H&T GROUP PLC

EST 1897

ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

WELCOME TO H&T

H&T is the UK's largest pawnbroker and a leading retailer of high-quality new and pre-owned jewellery and pre-owned watches.

We provide a range of transparent and accessible financial products tailored for a customer base, which has limited access to, or is excluded from, the traditional banking sector.

H&T is a trusted consumer brand offering customers pawnbroking loans, with a network of 285 stores across the UK.

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MISSION STATEMENT

Our mission is to consistently exceed our customers' expectations by developing and empowering our people, driving sustainable growth, and providing attractive returns for our shareholders.

FINANCIAL HIGHLIGHTS

Profit Before Tax (£m)

£29.1m

(2023: £26.4m)

2024	29.1
2023	26.4
2022	19.0

Net Asset Value (£m)

£192.1m

(2023: £177.4m)

2024	192.1
2023	177.4
2022	164.1

Diluted EPS (p)

50.9p

(2023: 48.5p)

2024	50.9
2023	48.5
2022	37.2

Dividend per Share (p)

18.0p

(2023: 17.0p)

2024	18.0
2023	17.0
2022	15.0

Net Pledge Book (£m)

£158.3m

(2023: £128.9m)

2024	158.4
2023	128.9
2022	100.7

Return on Equity

12.2%

(2023: 12.6%)

2024	12.2%
2023	12.6%
2022	9.9%*

* Based on simple average.

OUR PRODUCT OFFERING

CUSTOMER INSIGHTS

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A REPORT FROM SIMON WALKER

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CREATING LONG-TERM VALUE

WHO WE ARE

Serving the community and trusted by our customers for over 125 years.

WHAT WE DO

We are the UK's largest pawnbroker and a leading retailer of high quality new and pre-owned jewellery and pre-owned watches. We provide a range of transparent and accessible financial products tailored for a customer base, which has limited access to, or is excluded from, the traditional banking sector.

We are proud to be the largest pawnbroker in the United Kingdom and a leading retailer of new and pre-owned jewellery and watches. Our commitment to offering a range of transparent and accessible financial products sets us apart, as we specifically address the needs of individuals who may encounter barriers to accessing traditional banking services. We are dedicated to providing our customers with the highest level of service and expertise in the industry.

WHERE WE ARE

H&T stores are in major towns and cities across England, Scotland, and Wales, embodying our commitment to accessibility and community. In 2024, we added eight new stores, relocated one, and closed one, bringing our estate to 285 stores, each location a testament to our growth and dedication to customer service.

Our store network is complemented by our refreshed on line presence through our website, **www.handt.co.uk**, where customers can explore our range of financial products, alongside the online store offering high quality new and pre-owned jewellery and watches.

STORES ADDED

Eastern Avenue
February 2024

Beaumont Leys
March 2024

Basingstoke
May 2024

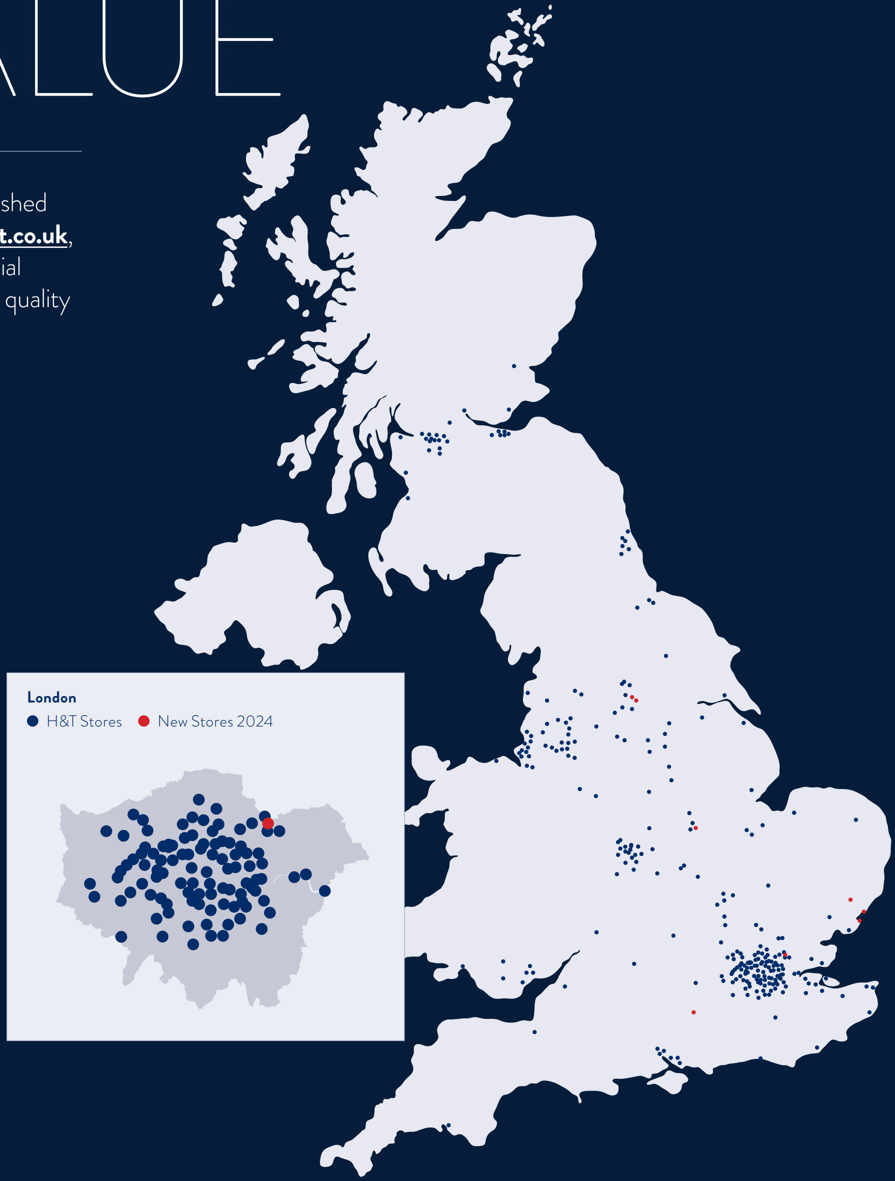
Leeds Bramley
June 2024

Leeds Merrion
July 2024

Ipswich 2
December 2024

Dovercourt
December 2024

Felixstowe
December 2024



A VALUED FINANCIAL OFFERING

H&T's vision is to make pawnbroking a more widely accepted and valued financial service by ensuring that borrowing against an asset is simple, inclusive and transparent.

We offer ancillary services, which include:

- Retailing high-quality new and pre-owned jewellery and pre-owned watches;
- Purchasing of gold, jewellery and watches;
- Foreign currency exchange;
- Money wire transfer services;
- Cheque cashing; and
- Watch repairs.

H&T is dedicated to addressing the needs of individuals often overlooked by traditional banking systems. We achieve this by offering a simple, inclusive, and transparent product, which is central to our business approach.

By utilising both our store infrastructure and technology platform, we enhance our success, enabling us to deliver sustainable products and services to our customers, while supporting the 'circular economy'.

SIMPLE

A pawnbroking loan is a secured loan with a term of six months. We lend to customers against the assessed value of the item they wish to pledge, predominantly pre-owned gold, jewellery and watches. We enter into a consumer credit agreement with the customer, charging a simple daily interest rate with no additional fees.

The pledged item is in the control of H&T from the inception of the loan and returned to the customer on repayment of the outstanding loan and interest due.

Offering a same day cheque cashing service in store provides swift and efficient access to instant funds.

Foreign currency exchange is offered across the store estate and online.

In partnership with Western Union's Money Wire Transfer Services, customers are able to transfer and receive money, worldwide, from our store estate.

INCLUSIVE

We are determined to help customers access funds through a pawnbroking loan in a safe and friendly environment, either in person in our store or via our online portal.

Customers can also access funds by choosing to sell items of gold, jewellery and watches to us rather than using these items as a pledge for a pawnbroking loan. This purchasing offering is a fast and easy process that can be concluded both in-store and online.

TRANSPARENT

Charging daily interest on pawnbroking loans gives customers the flexibility to repay their loan when they choose, while only needing to pay interest for the period for which they make use of the loan. There are no termination or penalty charges for repaying a loan early.

The customer has no liability to H&T beyond the value of the pledged item.

CASE STUDY

PRE-OWNED JEWELLERY

H&T offers a range of high-quality pre-owned retail jewellery and pre-owned watches. We take pride in the authenticity and quality of our pre-owned items, as they all undergo strict scrutiny by expertly trained gemologists and watch specialists.

Horologists test the watches for timekeeping and undertake refurbishment to ensure each watch meets our high standard of quality.

New retail jewellery offers an expanding range of value-for-money items.

Watch repair services for both vintage and current-collection watches has been an addition to the Group's service offering, following the acquisition of Swiss Time Services.

The breadth of products offered provides customers with a range of simple, inclusive, transparent, fair and accessible alternative finance options.

OUR DRIVERS OF SUCCESS

Our key drivers of success enable us to enhance the value we deliver to our stakeholders, while fulfilling our vision and mission.

TRUST PILOT REVIEWS

6,906

TRUST PILOT SCORE

4.3/5

13th March 2025

UNIQUE COMPANY CULTURE

Our Company culture embodies our commitment to caring for our customers by addressing their needs, no matter the services they utilise, and ensuring they are at the centre of what we do.

This commitment extends to our employees, as we prioritise their individual well-being and team development through our onboarding and growth programmes aimed at enhancing their skills and knowledge.

We take pride in the diversity within our teams and the welcoming atmosphere we create for everyone. We actively promote differing views, opinions, experiences, and thought processes, which allows us to make well-rounded decisions that take different viewpoints into account. This approach also supports our ability to serve our local communities effectively.

Our collaboration with FareShare highlights our dedication to our local communities and our genuine desire to support those in need.

EXCELLENT CUSTOMER SERVICE

Our goal is to offer an accessible and convenient source of funds, while fostering lasting relationships with our customers in-store. We are committed to delivering exceptional customer service throughout our business.

We invest significantly in training our new employees on our products and services, not just during onboarding but also through ongoing development throughout their journey with us.

To further assist our customers beyond regular retail hours, we have a dedicated customer support team. This team enhances and complements our in-person services.

We actively listen to our customers and continuously strive to improve and adapt our services to meet their evolving needs. Our diverse customer feedback mechanisms give us valuable insights into customer satisfaction and areas for improvement.

STRATEGIC STORE PRESENCE

A strong store presence enhances accessibility and fosters enduring relationships with our customers.

We are committed to investing in our store estate to expand H&T's geographical reach across the UK.

As a vital part of the communities we serve, we are dedicated to managing our properties responsibly and sustainably.

OMNICHANNEL APPROACH

Our online services complement our in-store offerings, providing customers with various access points during their journey with H&T.

We are committed to investing in the functionality of our digital platforms, making transactions more convenient for customers to transaction with us through their preferred channels.

STRONG FINANCIAL MANAGEMENT

A robust culture of control and stringent operational management is essential, accompanied by prudent underwriting policies that ensure healthy loan-to-value ratios are in place.

A pawnbroking loan has no recourse to the borrower at anytime as it is secured by the pledge of an item.

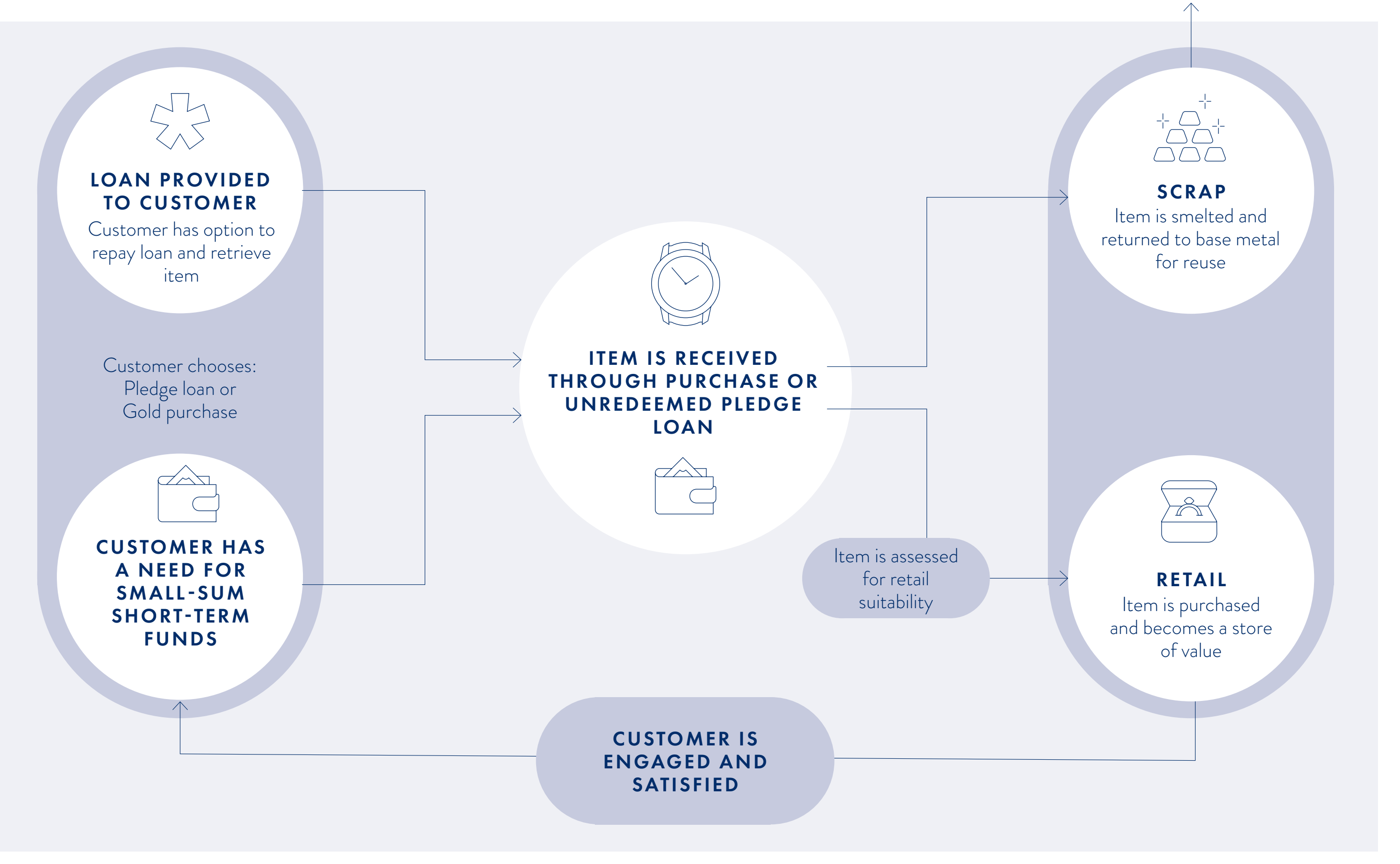
The Group's balance sheet is underpinned by the intrinsic value of precious metals, primarily gold, jewellery and watches. This value serves both as collateral for the pledge book and as products within retail inventory.

