entered into an asset purchase agreement with Cheque Centres Limited in relation to the acquisition of the business and assets of the seller carried on from its branches in Bellshill, Dalkeith, Musselburgh and Fraserburgh, together with goodwill, for a consideration of £1. The seller agreed to assign its rights under the leases in respect of the premises at Bellshill, Dalkeith and Musselburgh. Ramsdens has been granted a licence to occupy such premises pending receipt of landlords consent. A new lease is being entered into between Ramsdens and the landlord of the premises at Fraserburgh. The seller also granted Ramsdens the right to place vinyl advertisements on 28 of the seller's other properties located in various parts of England and Scotland, for the purposes of promoting Ramsdens products and services.
- 14.10 On 13 December 2016, Ramsdens entered into an asset purchase agreement with Cheque Centres Limited in relation to the acquisition of a pawnbroking loan book together with the benefit, subject to the burden, of the pawnbroking loan agreements relating to the loan book, the items pledged pursuant to the pawnbroking loan agreements and goodwill for an aggregate consideration of £14,575.53. The pawnbroking loan book and post completion restrictions on the seller relate to Dalkeith, Fraserburgh, Musselburgh and Alloa, Scotland.
- 14.11 On 9 September 2016, Ramsdens entered into an asset purchase agreement with Harvey & Thomson Limited (trading as H&T Pawnbrokers) in relation to the acquisition of a pawnbroking loan book together with the benefit, subject to the burden, of the pawnbroking loan agreements relating to such loan book, the items pledged pursuant to the pawnbroking loan agreements and goodwill for an aggregate consideration of £64,000. The pawnbroking loan book and post completion restrictions of the seller relate to Kilmarnock, Scotland.
- 14.12 On 8 March 2016 Ramsdens entered into an asset purchase agreement with Harvey & Thomson Limited (trading as H&T Pawnbrokers) to acquire a pawnbroking loan book together with the benefit, subject to the burden, of the pawnbroking loan agreements relating to such loan book, the items pledged and goodwill for an aggregate consideration of £80,508. The pawnbroking loan book and post completion restrictions of the seller relate to Durham, England.
- 14.13 On 1 March 2016, Ramsdens entered into an asset purchase agreement with Bayleaf Investments Limited, Peter Guy Knowlson and Benjamin George Knowlson in respect of the acquisition of a pawnbroking loan book together with the benefit, subject to the burden, of the pawnbroking loan agreements relating to such loan book, the items pledged pursuant to the pawnbroking loan agreements and goodwill, for an aggregate consideration of £226,678. The loan book and post completion restrictions of the sellers are in respect of various locations in Hull and in Bridlington, England.
- 14.14 On 19 February 2016, Ramsdens entered into an asset purchase agreement with Jollys Mansfield Limited, Roland Stephen Ginever and Thomas Wesley Ginever ("Seller") in respect of (i) a pawnbroking loan book together with the benefit, subject to the burden, of the pawnbroking loan agreements relating to such loan book, the items pledged and goodwill, (ii) information in relation to the cheque cashing business of the Seller and (iii) sale and buy back agreements between the Seller and certain customers relating to goods sold to the Seller by the customer with the customer having an option to buy the goods back from the Seller. The aggregate consideration for the acquisition was £150,000. The assets acquired and post completion restrictions of the Seller relate to Lincoln, England.
- 14.15 On 18 November 2015, Ramsdens entered into an asset purchase agreement with Brian Michael Fagleman (trading as Intercoin) in respect of a pawnbroking loan book together with the benefit subject to the burden, of the pawnbroking loan agreements relating to such loan book, the items pledged and goodwill, for an aggregate consideration of £54,470. The loan book and post completion restrictions of the sellers relate to Newcastle, England.
- 14.16 On 10 June 2015, Ramsdens entered into an asset purchase agreement with David Hall and Susan Hall in respect of a pawnbroking loan book together with the benefit, subject to the burden, of the

pawnbroking loan agreements relating to such loan book, the items pledged and goodwill, for an aggregate consideration of £60,000. The loan book and the post completion restrictions of the sellers relate to Newcastle, England.