OUR CONTRIBUTION TO THE CIRCULAR ECONOMY

A key outcome of our value creation model is our commitment to the circular economy, which aims to preserve value in terms of energy, labour and materials, while tackling significant challenges our planet faces today, including climate change and biodiversity loss.

Our team of experts evaluates items acquired through purchases or unredeemed pledge loans, determining whether they should be resold or sustainably scrapped.

This approach fosters a circular economy, ensuring that pre-owned jewellery and pre-owned watches remain in circulation through refurbishment, reuse, and redistribution.



HOW OUR ACTIVITIES CONTRIBUTE TO THE CIRCULAR ECONOMY

Items acquired from either unredeemed pawnbroking loans or purchased from customers, can be sold as retail items or smelted to repurpose the gold and gemstones.

These activities preserve value through energy, labour, and materials by ensuring that gold and gem stones continue to flow within the economy.

WE RECYCLE

99.8%

OF PRE-OWNED JEWELLERY BROUGHT TO US

(2023: 99.8%)

REINFORCING OUR POSITION

SIMON WALKER *Non-Executive Chair*

Throughout the year we have continued to reinforce our position as the UK's leading pawnbroker, making good progress on our strategic objectives and delivering another year of record growth.

I would like to extend my gratitude to the entire team for yet another year of hard work – their knowledge, dedication and enthusiasm is what drives the business forward and makes us a key part of the communities we serve, and the wider financial ecosystem.

THE YEAR IN REVIEW

We are proud to be the largest player in the UK marketplace, and in the last twelve months, we have continued to expand and strengthen our foundations for continued growth in the years ahead. A key pillar of our strategy is to grow the business in a responsible and sustainable manner, and I am pleased that we have continued to do that.

Demand for our core pawnbroking product has continued to grow with record levels of new customers. The capital value of the pledge book increased ahead of management expectations to £127m with particularly strong growth in the last quarter of the year. A key part of our strategy is to grow our support for the business community, and we took a step forward in this strategy at the beginning of the year with the acquisition of Maxcroft, who are focused on this market. Larger loans now make up over 18% of our pledge book.

We added eight new stores with one closure in 2024, to take the total number of stores to 285 (2023: 278). One store was relocated, and we have continued with the planned store refresh and refit programme, with 48 stores completed in 2024.

FY2024 was a record year for retail, with the value and quality of our offering shining through. This is an important part of the business, and we see substantial potential for further growth going forward, aided by innovation in our product mix and insights provided by phase 1 of our bespoke core technology platform, EVO.

The implementation of EVO across our store network has already seen improvements to the way we work. Perhaps the most valuable

> “
> *FY2024 was a record year for retail, with the value and quality of our offering shining through.”*

contributions it has brought to the business have been the improved and more efficient in-store customer journey, along with the enhanced gathering of data which will help us focus our lending and collections activities to further improve the quality of the pledge book. EVO is a significant milestone for H&T, with the data opening doors to new opportunities which will ultimately result in more customers in our stores and improved profitability.

It is gratifying that H&T is a business that has become such a key part of so many communities across the country. We have worked hard over many years to become a trusted institution and a valued part of so many people's lives. We are proud of the communities that we serve, and the strong relationships that our staff have with our customers.

We are a regulated business, and we work hard to ensure we meet our obligations to our customers, treating them with respect, and providing them with a fair, transparent and efficient service. Our customer service team based in Liverpool is dedicated to providing individual support to those customers who are vulnerable or may have difficulty in being able to redeem their pledged items.

This is illustrated by the low level of complaints received about our pawnbroking service that are referred to the Financial Ombudsman Service (FOS), and the low proportion that are then upheld.

In the year, James Thornton retired from the Board after almost twelve years. I'd like to thank James for his commitment to the business over so many years, and I wish him all the best for the future. He was succeeded as Senior Independent Director by Toni Wood who was originally appointed to the Board in May 2022. Toni has already made a significant impact on the Group, and her expertise in retail, FMCG and e-commerce will continue to be of great value to the Company.

Subject to shareholder approval, a final dividend of 11.0p (2023: 10.5p) per ordinary share will be paid on 27 June 2025 to those shareholders on the register at close of business on 30 May 2025. This brings the full year dividend to 18.0p (2023: 17.0p), a 6% increase. This reflects the Board's confidence in the future prospects of the business, whilst being mindful of the need to continue to invest in the growth of the pledge book, and capital investment in technology and the store estate. The dividend remains in line with our progressive dividend policy and maintains a coverage ratio of at least two times that of earnings.

"We are proud to be the largest player in the UK marketplace, and in the last twelve months, we have continued to expand and strengthen our foundations for continued growth in the years ahead."

OUTLOOK

We look ahead with confidence that we will achieve another year of strong growth in our pledge book and retail activities. We will widen the range of new jewellery we stock which we expect to drive further sales growth. The increased use of data analytics, using the information captured via EVO, will enable us to focus further on dynamic performance improvement, cost management and maximising the contribution made by each store.

The modernisation of our existing store estate remains a focus, and we will continue to invest selectively to elevate both customer and staff experience. Inevitably, rising business rates, Employers' National Insurance contributions and minimum wage increases will put pressure on the profitability of some parts of our store estate and we will be actively reviewing future store profitability as leases come up for renewal.

We believe that demand for our core pawnbroking service will remain strong in the year ahead, with the need for small sum, short term lending continuing to grow as macroeconomic conditions continue to affect our customers' disposable incomes.

Our excellent market position as the largest player in the UK provides a strong foundation for growth. We have a clear strategy, a strong investment case, a motivated team, and solid foundations for further growth. The Board is confident in the prospects of the Group both for the current financial year and the future.

Simon Walker
Non-Executive Chair

WELL POSITIONED FOR GROWTH

CHRIS GILLESPIE *Chief Executive*

The past year saw encouraging progress, culminating in a strong finish to trading in the fourth quarter, driven by the growth of the pledge book. This performance was achieved at a time when our customers continue to navigate high prices, elevated interest rates, and consequently, squeezed disposable incomes.

> *"Our focus is to ensure that the Group is well positioned to take advantage of these growth opportunities."*

The positive underlying demand for H&T's products and the strong second half performance, has enabled the Group to deliver revenue growth across the business, and profit before tax up 10% to £29.1m (2023: £26.4m), in-line with market expectations.

Our stores, and our exceptional people, are at the centre of our philosophy and strategy. We added eight new stores during 2024, including the acquisition of the Maxcroft business in Q1, with the Group's store estate ending the year at 285 locations (2023: 278). Opportunities remain to expand the geographic coverage of our store network, both through the opening of our own stores and through allocating capital towards acquiring existing independent stores, where the investment returns are increasingly attractive relative to new openings.

As previously disclosed, the increase in Employers' National Insurance rates from April 2025 will increase our employment costs by c.£2m per annum. This is through the combined impact of lowering the earnings threshold at which employers start paying National Insurance contributions, and the increase in the rate of those contributions. We have put plans in place to mitigate some of the impact and will continue to explore options to drive further cost savings through the year.

The additional funding facilities put in place over the past year will enable us to continue to fund further growth in the pledge book, maintain our investment in enhancing our store estate and technology platforms and selectively look at opportunities to acquire stores.

As previously advised, we are changing our financial year end to September, starting in 2025. Prior year comparatives are provided in this announcement to assist shareholders with the transition.

The Group provides a range of products and services, often used by customers in combination, such as money transfer alongside foreign currency or jewellery purchases later pledged for pawnbroking loans. Our strategy prioritises increasing store footfall and fostering long-term customer relationships through exceptional levels of service. By enhancing the in-store experience and utilising data insights, we aim to drive cross-selling of additional products, attract more customers, and encourage greater customer engagement with our pawnbroking service over time.

Looking ahead, we anticipate a positive near-term trading environment for H&T. Although inflation has eased from peak levels, the real cost of living for consumers remains high, and interest rates are likely to stay elevated for an extended period. Additionally, we expect unemployment levels to rise during 2025 within our core customer base. This is expected to continue to support demand for our core pawnbroking service, with a high gold price assisting both retail and gold purchase volumes. Given these factors and strong pledge book growth in Q4 of 2024, we believe we have a sound base for the delivery of future growth.

> *"At H&T, customer service is at the heart of everything we do. We provide our customer with a modern, welcoming and trustworthy place to transact."*

REVIEW OF OPERATIONS

PAWNBROKING

Demand for pawnbroking continues to grow across all regions, supported in part by broader macroeconomic factors. Rising living costs, along with higher rent and mortgage payments, have placed pressure on customers' disposable incomes, increasing the need for short-term borrowing. At the same time, the availability of small-sum, short-term credit remains constrained. These market dynamics have created a significant growth opportunity for the pawnbroking sector, and as the UK market leader, H&T is well-positioned to continue to capitalise on this trend.

The pledge book grew strongly in the second half of the year, with particularly strong lending demand in the final ten weeks of the year. The capital value of the pawnbroking pledge book, excluding accrued interest and IFRS 9 provisions, grew ahead of management expectations to £127m as at 31 December 2024 (December 2023: £101m). This capital value includes the Maxcroft pledge book of £6m, up 9% since acquisition in Q1 2024.

As at 31 December 2024, the carrying value of the pledge book, including accrued interest and after IFRS 9 provision, amounted to £158m (December 2023: £129m).

Aggregate lending for the year increased by 14% to £296m (2023: £260m) including record levels of new customers borrowing from us for the first time. In the year, 12% of loans were to new borrowers, with new customer volumes particularly strong in the second half of the year.

The total number of stores increased by seven to 285 in the year, with pledge book growth delivered across the store estate. It remains the case that growth in the c.70 stores acquired in 2019 is at a faster rate than for the store estate as a whole. This highlights the ongoing opportunity to acquire existing independent stores in key locations where we can implement our marketing, technology and financing know-how to drive growth. Since 2021, we have opened or acquired 34 new stores. All of these stores, with two exceptions, are performing at or above planned levels. Stores that have been open for more than five years, of which there are 258, are considered "core stores" and are collectively responsible for the highest proportion of Group growth and profitability. In addition, a further ten stores will be more than three years old by the end of 2025 and are increasingly contributing to Group growth and profits.

As previously reported, we saw a marked increase in early redemptions in the spring months of the year. This impact was in respect of the timing of customer redemptions and had no impact on overall redemption rates. Customers chose to repay their pledge loans earlier than would ordinarily be the case, resulting in a c.15% increase in the normal monthly flow of redemptions during the months of March, April and May. This adversely affected the yield generated by the pledge book. Our core planning assumption is that this repeats in 2025, and in subsequent years.

In February 2024 we acquired from Maxcroft, their pledge book of c.£5.5m in capital value. The underlying nature of the acquired pledge book's collateral items is aligned with that of H&T's existing pawnbroking business and consists primarily of gold, jewellery, and watches, with a similar asset mix. At the date of acquisition, the mean value of the acquired pledge loans was £4,063, significantly larger than that of H&T, with the majority of customers utilising the service for working capital purposes in their businesses. The Maxcroft pledge book redemption rates and yield are broadly in line with higher value loans in H&T's current pledge book.

Maxcroft traded in-line with expectations for the ten months of ownership, with the pledge book growing by 9% as at December 2024. We continue to believe that the acquisition provides us with an opportunity to expand our reach into a different customer segment, leveraging some of the acquired know-how to drive growth in the volume of larger value pawnbroking loans across the group.

Loans of £5,000 or more tend to be used for business purposes and currently represent 18% (2023: 13%) of the pledge book by value and c.2% by customer numbers.

The strong demand seen in Q4 2024 included a number of customers seeking to borrow slightly more than recent averages. Accordingly, the median loan size has increased as at 31 December to £245 (2023: £201). Mean loan sizes continued to increase to £460 (December 2023: £428).

Loan duration across the business was consistent at 97 days (2023: 97 days), continuing the recent trend of customers generally repaying their loans more quickly than historic averages. Redemption rates throughout the year were consistent at 85% (2023: 85%). Loan to Value ratios continue to average c.65% (2023: c.65%).

Action was taken in mid-2023 to reduce the risk profile of lending against certain high-value watch brands, where price volatility was apparent. As a result, the value of lending against watches reduced in the first half of 2024 as planned, both in respect of stock and flow. At the year end, the proportion of the pledge book secured on watches was 13% (2023: 14%), with watch lending representing 12% of full year lending flow (2023: 15%). With the return of better predictability in pre-owned watch prices, we now believe it is appropriate to cautiously increase activity in this asset class once again.

The Group implemented an increase in lending interest rates in mid-2024, which will increase the gross yield on the pledge book over time. This has necessitated a review of the input assumptions within the Group's IFRS 9 impairment model, particularly in respect of the calculated effective interest rate ("EIR"). As a result of this review, together with the strong growth seen in the pledge book in Q4 2024, the provision held under IFRS 9 has increased by £4.7m (2023: decrease £6m) to £10.5m (2023: £5.8m). This represents coverage of 6.2% (December 2023: 4.3%). The net yield generated by the pledge book, inclusive of pawnbroking scrap profit, was 71% (2023: 78%), having been adversely impacted by higher redemptions in Q2, increased IFRS 9 provision requirements and the very strong growth in the pledge book in Q4.

In the latter case, time on book in the financial year was not significant and generated only modest revenue, whilst increased IFRS 9 provisions to reflect the growth were required.

For the first time, segmental revenues and profits for pawnbroking include pawnbroking scrap. Pawnbroking scrap margins are earned as a direct consequence of our pawnbroking activities and solely represent the disposition of the collateral held as security on unredeemed pawnbroking pledges. As the pledge book grows and matures, the volume of items released for retail sale or scrap rises commensurately. Gross profit grew to £9.5m (2023: £4.7m), at a gross margin of 27% (2023: 17%). This has been included and will continue to be included in future periods, as part of pawnbroking revenue and profit.

	2024 £'m	2023 £'m	Change %
Pawnbroking	£102.3m	£90.4m	13%
Pawnbroking scrap	£9.5m	£4.7m	102%
Pawnbroking total revenue	£111.8m	£95.1m	18%
Less IFRS 9 provision movement	(£4.7m)	£6.0m	(178%)
Less Impairment	(£29.3m)	(£26.9m)	9%
Pawnbroking income	£77.8m	£74.2m	5%
Pledge book carrying value – note 1	£158m	£129m	22%
Average pledge book carrying value – note 2	£135m	£114m	18%
Risk adjusted margin on carry value – note 3	58%	65%	
Pledge book capital value – note 4	£127m	£101m	26%
Average pledge book capital value – note 2	£109m	£95m	15%
Risk adjusted margin on capital value – note 3	71%	78%	

1. Includes accrued interest and IFRS 9 impairment charge
2. Based on rolling monthly average
3. After impact of higher redemptions in the Spring, increased IFRS 9 provisions and Q4 growth in the pledge book
4. Excludes accrued interest and before IFRS 9 impairment charge

RETAIL

H&T is a leading retailer of high-quality new and pre-owned jewellery and pre-owned watches, via its physical store network and increasingly, online.

Retail sales increased by 27% to £61.8m (2023: £48.6m). Retail gross profit grew 34% to £19.3m (2023: £14.4m) with an overall gross margin of 31% (2023: 30%).

Pleasingly, we saw strong performances in the periods leading up to Diwali and Christmas, both of which occurred in Q4. We achieved this growth alongside a continued preference by customers towards lower priced items, often choosing to purchase new rather than pre-owned items because of their generally lower relative price point. Better understanding this trend is enabling us to increasingly optimise our in-store jewellery offering, and we are running a trial of some stores selling primarily new jewellery. This is being tested in almost half of the store network. New jewellery is easier to merchandise, sell online and requires less processing time centrally at the jewellery centre.

Sales of new products represented 23% (2023: 25%) of full-year sales by value, and 57% of full year sales by volume (2023: 55%). Sales of pre-owned items represented 77% (2023: 75%) of full-year sales by value, and 43% of full year sales by volume (2023: 45%).

Sales of both new and pre-owned coins and gold bars were particularly strong in the latter months of the year, encouraged by the high gold price. This has continued into 2025. Sales of pre-owned watches have been encouragingly robust, with a return to lower price volatility than was experienced in 2023. Swiss Time Services, which was acquired in 2022, is now integrated into H&T's watch offering, which is benefiting the wider Group significantly. During the year, Swiss Time Services was awarded an exclusive contract to provide accredited repairs by a high-profile watch brand.

Online originated sales increased by 36% to £13.3m (2023: £9.8m). This represents 22% (2023: 20%) of total sales by value. We successfully implemented a new H&T retail website in the first half of 2024, which has significantly modernised, simplified and enhanced customers' online experience.

FOREIGN CURRENCY

Demand for overseas travel remained strong despite challenging economic conditions for customers.

Gross profit increased by 11% to £7.0m in 2024 (2023: £6.3m), driven by a 10% increase in transaction volumes compared to the prior year. Average margins on currency sales are c.3%, and on purchases c.10%. Whilst UK travellers continue to make increasing use of cashless payments when travelling overseas, our customers often choose to take physical foreign currency which we believe will continue for the foreseeable future.

The average store transaction value increased slightly year on year, to £405 (2023: £386). Click-and-collect transaction values continue to significantly exceed store-based transactions, averaging £757 (2023: £685), albeit at lower margins.

Overall, the growth of this product, which often represents the first transaction with customers who are new to H&T, was achieved through increased focus and a number of initiatives implemented in 2023 and early 2024. These included the expansion of online click-and-collect services, a broader range of currencies being stocked in stores, and improved marketing and promotion, including the deployment of some of the learnings following the Maxcroft acquisition.

GOLD PURCHASING

Gross profit earned from the scrapping of purchased items was £14.8m (2023: £8.6m). Margins were significantly higher at 27% (2023: 20%), supported by a strong gold price. Transaction volumes were broadly flat year on year. The average gold price per troy ounce during the period was £1,739 (2023: £1,550).

OTHER SERVICES

Money Transfer

Money transfer activity drives significant footfall to our store estate and represents an opportunity for colleagues to bring customers' attention to our wider service offering. Profit in the year was £1.0m (2023: £1.1m). Customer numbers remained broadly consistent year on year. However, it remains the case that customers are transacting less often, and are sending or receiving lower amounts, reflecting challenging personal circumstances for individuals.

Cheque Cashing

H&T is one of the very few retail locations continuing to offer cheque cashing services, outside of high-street banks. The use of cheques in the wider economy continues to decline. Profits earned in the period were £0.8m (2023: £1.1m).

Personal Lending

The Group no longer offers an unsecured lending product. Lending volumes reduced significantly after Q4 2019, and all lending ceased in early 2022. The unsecured loan book has since continued to receive repayments, and corresponding impairment provisions have been released. The outstanding net book remained at £0.1m (2023: £0.1m) with profits earned reducing to £0.4m (2023: £0.9m) as the underlying book repays.

2025 BUSINESS FOCUS AND OUTLOOK

With ongoing investment in scale, service quality, and the continuous improvement and efficiency of the customer journey, combined with the broader macroeconomic backdrop, we believe the Group is well-positioned for significant growth in the medium term. This applies across our core product offering. Our focus is to ensure that the Group is well positioned to take advantage of these growth opportunities. Our priorities are:

STORE ESTATE

We believe that our stores, and our outstanding people, are and will remain at the heart of our business. There are opportunities to expand the geographic coverage of our store network, whether that be through opening new stores or acquiring existing independent stores. We are investing both in new store openings and in refreshing existing stores and we will continue with the planned store refresh programme, with an ongoing programme of c.50 store refreshes per annum.

We added eight new stores during 2024, including the Maxcroft acquisition, with one store relocation and one store closure. As at the end of December 2024, the Group's store estate stood at 285 (2023: 278). This was within the range of our expectation at the start of the year.

We will continue to expand the store estate in a controlled, measured and sustainable way. However, due to upward cost pressures, which are primarily employee related costs, we are being more cautious towards opening new stores and anticipate a slower pace of store openings in 2025. In the short term, we will prioritise opportunities to acquire existing independent stores. We will only acquire stores that align with our strategy and desired location, and which meet our investment hurdles.

DIGITAL STRATEGY AND CUSTOMER JOURNEY

Our bespoke core technology platform, EVO, is fully operational across our store network, with an ongoing plan of functionality enhancements. Phase two of the EVO programme is now underway. EVO will be implemented across the broader business over the next three years.

EVO is enhancing the in-store customer journey and improving operational efficiency for our teams, whilst providing us with richer customer data. The improvements delivered through the EVO programme, supported by investment in the Group's data analytics capabilities, are enabling more effective and targeted marketing communications and merchandising, along with improving our lending and collections activities.

We are also focused on enhancing and modernising our online presence. The customer-facing website is undergoing continuous upgrades, following the consolidation of the est1897 website into the H&T website in 2023. This consolidation marked the start of an ongoing process of evolution aimed at modernising functionality, design, and overall user experience. Our strategy is to make it easier for customers to engage with us through their preferred channels.

EFFECTIVELY MANAGING OUR COST BASE

Like all businesses, H&T is experiencing the impact of cost inflation, particularly with regards to employee related costs, both in respect of ourselves and key suppliers. We are mindful of the impact of these economic factors on all our stakeholders. H&T is primarily a fixed cost business and achieving operating efficiencies will remain a key management focus.

We have rewarded our employees with increases in basic pay, and with bonuses intended to recognise their hard work, delivery and contribution throughout 2024. Employee related costs for 2024 rose as anticipated by 9% and will continue to rise at a rate above that of headline inflation, primarily as a result of government decisions taken in respect of national living wage and employment related taxes. Ensuring that our people are appropriately remunerated will remain a priority for the Group.

The increase in Employers' National Insurance rates announced by the UK Government in its Budget on 30 October 2024 will impact our business from April 2025. We estimate the combined impact of lowering the earnings threshold at which employers start paying National Insurance contributions, and the increase in the rate of those contributions, will increase our employment costs by c.£2m per annum. We have put plans in place to mitigate the impact of these cost increases and are also closely monitoring any potential pass-on costs from our partners and suppliers.

Since April 2022, National Living Wage has risen significantly, which along with the recent increase in Employers' National Insurance contributions, has resulted in us carefully considering our planning assumptions around staffing levels and the pace of new store openings. Whilst we remain fully committed to ensuring we always provide exceptional customer service, we will be slowing recruitment in the year ahead to manage costs effectively.

MORE CUSTOMERS, USING MORE OF OUR SERVICES

The Group offers a diverse range of products and services designed to meet the specific needs of its customer base. Many customers engage with multiple services and product offerings; for example, a money transfer customer may also purchase foreign currency for travel, or a piece of retail jewellery purchased from H&T might later be pledged as collateral for a pawnbroking loan.

Our strategy focuses on driving footfall into our stores and, through the exceptional service provided by our store colleagues, building long-term customer relationships that often span many years and multiple products. Over time, this strategy aims to attract more new customers, increase the frequency with which they use our pawnbroking services, and leverage both the in-store experience and enhanced data insights to encourage cross-selling of our additional products.

FUNDING OUR GROWTH

To capitalise on the growth opportunity presented to the Group in the medium term, in February 2024 we agreed additional financing of £25m to support the growth of the business, from PGIM (previously Pricoa Private Capital), the private capital arm of PGIM, Inc., the global investment management business of Prudential Financial, Inc. This facility is in addition to financing facilities provided by our longstanding bankers, Lloyds Bank plc, and by Allica Bank Limited.

The support of these banks and capital providers helps finance the growth ambitions of the business. In the year ahead we expect to invest in further growth in the pledge book, maintain our investment in enhancing our store estate and technology platforms and selectively look at opportunities to acquire independent stores.

MACROECONOMIC ENVIRONMENT

Looking ahead, we anticipate a positive near-term trading environment for H&T. Although inflation has eased from peak levels, the real cost of living for consumers remains high, and interest rates are likely to stay elevated for an extended period. Additionally, we expect unemployment levels to rise during 2025 within our core customer base. Given these factors and strong pledge book growth in Q4 of 2024, we believe we have a sound base for the delivery of future growth.

Pledge Book

We anticipate continued strong demand for our core pawnbroking product as the impact of inflation on the consumer increases the need for small sum, short term loans at a time when supply of credit is more constrained than has been the case for many years. We are also seeing increased demand from customers who are business owners using the pawnbroking service for working capital purposes, and who often find themselves excluded by mainstream financial institutions.

Retail

H&T is a leading retailer of high quality pre-owned jewellery and pre-owned watches. We also offer our customers an expanding range of new jewellery items. Demand has remained robust through 2024 and has continued into 2025. We believe that there are clear reasons for the strength of this demand.

- The growing attractiveness of buying pre-owned products, and the environmental and sustainability benefits this brings.
- A recent change of preference by some customers to purchase new rather than pre-owned items because of the generally lower price point.
- Customers view our retail items as good value for money, and also as a store of value which can be sold or used as collateral for a future pledge loan if their circumstances change.

We believe that these dynamics are likely to continue, notwithstanding the challenges of broader macroeconomic pressures felt by our customers. Better understanding this trend is enabling us to increasingly optimise our in-store new jewellery strategy and we are trialling the sale of exclusively new jewellery items in selected stores. The Group is responding by focussing on ensuring that we have the right mix of items for sale both in terms of price and in mix of new and pre-owned.

Foreign Currency

We expect demand for foreign exchange services to remain resilient. Whilst UK travellers continue to make increasing use of cashless payments when travelling overseas, our customers often choose to take physical foreign currency which we believe will continue for the foreseeable future.

Chris Gillespie
Chief Executive

CUSTOMER INSIGHTS

CATHERINE NUNN *Non-Executive Director*

At H&T, we understand the importance of placing customers at the core of our operations. In response to the changing landscape of customer expectations and regulatory standards, we established the Customer Committee to ensure that every decision reflects the voice of the customer. The following pages outline the objectives, structure, and key initiatives of the Committee, emphasising our commitment to fostering a customer-centric culture throughout the organisation.

LISTENING TO OUR CUSTOMERS

CONTINUOUS IMPROVEMENT THROUGH FEEDBACK

At H&T, we are committed to delivering exceptional service and continuously enhancing the customer experience. Throughout 2024, we remained closely engaged with our customers, actively seeking their feedback to identify opportunities for improvement.

WE ACHIEVED THIS THROUGH TWO KEY INITIATIVES:

1. CUSTOMER INSIGHT PROGRAMME

Our long-standing Customer Insight Programme continued to provide valuable insights. Every four months, we conducted 500 in-depth telephone interviews with recent customers, gathering feedback on their experiences, areas for improvement, and their likelihood of recommending and returning to us. These conversations offer a direct line to customer sentiment, helping us refine our services in meaningful ways.

2. IN-STORE QR CODE SURVEYS

Building on our commitment to real-time feedback, we introduced a new initiative in 2024: in-store QR code surveys. These quick, accessible surveys—placed at our till points—allowed customers to provide immediate feedback on their experience that day. Over the course of the year, this initiative generated over 25,000 responses, providing us with timely and actionable insights.

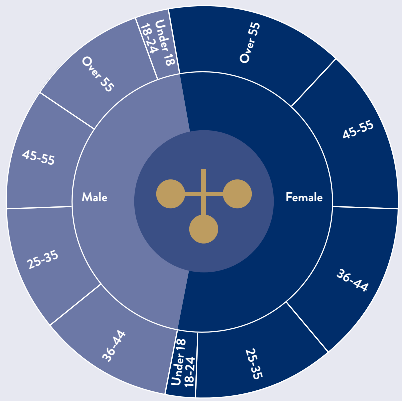
One of the key metrics assessed was the quality of the welcome experience:

"On entry to the store, were you met with a warm welcome, in a reasonable time?"

These insights reaffirm our dedication to providing a welcoming and high-quality customer experience. The feedback we receive directly informs our service improvements, ensuring we continue to meet, and exceed, our customers' expectations.

CASE STUDY

CUSTOMER DEMOGRAPHICS



Our customer base includes a balanced mix of age groups, debunking the stereotype that this service is mainly used by older generations.

This variety demonstrates that pawnbroking is a relevant and practical financial option for a wide range of people.

By understanding and catering to this broad spectrum of customers, we are well-positioned for continued growth in the market.

SPOTLIGHT ON OUR NEW COMMITTEE

Objectives of the Customer Committee

The Customer Committee plays a critical role in embedding a customer-focused culture across all aspects of our business. Our mission is guided by the following objectives.

Structure and Delegation of Powers

The Board delegates specific powers and duties to the Customer Committee, which acts as an advisory body to support the Board in fostering a customer-centric ethos. The Committee is responsible for:

- Providing oversight and challenge to ensure alignment with customer needs; and
- Facilitating information flow and collaboration across various departments to prioritise customer experience.

Conclusion

The Customer Committee reflects our commitment to a customer-centric approach in every aspect of our business. By focusing on the voice of the customer, operational excellence, developing long-term relationships, engaging colleagues, and adhering to regulatory standards, we position ourselves as a trusted provider of pawnbroking services. Our strategic initiative is to enhance customer satisfaction and loyalty, ultimately driving business success and shareholder value.

KEY PRIORITY OBJECTIVES

1. **The Voice of our Customers**
   - We are committed to fostering a culture that prioritises the understanding of customer experiences across multiple touchpoints (in-store, online, and via phone/email).
   - We implement systems to effectively gather and analyse customer feedback, ensuring that insights inform our operational assessments and resource allocation.
   - Our aim is not only to meet, but to exceed, customer expectations, while maintaining shareholder value.
2. **Development of Customer-Led Operational Indicators**
   - We ensure that Executives and Board members have essential management information and analysis regarding customer preferences.
   - These insights inform our strategic decisions, risk assessments, and audit programmes.
   - We focus on developing financial products that are accessible and tailored to meet core customer needs.
3. **Long-term Customer Relationships**
   - We strive to build a comprehensive understanding of our customer base and the market landscape.
   - By leveraging insights, we innovate and enhance our products and services to meet customers' evolving needs.
   - Our goal is to cultivate long-lasting relationships with customers, allowing for diverse cross-selling opportunities across various product types and channels.
4. **The Role of our Colleagues**
   - We recognise that our colleagues are vital links between our business and our customers.
   - Regular assessments of employee satisfaction and performance, particularly for customer-facing roles, are essential to our strategy.
   - We engage employees as ambassadors for H&T's mission and values, ensuring a unified approach to customer service.
5. **Regulation, Governance, and Compliance**
   - Adherence to all relevant laws and FCA guidelines regarding customer treatment and data management is non-negotiable. - We uphold brand trust through robust processes and systems that ensure compliant treatment of our customers.
   - We collaborate with the Risk Committee to integrate customer-focused insights into our regulatory and compliance discussions.