- 14.17 On 6 May 2015, Ramsdens entered into an asset purchase agreement with Gold and Silver Dealings Limited in respect of a pawnbroking loan book together with the benefit, subject to the burden, of the pawnbroking loan agreements relating to such loan book, the items pledged and goodwill, for an aggregate consideration of £49,034.93. The loan book and post completion restrictions of the seller relate to North Shields, England.
- 14.18 The Investment Agreement dated 2 September 2014 between the Company and the Existing Shareholders regulated the relationship between NorthEdge, the Company and the other shareholders of the Company. The Investment Agreement contains customary consent and information rights to NorthEdge and drag and tag rights for the benefit of Shareholders. The Investment Agreement is being terminated, conditional on Admission.
- 14.19 On 1 February 2017, a Deed of Termination was entered into among NorthEdge Capital Fund 1 LP, NorthEdge Capital 1 GP LLP, the Company, RGL, Peter Kenyon, Kevin Brown, Michael Johnson, Jason Carr, Martin Clyburn, Mathew Fothergill, Andrew Meehan and Susan Meehan terminating the Investment Agreement, conditional on Admission.
- 14.20 On 2 December 2016, Ramsdens entered into an amendment agreement with one of its franchisees, Cantwells the Jewellers Limited, and Alan Kenneth Cantor (director of Cantwells the Jewellers Limited) amending the existing franchise agreement between the parties dated 24 December 2010 (as amended by a supplementary agreement dated 7 March 2012 and an amendment agreement dated 5 December 2014). The franchisee previously operated branches in Bury and Oldham but, pursuant to the amendment agreement, Ramsdens consented to the closure of the Oldham branch and the continued operation of the Bury branch only.
- 14.21 Ramsdens has an advertising agreement with Middlesbrough Football & Athletic Club (1986) Limited (MFC) pursuant to which Ramsdens has certain in stadium screen TV advertising rights. An addendum to this agreement was entered into in October 2015.

Ramsdens also has a sponsorship agreement with MFC pursuant to which Ramsdens has been granted certain sponsorship rights in relation to MFC, including shirt sponsorship rights. The terms of sponsorship are, *inter alia*, dependent on the division in which MFC plays. An addendum to this agreement was entered into in October 2015 and a variation agreement was entered into in January 2017.

- 14.22 A nominated adviser and broker engagement letter dated 18 January 2017 was entered into between Liberum and the Company pursuant to which Liberum was appointed to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies. The Company has agreed to pay Liberum an annual retainer for its services as nominated adviser and broker along with certain out of pocket expenses. The engagement letter is terminable upon not less than one month's prior written notice by either the Company or Liberum and otherwise by Liberum on the occurrence of certain other customary events.
- 14.23 By letter dated 10 August 2016 entered into between the Company and Diagnostic Capital Limited, Diagnostic Capital Limited, now called Bamburgh Capital Limited, were appointed as IPO Advisor to the Company to provide services, *inter alia*, to assess whether the Company would be suitable for an IPO, to carry out test marketing and assist with the selection of a Nomad and broker.

15. Consents

- 15.1.1 Liberum of 25 Ropemaker Street, London EC2Y 9LY is regulated by the Financial Conduct Authority for the conduct of investment business in the UK. Liberum has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which they appear.

- 15.1.2 Grant Thornton UK LLP of No. 1 Whitehall, Riverside, Leeds, LS1 4BN has given and has not withdrawn its written consent to the inclusion of its Accountant's Report on Historical Financial Information set out in Section A of Part IV of this document and its Review Report on Unaudited Interim Financial Information set out in Section A of Part V of this document and the references to such reports, in the form and context in which they appear.
- 15.1.3 Grant Thornton UK LLP accepts responsibility for the reports set out in Parts IV and V in accordance with the AIM Rules, confirms that to the best of its knowledge having taken all reasonable care to ensure that such is the case the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information.

16. Significant Changes

- 16.1 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 30 September 2016 being the date to which the unaudited interim financial information set out in Section B of Part V of this document has been drawn up.

17. Employees

As at 13 January 2017 the Group employed a total of 546 members of staff. The average number of persons employed by the Group in the financial year ended 31 March 2016 was 529, in the financial year ended 31 March 2015 was 511 and in the financial year ended 31 March 2014 was 545.

The breakdown of persons employed by main category of activity was as follows:

	<i>31 March 2014</i>	<i>31 March 2015</i>	<i>31 March 2016</i>
Number of Employees	545	511	529
Activity			
Head office and management	83	63	60
Branch counter staff	462	448	469

The Group did not employ temporary staff in the financial year ended 31 March 2016.

18. Properties

The following are the premises leased by the Group:

<i>Address</i>	<i>Tenure</i>	<i>Nature of Premises</i>
6 Commercial Street, Aberdare	Lease	Store
128 Union Street, Aberdeen	Lease	Store
10b South Bridge Street, Airdrie	Lease	Store
26 Albany Road, Cardiff	Lease	Store
214 High Street, Arbroath, DD11 1HY	Lease	Store
216 Argyle Street, Glasgow	Lease	Store
3 Bellway House, Woodhorn Road, Ashington	Lease	Store
24 Hope Street, Ayr	Lease	Store
130 Cavendish Street, Barrow	Lease	Store
81-85 Holton Road, Barry	Lease	Store
66 George Street, Bathgate	Lease	Store
Unit 7, Adelaide Centre, Benwell	Lease	Store
Unit 3 Marygate, Berwick	Lease	Store
15 Town Square, Billingham	Lease	Store
53 Newgate Street, Bishop Auckland	Lease	Store
136 High St, Blackwood	Lease	Store
3 Bridge Street, Blyth	Lease	Store
3 Godwin Mall, Kirkgate Centre, Bradford	Lease	Store
Unit 23 The Rhiw Shopping Centre, Bridgend	Lease	Store

<i>Address</i>	<i>Tenure</i>	<i>Nature of Premises</i>
Unit 6C, The Bridges Shopping Centre, Bridges	Lease	Store
2 Promenade, Bridlington	Lease	Store
81 Shields Road, Byker	Lease	Store
56 Cardiff Road, Caerphilly	Lease	Store
Unit 49 The Lanes Shopping Centre, Carlisle	Lease	Store
21 Red Street, Carmarthen	Lease	Store
78A Front Street, Chester Le Street	Lease	Store
9a Packers Row, Chesterfield	Lease	Store
81-83 Main Street, Coatbridge	Lease	Store
66 Sylvania Way, Clydebank	Lease	Store
1 John Street Square, Consett	Lease	Store
Unit 16 Parkway Centre, Coulby Newham	Lease	Store
104 Cowbridge Road East, Cardiff	Lease	Store
K2 Cheviot House, Cramlington	Lease	Store
1st Floor, Crown House, Middlesbrough	Licence	Training centre
18 Teviot Walk, Cumbernauld	Lease	Store
Unit 16 Monmouth Walk, Cwmbran	Lease	Store
110b Dalry Road, Edinburgh	Lease	Store
36a and 37 Tubwell Row, Darlington	Lease	Store
49 High Street, Doncaster	Lease	Store
135-137 High Street, Dumbarton	Lease	Store
68 High Street, Dumfries	Lease	Store
26 – 28 High Street, Dundee	Lease	Store
14B Kingsgate Shopping Centre, Dunfermline	Lease	Store
71c North Road, Durham	Lease	Store
Unit 16, Princes Square, East Kilbride	Lease	Store
19 Bethcar Street, Ebbw Vale	Lease	Store
Unit 12 St Giles, Elgin	Lease	Store
162 High Street, Eston	Lease	Store
Unit 1A The Mall, Falkirk	Lease	Store
242 High Street, Gateshead, Gateshead	Lease	Store
Unit 11, Kingdom Shopping Centre, Glenrothes	Lease	Store
13 Gilkes Street, Middlesbrough	Lease	Store
2 Belgravia, Goole, East Yorkshire DN14 5BU	Lease	Store
47 La Porte Precinct, Grangemouth	Lease	Store
Unit 4 Hamilton Gate, Greenock	Lease	Store
2 Victoria Street West, Grimsby	Lease	Store
16 Fountain Street, Halifax	Lease	Store
Unit 7 Newcross Shopping Centre, Hamilton	Lease	Store
3 Jubilee House, York Road, Hartlepool	Lease	Store
340 Hessle Road, Hull	Lease	Store
2 Bridge St, Haverfordwest	Lease	Store
Birchwood House, Dalby Way, Coulby Newham	Lease	Head Office
Unit 24, East Mall, Hill Street Shopping Centre, Middlesbrough	Lease	Store
22 Middlewood Road, Hillsbrough	Lease	Store
230 Holderness Road, Hull	Lease	Store
Unit 1 Packhorse Centre, Huddersfield	Lease	Store
33 High Street, Inverness	Lease	Store
31 Bridgegate, Irvine	Lease	Store
19 Bede Precinct, Jarrow	Lease	Store
39 Queensway, The Airedale Shopping Centre, Keighley	Lease	Store
Unit 4, The Killingworth Centre	Lease	Store
Unit 2, 39-41 King Street, Kilmarnock	Lease	Store
90 High Street, Kirkcaldy	Lease	Store
11-12 Kirkgate	Lease	Store
47 Cowgate, Kirkintilloch	Lease	Store
14/16 Sir Simons Arcade, Lancaster	Lease	Store