“

At H&T, we recognise that placing customers at the heart of our operations is essential to our success. The establishment of the Customer Committee demonstrates our commitment to amplifying the voice of the customer in every decision we make. With a focus on understanding customer needs, refining our products and services, and fostering a culture of continuous improvement, we are dedicated to delivering exceptional value while upholding regulatory standards. Together, we will ensure our commitment to our customers drives our success.”

Digital Strategy and Customer Journey

Our bespoke core technology platform, referred to as EVO, is now fully operational across our store network, with an ongoing plan of functionality enhancements. Phase 2 of this development is now underway in our jewellery processing centre.

EVO is enhancing the customer journey, while also providing us with improved customer data and improving the operational efficiency for our teams. With the successful implementation of EVO, supported by the Groups data analytics capabilities, we are able to provide more effective and targeted marketing communications and merchandising strategies, along with improving our lending and collections activities.

Additionally, we are focused on enhancing and modernising our online presence , with the customer-facing website being refreshed in 2024. This upgrade aimed to modernise both the functionality and visual appeal of the site, making it more convenient for customers to engage with us through their preferred channels.

This ongoing process of continuous improvement will ensure we provide an optimal online experience and customer journey for our customers.

A Growing Business

We are dedicated to offering a diverse range of products and services tailored to meet the evolving needs of our customer. It is common for our customers to engage with multiple services we offer; for example, a money transfer client may also purchase foreign currency prior to their travels. Similarly, a piece of retail jewellery acquired from H&T might be used as collateral for a pawnbroking loan.

Our strategic focus is on driving footfall to our stores and fostering long-term relationships with our customers through the exceptional service provided by our dedicated store teams. These relationships often span many years and multiple product offerings, underscoring our commitment to customer loyalty and satisfaction. By enhancing the in-store experience and utilising data insights, we aim to drive cross-selling of additional products, attract more customers, and encourage greater customer engagement with our pawnbroking service over time.

In 2024, we are pleased to report the successful addition of eight new stores, further expanding our store footprint and enhancing our service accessibility. This growth complements our acquisition strategy and allows us to better serve an increasing customer base.

A key part of our strategy is to grow our support for the business community and we took a step forward in this strategy at the beginning of the year with the acquisition of Maxcroft, who are focused on this market.

As we move forward, we remain focused on enhancing our service offerings and delivering value to our customers and stakeholders alike.

OUR PEOPLE

FRANCES MARLOW *HR Director*

We focus on maintaining the technical knowledge and a of our teams in store, to ensure that our customers get an amazing experience.

HIGHLIGHTS

% OF COLLEAGUES COMPLETED ASPIRE TRAINING PROGRAMME (LEVEL 2)

94%

(2023: 95%)

COLLEAGUE TURNOVER DURING 2024

18%

(2023: 20%)

ENGAGEMENT SURVEY RESULTS

77%

(2023: 77%)

COLLEAGUE ENGAGEMENT

In January 2024, an engagement survey was launched with a participation rate of 78%, and an employee engagement score of 77%. The results were cascaded back to our teams and actions were identified to improve their engagement and satisfaction of working at H&T. A follow up shorter Pulse Survey was completed in November 2024 with a lower participation rate of 67%, and an employee engagement score of 71%. Action planning will take place in early 2025 to focus on areas of improvement as identified by our teams.

During 2024, we have maintained regular contact with the CEO and our teams. The CEO has shared informal and formal video updates, held Q&A sessions and provided a private email address for colleagues to ask any questions, suggest ideas or raise concerns. The AskChris Live events provide all of our locations with an annual opportunity to hear from the CEO and to ask questions. Questions ranged from our future growth plans, our technology development plans, regulation, pay and benefits.

Our employee forums meet regularly and provide employee representatives the opportunity to raise questions from their colleagues and to receive business updates.

During our engagement survey and AskChris Live events, employees fed back that our Company Values were not sufficiently visible within our business. As a result, we relaunched our Company Values, and have subsequently invited our colleagues to assist us in describing the behaviours that sit behind each Value at colleague, manager and senior management level. The Company Values will be incorporated into our performance management process and the behaviours will help colleagues and managers to set the expectation, and provide feedback. We have also adopted a more consistent cascade of information; enhanced cross-department collaboration to streamline work flows and drive success.

PAY, RECRUITMENT AND RETENTION

H&T continued to focus on pay for its lowest-paid colleagues. The pay review in April 2024 was impacted by the increase in the National Living Wage resulting in store entry pay rates increasing by 10% to maintain a 3% differential. After 15 months of employment, and upon successful completion of training, this increases to just over 5% above the National Living Wage. Benchmarking takes place to ensure that we pay at least the median market rate to attract and retain talent.

Attracting talent to join our store teams has improved over the last 12 months with the exception of a few specific locations. It remained challenging for some specialist skills within our support centres. The organisation continues to grow, with new stores added and the growth of specialist teams in support functions. Our recruitment approach focuses on direct attraction through a range of online recruitment sites, recruitment fairs and direct sourcing. The response to H&T at recruitment fairs has been very positive and has been an opportunity to promote our business. There has been a strong focus on sharing our employer brand and showcasing the benefits of working for H&T.

H&T has further reduced its average employee turnover rate to 18% during 2024 (2023:20%). This reduction has been helped by our focus on pay, development and promotion opportunities both within stores and across the organisation. Our average length of service has remained at six years in 2024 (2023: Six years).

RECOGNITION

215 colleagues celebrated their long service milestones (starting at five years, and in five-yearly increments) with a financial award, and for those celebrating ten years plus, attending our annual awards event. In 2024, 57 employees joined this event to celebrate their long service.

H&T recognises their store teams and store managers for both their financial achievements and going above and beyond in their roles. At the annual awards event, we announce our Store Team and Store Manager of the Year with 97 store finalists attending.

H&T's Superstar recognition scheme provides an opportunity for employees to nominate their peers for awards for going above and beyond when working with our customers or their colleagues.

Nominated SuperStars attend the annual event. Out of our 20 finalists, five were selected as our SuperStars of the Year.

In June, we relaunched our Company Values during our annual awards ceremony. This special occasion allowed us to emphasise the importance of our values in driving our Company's mission and fostering a positive workplace culture. We celebrated our team's achievements, while introducing our renewed focus on Value and Respect, Opportunity for All, Integrity and Customer Experience.

DEVELOPMENT

Of our store colleagues with more than 15 months' service, 94% (2023: 95%; 2022: 86%) have completed four mandatory Aspire (product and customer service) training modules within our store development programme, and are now benefiting from increased pay. There were also 8,700 hours of technical training on diamonds, watches and gold provided to our store teams to enhance their pawnbroking knowledge. The Aspire programme exists within our Jewellery Centre and will be launched in our Liverpool Support Centre in 2025. These programmes promote development and performance, which is rewarded by pay increases once knowledge levels have been achieved.

2024 has seen our colleagues continue their active engagement with training and development opportunities; they recorded over 30,000 hours of learning through our learning management system in 2024. Over 900 hours of this development was focused on management development.

Ten colleagues in 2024 (2023: ten; 2022: six) were undertaking apprenticeships to support their personal and professional development in internal audit, Health and Safety, HR, compliance, payroll and management.

To support our managers' development, and to support team-working, 90 managers (2023: 65) have undertaken the Insights Discovery programme with individual debriefs and group sessions to learn about other behaviour styles and how best they can build the most effective working relationships.

In 2024, we have built and trialled a new management development programme, which went live in January 2025. All managers from across the organisation will attend six modules to gain and refresh their knowledge, and to support them in managing their teams.

HEALTH AND WELLBEING

H&T focused on supporting the mental health and wellbeing of our employees through education and awareness campaigns in 2024. Financial wellbeing continues to be a key topic for our teams and we work closely with our advisers to share information and encourage employees to gain further support where required.

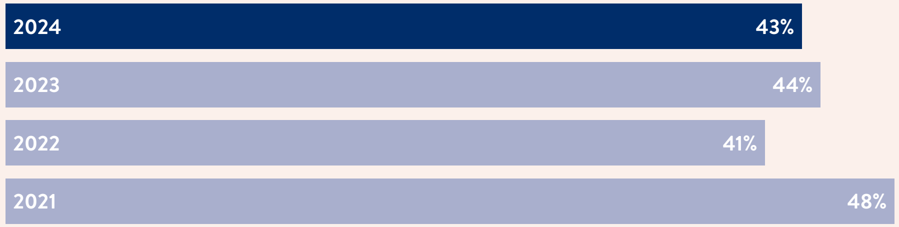
Our Employee Assistance Programme is well used by our teams (2024: 249 calls; 2023: 192 calls) especially for support with mental health. This programme also provides counselling support and this has been taken up by 16 employees with over 100 counselling sessions completed.

Health and Safety accidents and incidents have increased by 1.5% in 2024 to 66 (2023: 65; 2022: 57). There were no reportable incidents under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (2023: 2; 2022: nil)., Health and Safety reviews were completed across all locations with an average score of 99% (2023: 93%).

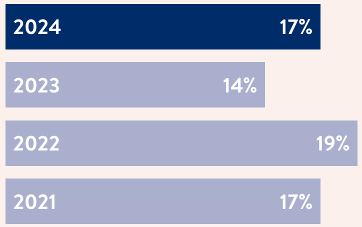
H&T continues to reference the British Safety Council 5-Star Audit completed in 2022, which reviewed our occupational safety management system through an external independent assessor. H&T was awarded four stars at this point and was provided with some action points including management accountability for risk assessments and emergency plans. In 2024, improvement has been seen in our Health and Safety reviews with management oversight on the completion of actions that are required.

LENGTH OF SERVICE

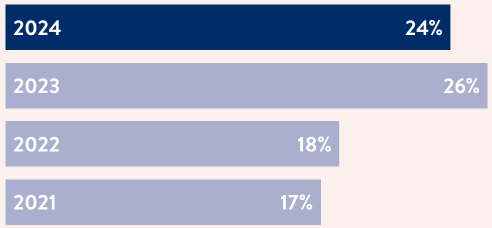
Colleagues with less than Three years' service



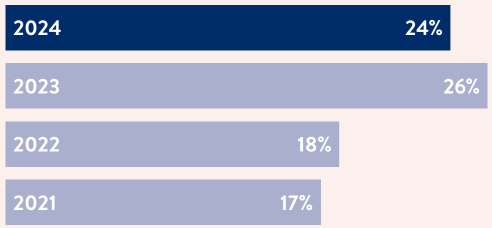
Colleagues with between Three and up to Five years' service



Colleagues with between Five and up to Ten years' service



Colleagues with more than Ten years' service



INCLUSION AND DIVERSITY

H&T is committed to creating an inclusive working environment that enables our colleagues to bring their true selves to work, where difference is appreciated and valued, the organisational make-up is diverse and our actions are equitable. The relaunch of our Company Values supports us to achieve this through our focus on Value and Respect, Integrity and Opportunity for All.

In 2024, we focused on building psychological safety so that our people feel that they can speak up about concerns that they may have either directly to their line manager, via HR, directly to our CEO, to their employee representative on our employee forums, or through our confidential whistleblowing line (managed externally). Information has been shared to ensure that our teams are aware of these routes to raise concerns or questions.

During 2024, further educational campaigns have been run with a focus on sexual harassment, International Women's Day, key religious dates, menopause support including menopause cafe events, and mental health and wellbeing support.

Managers are being supported through events to recognise difference in themselves and others, and understanding how this can add value within our working environment.

The applicant tracking system has been implemented so that all candidates applying to H&T will follow a new process, which includes the collection of diversity monitoring data. In future years, we will be able to undertake more analysis on the diversity of our applicants. In addition, we have implemented actions from an inclusive recruitment diagnostic tool including diverse recruitment panels, and gender neutral language within job adverts/job descriptions.

Gender representation at the more senior levels of the organisation remains a focus and particularly at Board level where there is now a 50% split between men and women. The Senior Management Team and Area Management populations have expanded as the organisation grows and the gender mix has seen some positive change.

Appointments in the Group are made based on merit with consideration of the benefits of diversity and inclusion.

All vacant roles are advertised internally, and we have had 92 (2023: 75; 2022: 108) internal promotions and 66 (2023: 66; 2022: 49) secondments, where colleagues can gain additional experience and development opportunities.

The following table shows the gender mix for all colleagues across the Group at the year-end:

	Full-time	Part-time	Total
Male	402	65	**467**
Female	747	464	**1,211**
Total	1,149	529	**1,678**

Our age profile information sets out the breadth of representation we have across our organisation, with the average age of our colleagues being 39 (2023: 38; 2022: 38) years old.

Under 21	66
21–30	395
31–40	542
41–50	340
51–60	250
61–70	81
70 and over	4

BOARD OF DIRECTORS

	Male	Female
2024	50%	50%
2023	56%	44%
2022	67%	33%
2021	67%	33%
2020	83%	17%

SENIOR MANAGEMENT TEAM

(NON-BOARD DIRECTORS AND HEADS OF DEPARTMENTS)

	Male	Female
2024	47%	53%
2023	50%	50%
2022	55%	45%
2021	50%	50%
2020	55%	45%

AREA MANAGERS

	Male	Female
2024	43%	57%
2023	43%	57%
2022	50%	50%
2021	44%	56%
2020	55%	45%

MEETING THE NEEDS OF OUR STAKEHOLDERS

Our key drivers of success enable us to enhance the value we deliver to our stakeholders, while fulfilling our vision and mission.

In accordance with the Companies Act 2006 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018) the Directors set out how they have considered the requirements of section 172 (1) of the regulations. A director of a company must act in the way they considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

(a) The likely consequences of any decision in the long term;

(b) The interests of the company's employees;

(c) The need to foster the company's business relationships with suppliers, customers and others;

(d) The impact of the company's operations on the community and the environment;

(e) The desirability of the company maintaining a reputation for high standards of business conduct; and

(f) The need to act fairly as between members of the company.

SECTION 172(1) STATEMENT

1. SHAREHOLDERS

Throughout the year, we have actively engaged with our major shareholders to ensure that our long-term strategy aligns with their interests and expectations. We have communicated our approach to achieving sustainable growth and maximising returns for our shareholders. Our goal is to create value by delivering sustainable growth and profitable returns that exceed H&T's cost of capital, while also maintaining a progressive dividend policy aimed at providing at least two times dividend cover over the business cycle.

We strive to keep our shareholders informed through regular updates and place great importance on personal connections and individual conversations. Significant time is dedicated to shareholder meetings by the Executive team, and additionally, during the course of November and December, 2024, by the Chair and Senior Independent Director. These meetings are frequently conducted alongside our Nominated Adviser and Broker, Shore Capital, and/or with Canaccord our second broker as well as with our financial PR Consultants, Alma PR.

On page 54 we set out in further detail how the Group complies with Principle 2 of the QCA (meeting shareholder needs and expectations).