<i>Address</i>	<i>Tenure</i>	<i>Nature of Premises</i>
1 Duke Street, Leith	Lease	Store
344 High Street, Lincoln	Lease	Store
327 Linthorpe Road, Linthorpe	Lease	Store
7 Almondvale Walk, Livingston	Lease	Store
18A Stepney Street, Llanelli	Lease	Store
Unit 1A, Countisbury Avenue, Llanrumney	Lease	Store
Unit 8 Beacons Place, Merthyr Tydfil	Lease	Store
105 Acklam Road, Middlesbrough	Lease	Store
62A Queen Street, Morley	Lease	Store
40 Woodfield Street, Morriston	Lease	Store
30 Brandon Parade, Motherwell	Lease	Store
3b Angel Place, Neath	Lease	Store
62 Grainger Street, Newcastle	Lease	Store
Unit 3A, 147/148 Commercial Street (ground & first floor), Newport	Lease	Store
9 Beveridge Way, Newton Aycliffe	Lease	Store
81-82 Bedford Street, North Shields	Lease	Store
8 Moss St, Paisley	Lease	Store
374 Dumbarton Road, Patrick	Lease	Store
86 High Street, Perth	Lease	Store
49 Marischal Street, Peterhead	Lease	Store
11 Yoden Way, Peterlee	Lease	Store
Unit 8, West Mall, The Aberafan Shopping Centre, Port Talbot	Lease	Store
23 Taff Street, Pontypridd	Lease	Store
53 West Dyke Road, Redcar	Lease	Store
24 Corporation Street, Rotherham	Lease	Store
228 High Street, Rutherglen	Lease	Store
72 Dockheads Street, Saltcoats	Lease	Store
78 Newborough, Scarborough	Lease	Store
148 High Street, Scunthorpe	Lease	Store
63 The Moor, Sheffield	Lease	Store
20 King Street, South Shields	Lease	Store
129 Prince Edward Road, South Shields	Lease	Store
45-47 The Green, Southwick	Lease	Store
235 Springburn Way, Springburn	Lease	Store
9-11 Murray Place, Stirling	Lease	Store
67 Bishopton Lane, Stockton	Lease	Store
127 Chester Road, Sunderland	Lease	Store
13 Union Street, Swansea	Lease	Store
Unit 17B, The Forge, Parkhead	Lease	Store
No7, St Peters House, Thornaby	Lease	Store
491 Victoria Road, Glasgow	Lease	Store
Ground Floor, 106 Station Road, Wallsend	Lease	Store
Unit 45 The Galleries, Washington	Lease	Store
285 Whitley Road, Whitley Bay	Lease	Store
22 Main Street, Wishaw	Lease	Store
13 Market Street , York	Lease	Store
1 High Street, Dalkeith	Licence	Store
173 High Street, Mussleburgh	Licence	Store
213 Main Street, Bellshill	Licence	Store
10 Broad Street, Fraserburgh	Licence	Store