2. COLLEAGUES

We believe that our employees are our greatest asset, and we understand that the success of our business hinges on ensuring fair market compensation for our colleagues. We prioritise their development through effective onboarding and ongoing support, fostering motivation and commitment to deliver the high level of service our customers expect. We frequently engage with our teams through employee forums and CEO Q&A sessions to gather their feedback and keep them informed about our business. Our focus remains on completing our proprietary training programme, Aspire, which recognises our colleagues for their continued education on the array of services we provide.

3. SUPPLIERS

We consistently adhere to best industry practises in managing our third-party suppliers. By implementing thorough vendor due diligence, we effectively mitigate vendor risks, while securing high-quality and cost-effective partnerships. We demand compliance with the highest standards set by trade organisations and ensure that safety standards are upheld throughout the entire supply chain.

Our rigorous pre-contractual checks ensure that we can be confident that our suppliers comply with legal standards including those set out in the Modern Slavery Act 2015. Our team monitors both service provision and pricing to ensure best value to the Business.

We also monitor this by employing third party Intertek Group PLC to provide us with additional assurance.

4.
CUSTOMERS

We are committed to meeting the needs of our customers. We regularly review our range of product offerings, and survey our customers on a regular basis, so that we remain abreast of their needs and perceptions of their H&T experience.

With our range of accessible services, both in- store and online, which include retailing high-quality new and pre-owned jewellery and pre-owned watches, purchasing of pre-owned jewellery and watches, cheque cashing, foreign exchange services, money transfers, watch repairs, and our core product offering of pledge lending, we provide simple, transparent and safe options for our customers to raise small-sum short-term funds when needed.

Our regular product reviews also ensure we remain competitive and provide good value for our customers.

We are aware of our essential role within local communities, and value and nurture this relationship, investing in the provision of our face-to-face service by providing continuous training to our people, enabling a tailored service on a store-by-store basis.

The FCA's Consumer Duty rules, allow for a higher and more consistent standard of consumer protection for users of financial services and enable greater support for our more vulnerable customers – we are confident this helps to prevent harm before it happens. We actively monitor the effectiveness of our consumer duty policies and procedures.

5.
GOVERNMENT, REGULATORY BODIES AND INDUSTRY BODIES

The Company is regulated by HMRC, the FCA, and the LSE, and we take our compliance obligations under each framework very seriously. We emphasise continuous monitoring, training, procedural updates, and an increasing focus on corporate governance.

As members of the National Pawnbrokers Association and the Consumer Credit Trade Association, we are positioned to actively influence within our sector.

To illustrate our decision making process and how the Directors have considered the matters outlined in section 172(1) of the Act, the following table provides examples of decisions made over the past year, the stakeholders affected, the factors taken into account, and the outcomes of those decisions.

BOARD ACTION	STAKEHOLDERS	CONSIDERATIONS	OUTCOME
Retirement of SID and appointment of replacement	Shareholders, Customers, Colleagues, Suppliers	The Board considered the suitability of the candidate for the role of SID.	In May 2024, James Thornton retired as a Director and Toni Wood was appointed as SID.
Appointed new Chair of the Remuneration Committee	Shareholders, Customers, Colleagues, Suppliers	The Board considered its aim to evolve its governance structures and further considered the suitability of the candidates for the role as Chairs of the Remuneration Committees.	Lawrence Guthrie replaced Toni Wood as Chair of the Remuneration Committee in June 2024.
Ensured sufficient finance to support continuing business activities	Shareholders, Customers, Colleagues, Suppliers	Short-term funding capacity availability that is flexible and cost effective to support the immediate and foreseeable business requirements. Lending covenants, security arrangements, fees and margin should be appropriate. New lending, diversification of funding arrangements.	Financing facility from Lloyds Bank comprising revolving credit facility of £45m and an overdraft facility of £5m – extension of facility maturity by one year to December 2027. Extension of maturity of £10m loan from Allica Bank, to December 2027. No change to the existing covenants. Private note placement and guarantee with Pricoa Private Capital (part of PGIM Inc) for £25m loan.

OUR WAY FORWARD

We strive to act with integrity and responsibility to do the right thing in protecting our planet, developing our people and governing our Company for the benefit of all stakeholders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

We look to manage our Business responsibly and focus on supporting our key stakeholders such as customers, colleagues, shareholders, regulators and wider society, with our immediate focus being the prioritisation of material ESG issues.

Our approach to ESG has been built with the active engagement of the Board, Senior Management Teams and our teams through a mix of training sessions, workshops, taskforces and general awareness campaigns and communication. ESG is a regular feature in our internal communications with the CEO sponsoring the importance and relevance of ESG for H&T.

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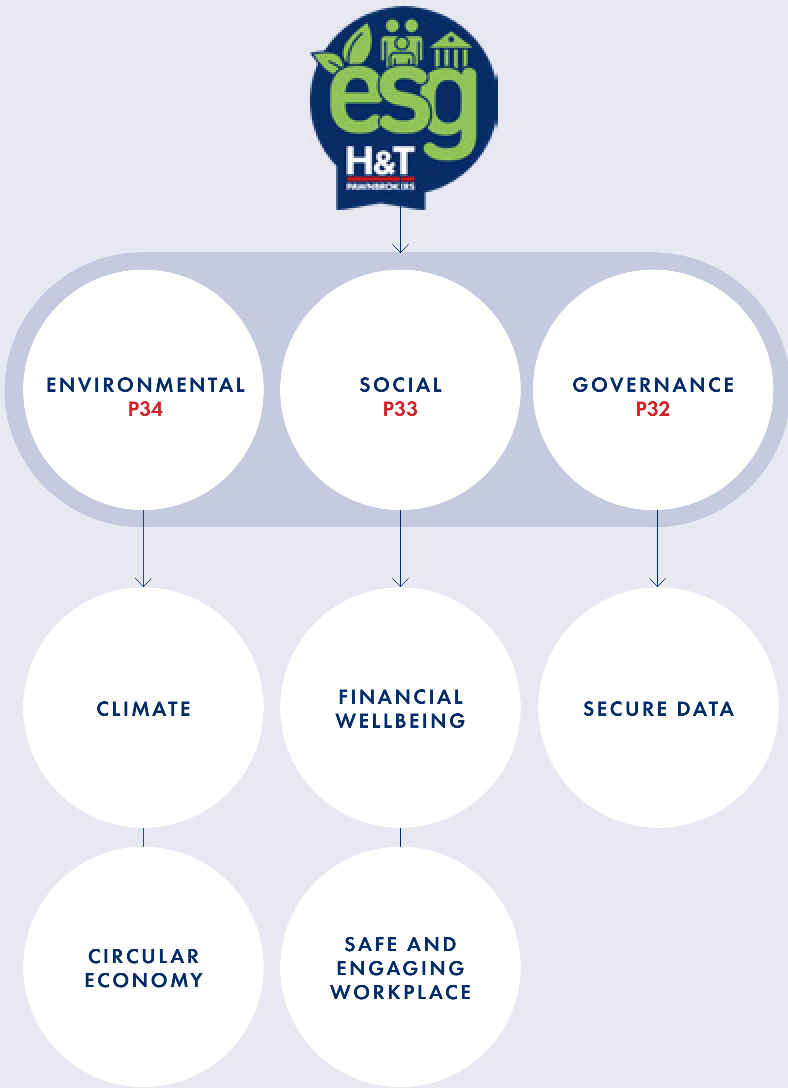
To support our focus on ESG, we have established the following.

- Toni Wood, Non-Executive Director (NED) as our Board Sponsor for ESG and Frances Marlow (HR Director) co-ordinates ESG across the organisation.
- Five workstreams representing our most material ESG topics (Climate, Circular Economy, Secure Data, Financial Wellbeing, and a Safe and Engaging Workplace) with representation from across the business to work on these prioritised topics, ensuring business collaboration and education.
- An internal ESG Taskforce consisting of the workstream leaders of our five areas of focus, plus the internal and external communications team.
- A taskforce dedicated to TCFD (Task Force on Climate-related Financial Disclosures).
- Monthly updates on both ESG and TCFD at our internal Executive Committees.
- Board updates on ESG including TCFD reports as part of a pre-planned Board schedule twice a year and the Risk Committee receives regular updates on climate risk three times a year.
- Completed formal ESG training with the latest updates for the Board and Senior Management Team.
- Embedding our Sustainability Policy

OUR ESG FRAMEWORK AND MATERIAL ISSUES



Materiality Assessment

A materiality assessment was completed in 2022 with the Senior Management Team. We worked through our most important stakeholders considering for each of them what their most critical ESG issues were. This has then informed our strategic priorities and key areas of focus.

In 2024, the materiality assessment was revisited by the Senior Management Team. Overall it was agreed that the five areas already identified, remain a priority for us with a few updates.

It was noted that cyber security is a critical issue and that this should be included within the Secure Data pillar. There is a programme of work already established on cyber security and this will be overseen by this pillar.

It was identified that Product Design and Lifecycle is key following the introduction of Consumer Duty and this should sit more formally within the Financial Wellbeing pillar as this relates to both our colleagues and our customers.

It was also noted the importance of our supplier relationships, both commercially and regarding their ESG action. As we enhance our greenhouse gas emission reporting, the quality and accuracy of data from our suppliers is key as well as a better understanding of their plans regarding ESG-related topics. This will be followed by the TCFD workstream.

GOVERNANCE

Our approach to ESG has been built with the active engagement of the Board and senior leadership teams through a mix of training sessions, workshops, taskforces and general awareness campaigns and communication.

> *"ESG is embedded in our governance and this provides a regular review of our progress."*

ESG GOVERNANCE AND INTEGRATION

Governance structures are reviewed annually to ensure that they remain fit for purpose, and there has been a recent internal audit on Board Effectiveness to consider if they are areas for improvement.

H&T GROUP PLC BOARD

Board ESG sponsor – Toni Wood

CEO – Chris Gillespie

ESG reports and other reports as required

H&T GROUP PLC RISK COMMITTEE

Reports relating to TCFD framework

H&T GROUP PLC AUDIT COMMITTEE

Reports on annual GHG disclosures

ESG TASKFORCE

Chair – Frances Marlow

Monthly meetings with leaders of our ESG priority areas and Communications

TCFD WORKING GROUP

Chair – Frances Marlow

Monthly meetings with representation from Property, Audit, Risk and Compliance, Procurement and Communications

MANAGEMENT BOARD

ESG monthly reports

RISK EXECUTIVE COMMITTEE

Monthly reports on TCFD framework

SECURE DATA

We will protect our customer data and support our people to do this with training.

We have also focused on ensuring that our data is secure, for customers, employees and the business. During 2024, there has been investment in cyber technology to safeguard data, as well as secure email encryption deployed, and legacy platforms being decommissioned as new systems come on line.

Through our materiality assessment, we recognise that it is key that we have a focus on our data, ensuring that it is secure from both internal and external risk. In 2024, we have initiated a specific Data project which is tasked with reviewing all aspects of our data including data quality, setting up a new data lakehouse to store our data securely in a central location and be able to use it to support our decision making through the use of Business Intelligence tools. In addition we have continued to invest in cyber technology to safeguard our data, deployed secure email encryption, maintained Cyber Essentials certification and focus on decommissioning our legacy platform and data.

We provide mandatory training to our teams when they first start with the business, and on an annual basis, to ensure that they are familiar with the risks that exist and what action they can take to protect the company from external threats. In addition ad hoc campaigns are run when there is a need to reinforce a particular issue along with regular internal threat hunting exercises conducted by our cyber team.

SOCIAL

Developing our people and engaging with the communities we serve are both important for our business, as well as supporting our aim to address social issues with philanthropic contributions. We wish to be a force for good in our local communities.

HIGHLIGHTS

FARESHARE

1,000,000

MEALS

Since our Partnership Began in 2021

C.500 Employees donate through payroll giving to Fareshare on a monthly basis

FINANCIAL WELLBEING

We will support our customers who are experiencing financial difficulties and educate our colleagues on financial wellbeing.

Following on from Consumer Duty in 2023, there has been a continual focus on customer outcomes. This has included the identification of metrics to track these customer outcomes, the production of a dashboard to summarise and provide visibility of these metrics, and a regular review during monthly management meetings. The customer triage process launched in 2024 continues to evolve and is now an integral part of the support for our customers who are identified as vulnerable, or those who are experiencing financial difficulties. The triage team has the opportunity to talk with our customers to both educate and support them to ensure that they have the best possible outcome.

Financial wellbeing is very important for our colleagues. There is a regular promotion of the benefits that we provide to our teams, especially those that are voluntary benefits, where they can receive support or be able to purchase items. Our Employee Assistance Programme is able to provide support in case of financial hardship. During 2024, the Company changed it's pension provider resulting in a significant reduction in administration fees, and to partner with a provider that will generate regular engagement with our teams to support their financial planning for the future.

H&T maintained it's focus on improving the pay of our teams, especially in stores and at entry level across the business.

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SAFE AND ENGAGING WORKPLACE

We will ensure that our colleagues and customers work and transact safely and in a positive, engaging environment.

While having completed employee engagement surveys previously, the Company partnered with a third party provider to support the management of these surveys with enhanced data analytics, manager access and the ability to track action plans. This has improved the speed at which we can share the results, provide granular data and follow up through one system. The Company will continue to use this tool as a way to receive anonymous feedback from our teams and to improve their engagement.

There has been a focus on security and safety communications with the aim of helping our employees to feel safe doing their roles. The Company is keen to stress their commitment to provide a security conscientious environment through updated and improved safety measures, and security policies and processes. To support our teams, a dedicated on-call security manager process was introduced so that teams can access help and support immediately should there be an incident or concern. Management training was provided for all Store Managers on 'Managing Challenging Situations' to ensure that the working environment is a secure and safe environment for all customers and employees alike.

CASE STUDY

ONE MILLION MEALS MILESTONE ACHIEVED WITH FARESHARE.

Our partnership began in 2021, and since then our teams have enjoyed supporting this charity to distribute food waste to help those who are affected by food poverty, as well as reducing the carbon impact of food waste.

This partnership also provides the opportunity for volunteering for our teams.

In July, we reached a significant milestone thanks to our charity partner, FareShare. The generous donations made by our colleagues over the past four years have resulted in a remarkable achievement that we are incredibly proud of.

This collaboration not only highlights our commitment to giving back to the community, but also underscores the collective impact we can make when we come together for a common cause.

H&T are proud to confirm that, in 2024, through our partnership with FareShare, c. 500 of our employees are donating on a monthly basis, attending and fundraising events

H&T continue to donate monthly on behalf of all employees as well as fully match all employee donations.

ENVIRONMENT

We aim to responsibly manage the environmental impact of our business operations, reducing waste, increasing recycling, and working to reduce our carbon footprint and climate impact.

HIGHLIGHTS

WE RECYCLE

99.8%

Of pre-owned jewellery (2023: 99.8%)

FSC (Forest Stewardship Council) retail packaging launched in stores, sustainable and recyclable

Jewellery and Watch consumable suppliers reduced from 3 to 1, orders reviewed and deliveries reduced to 1 per month

CIRCULAR ECONOMY

We will share the positive story of how our business model acts as a circular economy and maximise the benefits of this to attract new customers, applicants and shareholders.

Our ambition is to explain to all of our stakeholders how H&T is able to support a circular economy through its products and processes. In 2024, content was added to our onboarding programme for all new colleagues, as well as sharing communications during Circular Economy week and including this topic during our Guide to Selling training module for all employees.

In our stores we have provided PoS to highlight recycling rather than disposal of products when they are no longer required, with a focus on repairs for jewellery and watches. Following the acquisition of Swiss Time Services, 2024 saw the launch of in-house watch servicing.

We have started to work with our onward suppliers to share our story about the circular economy and how they are part of that journey. In addition, we are understanding what their policies are for Sustainability and how we can work collaboratively.

READ MORE ON PAGE 5

CLIMATE

We will proactively understand and take action to mitigate our environmental impact.

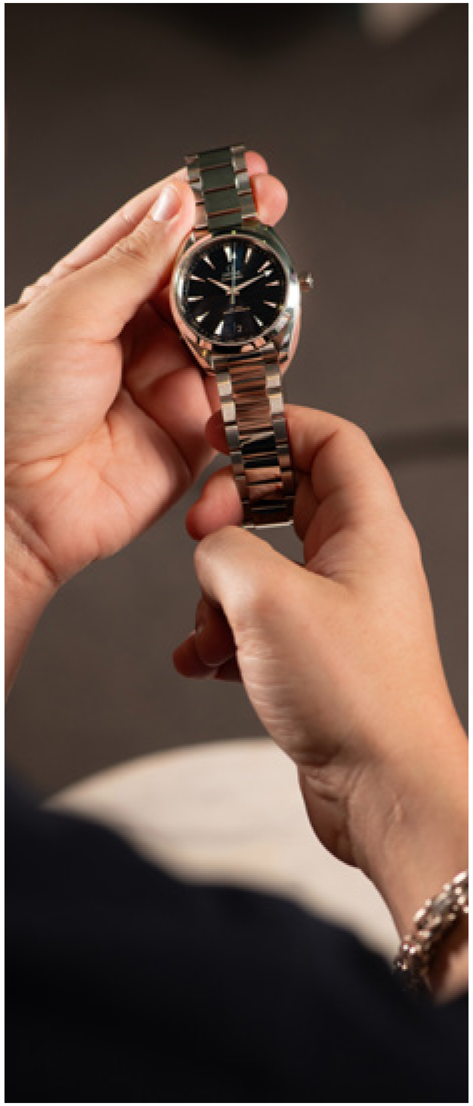
H&T partners with a renewable energy supplier, which provides 100% of its energy through renewable means. Campaigns have been run during the year to increase awareness about the actions we can take to reduce energy usage. Our 'switch me off' campaign has provided very specific advice within our stores on what items can be turned off when not in use or overnight to reduce energy usage.

Further initiatives are described in the climate related financial disclosures, see page 35-39.

In 2024 we recycled 68%(2023: 69%; 2022: 66%) of our waste, saving 250 tonnes CO_2 and this has been supported by working with our partners and identifying further actions to improve our recycle rate. We share our recycling results with our teams, and have reissued guidance on what can be recycled in-store and in support centres.

In 2024, H&T remain certified as sending zero waste to landfill.

During our store refits, refurbishments and any re-carpeting across our estate, carpet tiles made of recycled material are now used.



CLIMATE-RELATED FINANCIAL DISCLOSURES

H&T continued to demonstrate a clear focus on ESG supporting its actions through the use of the Task Force on Climate-related Financial Disclosures framework.

The UK Government has mandated climate-related financial disclosures under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. These regulations are effective for accounting periods beginning on or after April 6, 2022, and they mandate in-scope companies to report on material climate-related matters and their corresponding impact on business operations.

In accordance with these regulations, we present the Group's disclosures describing the governance, risk management, strategy, metrics and targets associated with climate-related financial risks and opportunities impacting our business. The Task Force on Climate-related Financial Disclosures (TCFD) was created in 2015 by the Financial Stability Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies in providing information to stakeholders.

H&T Group plc are required to report under the streamlined Energy and Carbon Reporting (SECR) framework, under the Companies (Director Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. This report covers SECR requirements of H&T Group plc.

Our journey began with a dedicated training session attended by the Senior Management Team where the framework was shared and a plan was put together to work towards completion of the requirements of the framework.

CATEGORY	CATEGORY OVERVIEW	RISK/OPPORTUNITY	TIME HORIZON
PHYSICAL RISKS	Risks related to the physical impacts of climate change, both event-driven (acute) and longer-term shifts (chronic) in climate patterns, which may have financial implications for organisations	• Enhanced reporting obligations requiring expertise and resource	**Short**
		• Cost impact of increased EPC requirements on store estate	**Medium**
		• Changing customer behaviour as a result of climate change and subsequent impacts	**Long**
		• Potential taxation of GHG emissions and carbon credits	**Medium**
TRANSITION RISKS	Growing external pressures and demands for action negatively impact revenues of those companies late to react, and trigger an increase in taxation and energy prices	• Increased severity of extreme weather patterns and events such as cyclones and floods	**Medium**
		• Supplier response to climate change impacts	**Medium**
		• Increase in sea levels and related impacts – Stakeholder intervention and expectations in managing climate change	**Long** **Medium**
		• Revised government targets and expectations	**Short**
OPPORTUNITIES	Shifting business landscape in a net zero world opens new market and investment opportunities	• Use of lower-emission sources of energy	**Short**
		• Shift in consumer preferences	**Medium**
		• Improved corporate sustainability credentials and future ESG rating	**Medium**

Risk Timelines:
0-3 years – short term

4-7 years – medium term

+7 years – long term

Governance
Our governance framework includes a separate TCFD Working Group chaired by Frances Marlow, HR Director, to manage the TCFD requirements. The Working Group meets monthly with representation from Property, Internal Audit, Risk & Compliance, Retail and Procurement to engage the relevant teams, educate them on the requirements and to monitor completion of actions.

The TCFD Working Group reports into the internal Risk Executive Committee ensuring regular communication, increased awareness and understanding of the requirements. This provides focus on the actions we need to take to deliver our climate strategy.

Board updates are provided through the Risk Committee, see page 69.

Strategy & Strategic Priorities
Our strategy is to understand the impact that the changing climate will have on our business, through the identification of risks, collation and analysis of our greenhouse gas emissions, identification of areas to reduce our own impact with a goal of being Net Zero by 2050.

The TCFD Working Group members have identified our physical and transition risks, and opportunities. There are some short-term physical risks that will impact H&T and that require action as well as the opportunity to use lower emission sources of energy. Since last year, these risks have remained consistent, with a change to the cost impact of increased EPC requirements being classified a medium-term time horizon, as existing tenancies will require an EPC rating of 'C' by 2028.

In 2024, a partner was identified to support the business to undertake scenario planning in 2025. This exercise will allow us to utilise data to explain the actual and potential effects of climate related risks and opportunities and make informed decisions about future actions.

After the review of our risks and opportunities, we identified the following strategic priorities to support us to lower our carbon footprint, protect the planet and limit the impact of climate change. They will also protect the organisation from the impacts of our carbon footprint in potential taxation and off-set requirements.

Minimise our Carbon Footprint Across our Property Portfolio
H&T Group rent their 285 stores and four offices; we take some direct action through our colleagues to improve the efficiency of these locations and actively reduce our carbon impact. However, some elements of these properties are not currently within our control and, therefore, it is essential that we actively collaborate with our landlords during lease renewals to understand their plans to improve the EPC rating of each location in line with legislation.

During 2024, we completed the mandatory ESOS (Energy Savings Opportunity Scheme) Review in collaboration with an external consultant calculating our Total Energy Consumption over a 12-month period and identification of savings opportunities. For 2025, we have identified some actions that we can work towards to further reduce our energy usage. This includes trialling timers for hot water heaters and matching to occupancy patterns, replacing dated light fittings, and fixed temperatures for winter heating and summer cooling. Consideration was made for adding solar panels to one of our office locations but this was not considered viable.

Manage our Circular Economy with the Lowest Carbon Footprint
While H&T Group benefits from the circular economy in the recycling and re-use of jewellery that comes into our possession through pawnbroking and the purchase of gold, diamonds and gemstones, there is still a carbon impact through the distribution of items and disposal of them for further use. Our strategic focus and practices are being reviewed to maximise delivery volumes and reduce the delivery cycle where possible, across our suppliers.

We are actively working with our suppliers to collate data about their impact, and understand their ambition in terms of reducing their carbon impact and energy usage.

Partner with Proactive Responsible Suppliers to Jointly Reduce our Carbon Impact
H&T have contacted our key suppliers to share our work on reducing carbon footprint and impact, to understand their goals and plans, and to understand how we will work collaboratively to limit our carbon footprint where possible. We are planning to hold an event with our suppliers to open up a discussion on climate change and how this will be affecting all of us.

When establishing new partnerships, ESG will form a more significant element of our process and we will partner with those organisations who share our ambition. We share with all new suppliers our Supplier Code of Conduct alongside our Procurement Policy ensuring that we formally share our expectations in the partnerships that we have.

Risk Management
H&T has a risk management framework, which includes the risk of climate change. The risk of climate change is supported by the TCFD Working Group and is shared with the rest of the Senior Management Team through the Risk Executive Committee meeting to ensure there is awareness across the Business and that anyone can raise any additional risks. Risks are shared and updated on a regular basis and reflect new and emerging risks, and any risk mitigation actions will be tracked.

Climate risk is also shared with the Board via the Risk Committee, and during 2024, actions relating to these risks were identified and progress reports provided to the Risk Executive Committee and Board Risk Committees three times per year.

SECR ANNUAL REPORT STATEMENT

This report was written and provided by our third party partner the Pause People.

We present both the location and market-based method for calculating Scope 2 emissions to account for our efforts in generating and purchasing low-carbon energy. H&T Group plc have secured REGO certificates covering the majority supplied electricity to H&T Group plc. There are a small number of electricity supplies not covered by REGO certificates, in these cases, the 2023 (most recent available) AIB European Residual Mix (UK) emission factor has been applied.

Methodology Applied
This SECR report is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting requirements. The proportion of the greenhouse gas emissions reported relating to UK is 100%.

Emissions Factors Applied
BEIS 2024 emission factors have been used for all emission sources.

Market-based emissions factors have been sourced from the supplier where known. REGO certificates are held covering 94.8% of the total supply of electricity. Electricity supplied by 'other suppliers' is allocated against the 2023 AIB European Residual Mix (UK).

Conversion of fuel use to kWh has been carried out using BEIS 2024 fuel conversion factors.

STREAMLINED ENERGY AND CARBON REPORT

SECR ANNUAL REPORT STATEMENT

ENERGY CONSUMPTION		2023	2024	Compare
	Total Global Energy Consumption (kWh)	6,281,208.73	**5,547,111.66**	**-11.7%**
	Total UK Energy Consumption (kWh)	6,281,208.73	**5,547,111.66**	**-11.7%**
Energy Consumption Breakdown	Natural Gas (kWh)	216,078.44	215,781.42	-0.1%
	Direct Transport (kWh)	324,491.02	347,078.24	7.0%
	Total Electricity (kWh)	5,740,639.27	4,984,252.00	-13.2%

GREENHOUSE GAS EMISSIONS		2023	2024	Compare
	Total Scope 1 (tCO_2e)	110.05	**131.55**	**20%**
Scope 1: Combustion of fuel and operation of facilities.	Natural Gas (tCO_2e)	39.53	39.47	-0.2%
	Direct Transport (tCO_2e)	81.96	87.59	6.9%
	Refrigerant (tCO_2e)	10.06	12.19	21.1%
	Total Scope 2 (tCO_2e)			
Scope 2: Electricity purchased, and heat and steam generated	Location-Based (LB) (tCO_2e)	1,188.74	1,031.99	-13.2%
	Market-Based (MB) (tCO_2e)	95.18	101.24	6.4%
	Total Scope 1 + 2 (tCO_2e) – Location-Based	1,320.29	**1,171.24**	**-11.3%**
	Total Scope 1 + 2 (tCO_2e) – Market-Based	226.73	**240.49**	**6.1%**
	Financial Turnover (£million)	199.5	**240.4**	**20.5%**
	Carbon Intensity Scope 1 + 2 (tCO_2e/£mn) – Location-Based	6.618	**4.872**	**-26.4%**
	Carbon Intensity Scope 1 + 2 (tCO_2e/£mn) – Market-Based	1.136	**1.000**	**-12.0%**

Emissions Sources Excluded/Estimated

- Omissions are not known to exceed 2-5% of overall emissions or energy use.
- 0.4% of natural gas used by H&T Group plc has been estimated from data covering the 2023 measurement period as a proxy.
- 4.6% of electricity used by H&T Group plc has been estimated from data used for the H&T Group plc ESOS Phase 3 compliance report.

ENERGY EFFICIENCY NARRATIVE

We recognise that climate change is one of the most serious environmental challenges threatening the world today and we aim to responsibly manage the environmental impact of our business operations, reducing waste, increasing recycling, and working to reduce our climate impact. We have implemented several energy efficiency projects during the reporting period.

- The 'switch me off' initiative, encourages staff to switch off equipment (on-going initiative).
- Completion of ESOS Phase 3: an implementation plan, for the period ending December 2027, has been drafted for further efficiencies based on audited recommendations.
- Working with our vendors to, either reduce deliveries, or use alternative means of transportation (on-going initiative).
- Office/Store Supplies: deliveries reduced by 20% by increasing order volumes and reducing orders under £100.
- FX & Local Currencies: deliveries to stores reduced by 33.3% per week, by increasing the stock of currencies held in store.
- Couriers: introduced late in 2023, customer deliveries made by electric powered vehicles have increased by 10,000% in 2024.
- Postal Services: circulation of paper communications has been reduced by 20% per month, by transferring customer communications to digital format.
- The continued installation of motion detector lights so that lighting is only switched on when required (on-going initiative).
- Electricity provider: we have extended our long-term agreement to December 2026, to ensure that 100% of our purchased electricity is generated by renewable resources, covered by REGOs.

Several other energy efficiency measures are under consideration for implementation during our next reporting year.

OTHER ASSUMPTIONS AND ESTIMATIONS

It must be ensured that associated REGO certificates are held, covering the electricity consumption of 4,984,252.00 kWh consumed during the reporting period from 1st January 2024 – 31st December 2024. Due to the DRAX release of the REGO certificates, the REGOs covering the measurement period of 1st January – 31st March 2024 are available, the final period covering 1st April 2024 – 31st December 2024 are not yet available, these will be released in April 2025.

Emissions Factors Applied

Activity Type	Emissions Factor	Source
UK electricity (Location-Based)	Electricity generated: Electricity: UK kWh	DEFRA Conversion Factors Full Set for Advanced Users 2024
UK electricity (Market-Based)	Electricity generated: Electricity: UK kWh	Renewable: Zero
European Residual Mix (UK) 2023		
Natural Gas	Natural Gas: kWh	DEFRA Conversion Factors Full Set for Advanced Users 2024
Refrigerant and other	Refrigerant and other: Blends: R410A, HFC-32: kg	DEFRA Conversion Factors Full Set for Advanced Users 2024
Delivery vehicles	Delivery vehicles: Vans: Average (up to 3.5 tonnes) miles: Diesel	DEFRA Conversion Factors Full Set for Advanced Users 2024

H&T GROUP PLC – 2024 SCOPE 3 EMISSIONS

H&T Group plc recognise the importance of sharing information to stakeholders about the greenhouse gas emissions associated with the H&T Group plc operation. With this in mind, H&T Group plc have started to measure their Scope 3 GHG emissions across the Group in line with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

It is acknowledged that, at this stage, it is difficult to determine if values reported for Scope 3 sources are materiality accurate because of the following reasons:

- Limited data availability;
- Assumptions required; and
- Varying data quality and methodologies for emissions-generating activities that are not under the H&T Group plc's direct control and elsewhere in our value chain.