19. Related Party Transactions

- 19.1 On 2 September 2014 Ramsdens entered into a contract for services with Lanthorne Limited for the provision of certain strategic retail consultancy services. Lanthorne Limited is a company in which Mr Meehan, a director of the Company, and his wife are able to exercise control. The services were to be provided for a period of 1 year ending 2 September 2015. By letter dated 14 October 2015 the

contract for the provision of the services was extended, on the same terms and conditions, to 2 September 2016. By letter dated 23 November 2016 Ramsdens and Lanthorne Limited confirmed that the provision of the services had completed by 31 October 2016 and the contract was at an end. Lanthorne Limited was paid an aggregate of £96,048 for the provision of the services over this period.

- 19.2 In addition to the above, details of further related party transactions during the period covered by the historical financial information are contained in note 24 to the historical financial information in section B of Part IV of this document.
- 19.3 Save as disclosed in this document, there have been no related party transactions entered into by the Company prior to the date of this document.

20. General

- 20.1 Except for fees payable to the professional advisers whose names are set out in Part I of this document, payment of fees of £58,000 to NorthEdge Capital LLP, the manager of NorthEdge Capital Fund 1 LP, payment of £31,798.08 to Lanthorne Limited for the provision of retail consultancy service (Lanthorne Limited is a company connected with Andrew Meehan), payment to trade suppliers or otherwise as disclosed in this document no person has received, directly or indirectly, within the twelve months preceding the application for Admission or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:
- 20.1.1 fees totalling £10,000 or more;
 - 20.1.2 securities where these have a value of £10,000 or more calculated by reference to the Placing Price; or
 - 20.1.3 any other benefit with a value of £10,000 or more at the date of Admission.
- 20.2 The aggregate expenses of and incidental to the Placing are estimated to amount to approximately £1.1 million (net of recoverable VAT) and are payable by the Company.
- 20.3 There are no significant investments by the Group under active consideration.
- 20.4 Other than the current application for Admission, the Ordinary Shares have not been admitted to dealing on any investment exchange nor has any application for such admission been made nor any are there intended to be any other arrangements for there to be dealings in the Ordinary Shares on any such exchange.
- 20.5 The brand “Ramsdens” is important to the business of the Group. The Group has submitted a trademark application in respect of “Ramsdens”. Save as disclosed in this document, there are no patents, other intellectual property rights, licenses or particular contracts which are of fundamental importance to the Group’s business.
- 20.6 Save as disclosed in this document, the Directors are not aware of any exceptional factors which have influenced the Group’s activities.
- 20.7 Where information has been sourced from a third party, the Company confirms that the information has been accurately reproduced and that as far as it is aware and is able to ascertain from the information published by those third parties, no facts have been omitted which would render the information produced inaccurate or misleading.
- 20.8 The accounting reference date of the Company is 31 March.
- 20.9 The auditors of the Company are Ernst & Young LLP, which is regulated by the Institute of Chartered Accountants of England and Wales.
- 20.10 The financial information relating to the Group and set out in Sections B of Parts IV and V of this document does not comprise statutory accounts within the meaning of the Companies Act. Statutory accounts for FY14, FY15 and FY16 containing an unqualified auditors report have been delivered to the registrar of companies.

- 20.11 No financial information contained in this document is intended by the Company to represent or constitute a forecast of profits by the Company.
- 20.12 Of the price being paid to the Company for the Placing Shares, £0.01 represents the nominal value and £0.85 represents premium.
- 20.13 Save as disclosed in this document, there are no investments in progress, and there are no future investments on which the Directors have already made firm commitments, which are significant to the Group.
- 20.14 Save as disclosed in this document, the Directors are not aware of any environmental issues that may affect the Group's utilisation of its tangible fixed assets.
- 20.15 Save as disclosed in this document, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.
- 20.16 No public takeover bids have been made by third parties in respect of the Company's issued share capital since its incorporation up to the date of this document.

21. Availability of Admission Document

- 21.1 Copies of this document will be available free of charge to the public from the Company's website www.ramsdensplc.com from Admission.

Dated: 2 February 2017