Therefore, for those emissions sources, H&T Group plc have made every effort to ensure that:

- The data available is as accurate as reasonably possible; and
- Assumptions made in calculating emissions are suitably documented so these can be applied consistently and updated with improvements with each subsequent carbon footprint report.

Efforts are being made to improve the level of accuracy of the reporting of Scope 3 emissions from the categories listed below, however, as the emissions results make use of a hybrid data approach, a high proportion of emissions are estimated using spend-based emissions factors. As such, the results presented here should be used with care. H&T Group plc are actively working with suppliers to improve the level of confidence in reported Scope 3 emissions.

Breakdown by Scope Category	2023 – tCO_2e	**2024 – tCO_2e**	Estimation Method
Scope 1	131.55	**139.25**	Activity Data
Scope 2 (Market Based)	95.18	**101.24**	Activity Data
Category 1 + 2 – Purchased Goods and Services and Capital Goods	11,776	**14,544**	Hybrid: Spend + Activity Data
Category 3 – Fuel and Energy-Related Activities not in Scope 1 or 2	164	**146**	Activity Data
Category 4 – Upstream Transportation and Distribution	719	**851**	Hybrid: Spend + Activity Data
Category 5 – Waste Generated in Operations	18	**5**	Activity Data
Category 6 – Business Travel inc. Hotel Stays	432	**280**	Hybrid: Spend + Activity Data
Category 7 – Employee Commuting inc. WFH	1,726	**1,426**	Activity Data – Survey Based
Total Absolute Result (tCO_2e)	15,061.73	**17,497.72**	+2,436 tCO_2e
Total Relative Metric (£ million turnover)	199.50	**240.40**	+20.5%
Total Relative Result (tCO_2e/£ million turnover)	75.05	**72.79**	-3.6%

The reason for the increase in 2024, in comparison to 2023, is relating to the following activity:

Jewellery – Gold – Virgin – Weight – there was a significant increase in spend and purchased weights from 66,050 grams in 2023 to 122,270 grams in 2024. This has resulted in an increase in emissions by 2,076.7 tCO_2e.

For Scope 3 downstream categories, an initial assessment has been carried out to identify which are relevant. Following this, data collection methodologies are being developed to enable their calculation within future carbon footprint reports alongside improvements to data collection for Scope 3 upstream categories listed above.

This report was written and provided by our third party partner the Pause People.

RISK MANAGEMENT

Risk-taking is fundamental to our business and effective risk management, limitation and mitigation forms part of our overall corporate governance.

Our risk management framework provides a formal structure and approach to identifying, assessing, managing and controlling risk. The framework ensures clarity and consistency on the risk management responsibilities of all colleagues and supports us in generating value for our shareholders, alongside maintaining our reputation, appropriate outcomes for our customers and meeting the needs of other stakeholders.

We use clearly defined and approved risk appetite statements to clarify the level of risk the Group is prepared to tolerate to deliver on our strategic objectives. We regularly review and enhance our approach to identify and address emerging risks and align with changes in the macroeconomic environment.

Our robust risk culture supports the execution of our risk management framework, and an environment of transparency, integrity and accountability runs as a thread throughout our business, underpinning our approach to effective risk management.

H&T has an open risk culture through clear communication channels throughout the business, through our Committee Governance structure, hiring the right people, our Company Values, and by empowering staff to actively manage risk aligned to our performance objectives and risk appetite.

The Board monitors emerging risks and performs horizon scanning to ensure that we scrutinise the threats we face, to anticipate potential sources of disruption to our key services and to eliminate operational vulnerabilities, which could impact the achievement of our delivery. Outside of business-as-usual operational resilience, we have further developed our approach to crisis management to ensure we have a practical framework to control, contain and resolve incidents within an acceptable time limit, while minimising financial or reputational impact.

In summary, our structured approach to risk management safeguards the interests of our shareholders, customers, and wider stakeholders. We maintain strong governance, foster an environment of accountability, and embed risk management into our strategic decision making and Committee structure. We are well positioned to effectively manage the risks we face and deliver sustainable value to our shareholders.

The Board's assessment of the principal risks to which the Group may be exposed, and the mitigations, are set out on the following pages; however, this is not an exhaustive analysis of all of the risks and uncertainties that the Group may face.

PRINCIPAL RISKS

AREA	DESCRIPTION OF RISK	HOW RISKS ARE MANAGED
STRATEGIC RISK	The risk that income/returns fluctuate adversely due to changes in the macroeconomic environment, improper implementation of decisions, or the risk associated with future business plans and strategies.	Strategic risk is managed by incorporating risk considerations into our business planning and decision making processes to ensure alignment with our sustainable long-term objectives. External market conditions, regulatory outlook and emerging trends that could impact our strategy are regularly assessed. Oversight by the Board and Executive Risk Committee, as part of our governance structure, ensures progress on strategic initiatives is tracked and remains within our defined risk appetite with decisions on adjustments as required.
TREASURY AND CAPITAL RISK	**Liquidity Risk** – the risk that H&T is unable to meet its contractual or contingent obligations as they fall due, or that it does not have the appropriate amount, tenor or composition of funding and liquidity to support its business activities. **Capital Risk** – the risk that H&T has an insufficient level or composition of capital to support its normal and strategic business activities. **Gold Price Risk** – the risk of the value of pledge collaterals being impacted. This includes a significant fall in the gold price impacting the security of the pledge and the revenues from scrap operations. **Interest Rate Risk** – the risk that H&T is exposed to income volatility because of a mismatch between the interest rate exposures of its assets and liabilities. **Exchange Rate Risk** – the risk of loss arising from potential adverse changes in the value of H&T's assets and liabilities from fluctuations in foreign exchange rates.	Regular forecasts of cash inflows and outflows are utilised to manage liquidity and identify funding gaps to ensure adequate liquidity aligned to our risk appetite and strategic objectives. The Board utilises the budget planning, sensitivity analysis and stress testing to consider the impact on capital and liquidity of unexpected events or adverse conditions. A reserve of liquid assets, in the form of cash, is maintained to meet shorter-term obligations. The Group has a mix of medium and short-term finance facilities and a mix of fixed and floating interest charges. The Board considers whether financial instruments to mitigate currency, commodity (gold) and interest rate fluctuations should be in place. The Group closely monitors and complies with its financial covenants to maintain its credit obligations. The Group maintains its relationships with its investors and funders consistent with the opportunity of raising future equity or debt finance to expand activities.
REGULATORY AND CONDUCT RISK	Regulatory risk is the risk of loss to the Group from poor judgement, behaviour or error in the execution of strategy, including negligent conduct or non-compliance with regulations. Future changes in regulation present risk to the Group's future ability to operate and deliver returns. These risks could lead to financial penalties, loss of regulatory approval, reputational damage or reduced profitability from increased regulation. This includes the Financial Crime Risk, which is the failure to identify, manage, mitigate, and act on the risk associated with financial crimes. Conduct risk is the risk of poor outcomes for, or harm to, customers arising from the poor design and delivery of H&T's products and services or poor governance and processes.	The Group monitors regulatory changes, including updates to consumer credit rules and the broader FCA regulations. Our customer-centric approach is aligned to the FCA Consumer Duty principle, with oversight by our Customer Committee. Vulnerability assessments ensure we tailor our processes and provide customer support and forbearance options for customers in financial difficulty. We continue to embed the Consumer Duty into our processes and monitor communications from the FCA providing latest guidance and best practice. We operate a strong control environment, which is supported by periodic reviews of business unit Risk and Control Self Assessments. This ensures we have identified the key risks, and that the controls to mitigate those risks are effective in both design and operation. On-boarding training and annual refresher training for colleagues alongside clear communications and tone from senior managers promote a culture of integrity and the delivery of good outcomes for customers and avoidance of foreseeable harm. A compliance monitoring plan is in place to assess adequacy of policies and controls, thematic reviews, and internal audits provide assurance that our practices align with regulatory and conduct expectations. Clear policies, process documentation and training is provided across the business to ensure awareness and adherence to financial crime and anti-money laundering requirements. Financial and non-financial misconduct is monitored and reported along with any action taken.

PRINCIPAL RISKS CONTINUED

AREA	DESCRIPTION OF RISK	HOW RISKS ARE MANAGED
COUNTERPARTY RISK	Counterparty risk is the risk that the other party in a financial contract does not meet its obligations, including the risk of loss from the failure of customers or counterparties to meet their financial obligations to the Group.	The Group imposes limits to manage the operational exposure to individual counterparties and monitors credit status of suppliers and service providers. The risk attributable to the pledge book is mitigated by the presence of pledge security (in the form of conservative collateral valuations against jewellery and watches), which are stored securely, suitably insured, and can be easily liquidated. The Group takes appropriate risk-mitigating actions for new and existing customers, which includes Know Your Customer (KYC) requirements, enhanced due diligence and fraud checks. Counterparty risk is considered low in relation to liquid funds held with financial institutions. The Group utilises banks with high credit ratings assigned by recognised international Credit Rating Agencies Lloyds Bank Plc – Moody's rating A1, 2024 (2023: A1).
OPERATIONAL RISK	The risk of loss to H&T from inadequate or failed processes or systems, human factors, or from external events (for example theft or fraud). H&T recognises a number of Operational Risk categories. • Financial Reporting Risk. • Fraud Risk. • Health and Safety Risk. • Information Security Risk. • Insurance Risk. • Legal Risk. • Operational Resilience Risk. • Payments Processing Risk. • People Risk. • Premises Risk. • Physical Security Risk. • Supplier Risk. • Tax Risk. • Technology Risk.	Operational risk is inherent in our activities. It is not possible, or cost effective, to eliminate operational risk. The Group applies a Three Lines Model with lines of accountability between first-line management for ownership of risk, second-line oversight and third-line Internal Audit assurance. The Group assesses and manages its Operational risk and control environment across its businesses and functions to maintain a stable level of operational risk exposure within agreed risk appetite. The store network and support centres are distributed throughout the UK in key locations, with dedicated security and health and safety teams. Systems and procedures minimise risk of theft and fraud. Customers can utilise our secure online portal to manage pledge arrangements alongside our store network and service centre. The Group seeks opportunities for new investment in technology applications, platforms, and wider Group infrastructure to manage our operational technology and information security risk exposure. Development of our proprietary software and change risk is managed through change governance. Support functions are enabled to work remotely in the event of business continuity events. Core systems and data are secured through high availability cloud providers. Stores are set up to work autonomously in the event of short-term failure in connectivity or access to central supervision. People resource is flexibly deployed across a number of local stores as demand requires, and training and development programmes support succession plans. Robust and effective internal controls are in place to prevent and detect process failures and intermittent service or latency and the monitoring of key risk indicators against thresholds provides early warnings. Training and development support H&T colleagues' understanding and importance of their roles, and how their contribution impacts the wider business; performance management processes address challenges. Disciplinary sanctions may be applied where colleagues have not followed policy. The Group manages insurance, tax and legal risk in line with agreed risk appetite and has a mandate to access market-leading technical and advisory expertise as required.

PRINCIPAL RISKS CONTINUED

AREA	DESCRIPTION OF RISK	HOW RISKS ARE MANAGED
REPUTATIONAL RISK	The risk that an action, transaction, investment, event, decision, or business relationship will reduce trust in H&T's integrity and/or competence.	The Board fosters a culture of integrity, compliance, and customer-centricity to encourage attitudes, behaviours and beliefs aligned with our Purpose and Values to maintain an effective risk culture and avoid activity that could harm our reputation. Remuneration and reward structures are assessed and aligned with good outcomes for customers and sustainable commercial objectives. We undertake comprehensive root cause analysis of our customer feedback and complaints to make changes to our policies and processes to support good outcomes for customers. Customer surveys, mystery shopping and monitoring of customer online review ratings provide feedback on our products and services.
CYBER SECURITY RISK	The risk of loss or detriment arising from compromised technology, security and data that could affect the confidentiality, integrity or availability of the Group's data and systems. The risk that a cyber incident could result in theft or loss of customer or Group data, damage to systems, fines and reputational damage and impact on operations.	The Group regularly identifies and assesses vulnerabilities and has invested further in 2024 in cyber defence mechanisms to support the mitigation of the key cybersecurity threats. The Group prevents sensitive information from unauthorised access or disclosure, while maintaining data integrity and accessibility. Multi-factor authentication is enforced across the Group and security monitoring is in place. There is a comprehensive Business Continuity and Disaster Recovery Plan in place to mitigate the impact of failures within our infrastructure. Cyber training is provided to employees to ensure ongoing awareness of this threat. Periodic third-party penetration testing provides external assessment of the adequacy of the Group's cyber security. Insurance and third-party cyber expertise are in place in the event of a cyber incident.
CLIMATE RISK	The risk of financial loss arising from extreme weather events, and operational disruption and increased insurance costs. The risk of increased energy and supply chain costs, potential regulatory mechanisms on direct carbon emissions and increasing scrutiny from stakeholders may impact the future value of the Group and its reputation if the Group cannot transition to a lower-carbon model.	The Group utilises the framework from The Climate-related Financial Disclosures (TCFD) Working Group to disclose how we identify, assess and manage climate risks. Ongoing monitoring of developments in climate reporting supports H&T's readiness to meet future reporting requirements. The direct climate risks of extreme weather events, which could damage assets, disrupt operations, or impact the value of our business and investments are closely managed. Transition risks associated with the shift to a low-carbon economy are considered and monitored to ensure we are ideally placed for a long-term, sustainable commercial success.

Secondary risks faced by the Group are managed day to day through risk registers and risk assessments conducted by the business.

EMERGING RISKS

Emerging risks are new or evolving threats and opportunities, the impact of which could have significant implications in the future, but which are currently uncertain.

The Group continually reviews the operating environment for emerging trends, including changes in technological advancements, the regulatory landscape, geopolitical risks, and environmental and health emergencies, which could impact the long-term commerciality and sustainability.

KEY ROLES AND RESPONSIBILITIES

The Board retains ultimate responsibility for approving the Group's risk management framework and risk appetite statements, and provides oversight to ensure their continued effectiveness.

The Risk Executive Committee has delegated responsibility to implement the risk management framework and for aligning operations to deliver the Group's strategic objectives.

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STRONG GROWTH AND MOMENTUM

DIANE GIDDY *Chief Financial Officer*

Reported gross profit increased to £155.4m (2023: £127.2m), up 22% year on year as sustained demand for H&T's core product offerings delivered revenue growth.

CHANGE OF ACCOUNTING REFERENCE DATE

The Board has made the decision to change the Group's financial year end from 31 December to 30 September, with effect from September 2025, as previously communicated.

This will result in financial performance being more evenly spread across the two half year reporting periods. Comparative unaudited figures for the twelve months to 30 September 2024, to establish the base for the new accounting reference dates, are summarised on page 50 of this report.

For the 2025 financial year, being the first financial year with the new year end, statutory audited results covering the nine-month period to 30 September 2025 are expected to be published in January 2026. Simultaneously, the Group will publish unaudited comparative results for the twelve months to 30 September 2025. Given that there will be no interim financial reporting in this first year of transition, the Group will publish a trading update in July 2025, covering the first six months of the calendar year to 30 June 2025.

For future financial years, the reporting cycle will comprise six months interim reporting to March, which we expect to publish in May, and full year reporting to September, which we expect to publish in January.

A reporting calendar will be published on the Group's investor relations website at **https://handt.co.uk/pages/investor-relations**.

The expected future dividend timetable for the year end September 2025 is shown in the table below:

	Interim Dividend	Final Dividend
9 month Statutory Year 2025		
Period	3 months to March 2025	6 months to September 2025
Payment Date	August 2025	April 2026

FINANCIAL RESULTS

GROSS PROFIT

Reported gross profit increased to £155.4m (2023: £127.2m), up 22% year on year as sustained demand for H&T's core product offerings delivered revenue growth.

The Group delivered profit before tax of £29.1m (2023: £26.4m), up 10% year on year and profit after tax of £22.2m (2023: £21.1m), up 5% year on year.

Illustrated in the table below, the pawnbroking and retail segments continue to be the core contributors to the Group's performance, supported by growing demand for our foreign currency service and over the counter gold purchase. Gold purchase margins are benefiting from current elevated gold prices with volumes broadly flat.

	12 months ended 31 December 2024 £'m	12 months ended 31 December 2023 £'m	% Change
Gross profit:			
Pawnbroking	102.3	90.4	13%
Pawnbroking scrap	9.5	4.7	102%
Pawnbroking total	111.8	95.1	18%
Retail	19.3	14.4	34%
Gold purchasing	14.8	8.6	72%
Foreign exchange	7.0	6.3	11%
Other services	2.5	2.8	-11%
Total gross profit	**155.4**	**127.2**	**22%**
Less IFRS 9 impairment charge:			
Pawnbroking IFRS 9 provision movement	(4.7)	6.0	-178%
Pawnbroking	(29.3)	(26.9)	9%
Personal loans	0.7	0.6	17%
Income from Operations	**122.1**	**106.9**	**14%**

Pawnbroking is the Group's core product offering, with income from operations (after IFRS 9 impairment charge) growing by 5% to £77.8m (2023: £74.2m). Pawnbroking income is strongly correlated to the timing of growth in the underlying pledge book, the distribution of individual pledge loan values within the portfolio and the impairment charge required to be raised in line with International Financial Reporting Standard (IFRS) 9.

The risk adjusted yield earned on the pledge book, which now includes pawnbroking scrap income with prior years restated, is 71% (2023 restated to include Pawnbroking scrap profit: 78%), having been impacted by the following:

- **Very strong growth in the Pledge Book in Q4:** The strong growth in the pledge book achieved in Q4 provides a sound base for future growth. However, 2024 revenues reflect limited benefit from this growth, as it occurred late in the year and therefore, time on book was not significant.
- **Higher redemptions:** Customers chose to repay their pledge loans earlier than would ordinarily be the case, during the spring months of 2024, resulting in a c.15% increase in the normal monthly flow of redemptions during the months of March, April and May 2024. These higher levels of redemptions reduced the capital value of the pledge book, and correspondingly reduced the yield earned on the book during the year.
- **Increased IFRS 9 provisions:** The Group implemented an increase in lending interest rates in mid-2024, which will increase the gross yield on the pledge book over time. This has necessitated a review of the input assumptions within the Group's IFRS 9 impairment model, particularly in respect of the calculated effective interest rate ("EIR"). As a result of this review, and the strong growth seen in the pledge book in Q4 2024, the provision held under IFRS 9 has increased by £4.7m (2023: decrease of £6.0m) to £10.5m (2023: £5.8m).
- **Uncollected interest:** The IFRS 9 impairment charge includes uncollected interest on pledge loans that have reached the point of forfeit, and the IFRS 9 expected credit loss provision charge. This charge increased in line with the growth in the underlying pledge book, to £29.3m (2023: £26.9m).

Uncollected pledge book interest on loans that have reached the point of forfeit, is recovered through the disposal of the collateral item, either through pawnbroking scrap or retail activities. Pawnbroking scrap profits are now incorporated into the segmental performance of pawnbroking, with prior periods restated to present an appropriate comparison.

RECOGNITION AND MEASUREMENT OF FINANCIAL ASSETS: PLEDGE BOOK IFRS 9 PROVISION REQUIREMENTS

International Financial Reporting Standard, IFRS 9, is issued by the International Accounting Standards Board (IASB) to govern the recognition, measurement, and disclosure of financial instruments. This requires the Group to classify, measure and recognise expected credit losses on its financial assets, from the point of initial recognition of the pawnbroking loan made to the customer.

For the pawnbroking pledge book, the Group is exposed to credit risk through customers defaulting on their loans, with the key mitigation to this risk being the requirement for all customers to provide security (the pledge item) to H&T for safe keeping, at the point they enter into the pawnbroking contract. This security (the pledge item) acts to minimise the credit risk as a customer pledge becomes the property of H&T on the default of the pawnbroking loan.

IFRS 9 requires that the Group measures loss allowances for financial assets, specifically the pledge book, using the expected credit loss model. The Group's expected credit loss model compares the carrying value of pledge loans (being the principal loan value plus interest accrued at the effective interest rate for each pawnbroking loan) to the expected recoveries through redemption and the realisable value of the underlying collateral (the pledge).

A detailed and comprehensive review of the key estimates considered in the Group's IFRS 9 impairment model is concluded annually. This review focuses on the key estimates captured in the IFRS 9 expected credit loss model, which are:

i) Redemption rates: this captures both the rate at which, and timing of when, customers redeem their pledge loans.

ii) Forfeit profile: this is the time taken to realise the underlying value of the collateral (the pledge) for loans which ultimately forfeit. Pledge loans are considered to be in default when they reach the end of their contractual period of six months, and from this point value can be realised through normal redemption, or through forfeit.

iii) Expected realisation value of collateral: this is the realisable value of the collateral (the pledge), and this security significantly reduces the credit risk. In the event of forfeiture, these collateral items (the pledge), can be either sold as retail items or scrapped by H&T to settle the outstanding carrying value (principal plus accrued interest) of the pledge loan. If sold as retail items, the realisable value is the retail price at which these items are sold, through the Group's store estate or on-line. If scrapped, the realisable value is the prevailing trade price of the underlying metals, precious stones or watches. The Group estimates that the current fair value of the security held (the pledge item) is in excess of the current pledge book value.

The review further considers the effective interest rate ("EIR") applied in determining the value of the expected future credit losses, also noting the impact of any changes in the key assumptions noted above. We are satisfied that the recognition and measurement of the pledge book fairly represents the minimal exposure to credit risk, given the current fair value of the security held (the pledge item) is in excess of the pledge book value.

PROFIT BEFORE TAX

The Group delivered profit before tax of £29.1m (2023: £26.4m), up 10% year on year and profit after tax of £22.2m (2023: £21.1m), up 5% year on year.

	12 months ended 31 December 2024 £'m	12 months ended 31 December 2023 £'m	% Change
Income from Operations	**122.1**	**106.9**	**14%**
Operating expenses:	(86.6)	(77.4)	12%
other direct costs	(59.2)	(53.2)	11%
administrative expenses	(27.4)	(24.2)	13%
Investment revenues	0.1	0.1	0%
Finance costs	(6.5)	(3.2)	103%
Profit before taxation	**29.1**	**26.4**	**10%**

OPERATING EXPENSES

Operating expenses, being direct and administrative expenses, increased to £86.6m (2023: £77.4m), up 12% year on year. Within this, employee related costs rose by 9% and represent approximately 58% (2023: 58%) of total costs. The Group is primarily a fixed cost business, with continued ongoing close control of costs to achieve operating efficiencies remaining a priority of the Group.

Ensuring that our employees are appropriately rewarded remains a priority for the Group. Employee related costs for 2025 will continue to rise at a rate above that of headline inflation, primarily as a result of decisions taken by the UK government in respect of National Living Wage and Employers' National Insurance contributions.

We continue to be able to negotiate improved leasehold occupancy terms upon lease renewal and the Group fixed its energy costs in 2024 until December 2026, on improved terms relative to the previous fixed rate contract.

The Group employed 1,678 people (2023: 1,625) at 31 December 2024, being 1,453 FTE (2023: 1,410), with the increase in headcount supporting the growth in store estate and in key support functions.

TAXATION

The corporation taxation charge for the year was £6.8m (2023: £5.3m). Corporation tax rates increased from 1 April 2023, from 19% to 25%. The Group has an effective tax rate of 24% (2023: 20%). These effective tax rates are lower than the standard rate of tax due the additional tax relief from the use of the super-deduction allowance for investment in plant and machinery for three years from 1 April 2021, giving rise to a net credit relating to prior years. The timing difference between tax relief on the group's investment in its capital programme versus the timing of the accounting recognition of this expenditure, along with other timing differences, results in deferred taxation. As tax relief has been accelerated, a deferred tax liability arises for the year and this is provided at 25%, being the tax rate at which the liability is expected to reverse.

BALANCE SHEET

	31 December 2024 £'m	31 December 2023 £'m	% Change
Pledge book capital value of loans	126.8	101.3	25%
Accrued interest	42.0	33.4	26%
IFRS 9 impairment provision	(10.5)	(5.8)	81%
Net carrying value of pledge book	158.3	128.9	23%
Inventories	40.6	40.7	0%
Goodwill	27.3	21.9	25%
Property, plant and equipment	15.8	15.7	1%
Intangible assets	9.5	7.6	25%
Net debt	(54.4)	(31.6)	72%
Other net assets/(liabilities)	(5.0)	(5.8)	-14%
Net assets	**192.1**	**177.4**	**8%**

The Group's net asset value increased to £192m (2023: £177m). The balance sheet is underpinned by the inherent value, expressed at cost, of precious metals and watches in the form of collateral for the pledge book and in inventory, as well as cash balances.

The Group ended the year with a net debt position of £54.4m (2023: £31.6m), primarily funding investment in working capital through growing the pledge book (including the acquisition of the Maxcroft pledge book), the store estate, both new and existing stores and investment in technology and data capabilities. Cash on hand at the end of December amounted to £15m (2023: £11m).

Non-current assets grew to £70m (2023: £65m) with the investment of capital expenditure, particularly in respect of the Group's store estate, both existing and new stores, of £3.3m (2023: £2.7m) and continued strategic investment in the Group's technology capabilities and platform of £2.8m (2023: £1.6m). These costs have been capitalised in line with accounting standard, IAS 38. To date £6.9m (2023: £2.9m) of technology costs incurred in the development of EVO have been capitalised. Further costs are expected to be capitalised as further phases of development are undertaken over a further three years.

PLEDGE BOOK

With sustained demand, the pledge book capital value, excluding accrued interest and IFRS 9 provisions, grew by 26% to £127m (December 2023: £101m) at 31 December 2024, while the carrying value of the pledge book, including interest accrued and after IFRS 9 provisions, was £158m (December 2023: £129m), up 22%.

The provision held under IFRS 9 has increased by £4.7m (2023: decrease £6m) to £10.5m (2023: £5.8m). This represents coverage of 6.2% (December 2023: 4.3%). This increase is in part a result of an increase in lending interest rates, which will increase the gross yield on the pledge book over time. This has necessitated a review of the input assumptions within the Group's IFRS 9 impairment model, particularly in respect of the calculated effective interest rate ("EIR"). Primarily as a result of this review, together with the strong growth seen in the pledge book in Q4 2024, the provision held under IFRS 9 has increased.

The fair value of the collateral held in support of the pledge book at 31 December is estimated to be £229m (2023: £184m).

INVENTORY

The value of inventory held was unchanged at £41m (2023: £41m) and is valued at the lower of cost or net realisable value. Of this total inventory, £26m was available for retail sale in the stores (2023: £29m). For inventory arising from unredeemed pledge loans upon default, this cost represents the value of the pledge loan plus overheads. The net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Relative to these measures, the Group considers the value of inventory to be conservatively stated.

The collateral (the pledge item) which protects the Group from credit risk in the event of default of pledge book loans, comprises 98% (2023: 99%) gold, jewellery items and watches. The value of the majority of these items is correlated to the prevailing gold price and they are conservatively valued as the Group applies conservative lending policies when providing pawnbroking pledge loans. Lending rates do not track the gold price movement in the short term. Considering the combination of these factors, the Group considers the value of the collateral (the pledge item) to be conservatively stated.

ASSET CARRYING VALUE REVIEW

The Group performs an annual review of the expected earnings of acquired stores and considers whether the associated goodwill and other property, plant and equipment values require an impairment as required by accounting standards. The Group has also considered whether its right-of-use assets (property leases) are fairly valued.

SHARE CAPITAL

The Group has a total of 43,987,934 (2023: 43,987,934) shares in issue.

As at 31 December 2024, the Group operated a single share award scheme, the Performance Share Plan "PSP". The charge to the income statement for the year for this scheme was £0.3m (2023: £0.2m).

Awards that can be granted under this current PSP scheme total a maximum of 4,398,793 shares (2023: 4,398,793 shares), being 10% of the issued share capital of the Group as defined in the Articles of Association. Under the 2022 PSP scheme, which references a December 2024 performance end date, a total of 195,770 shares are expected to vest.

CASH FLOW

	31 December 2024 £'m	31 December 2023 £'m
Operating cash inflows	46.8	39.1
Working capital	(22.3)	(33.4)
Taxation paid	(6.8)	(6.0)
Capital investment	(7.3)	(8.6)
Interest and finance costs paid	(6.0)	(2.6)
Dividend paid	(7.6)	(7.2)
Payment of leases	(7.1)	(6.9)
Acquisitions	(12.5)	(3.2)
Net cash utilised	**(22.8)**	**(28.8)**

As expected, we continued to invest available cash resources in growing the core pawnbroking business of the Group, with £23m (2023: £29m) invested in growing working capital, primarily the pledge book, and £7.3m (2023: £8.6m) invested in capital expenditure, firstly in the store estate, both new stores and existing stores, and secondly in our technology platforms.

Taxation and dividend payments were made of £6.8m (2023: £6.0m) and £7.6m (2023: £7.2m) respectively, whilst interest paid on loan facilities was £6.0m (2023: £3.5m), reflecting increased use of financial facilities available to the Group along with rising interest rates.

FINANCING FACILITIES

During the year, the Group made use of an additional £26.1m of its available funding facilities, with gross borrowings at 31 December 2024 of £69.1m (2023: £43.0m). The Group's net debt position at 31 December 2024, amounted to £54.4m (2023: £31.6m) as the growing business was funded through the increasing use of the Group's available funding facilities. Cash in hand and held within the store estate increased to £15m (2023: £11m).

During the course of the year, we further diversified and enhanced the Group's funding arrangements with £25m of additional term financing from PGIM Private Capital (previously Pricoa Private Capital). This additional financing brings the total funding facilities available to H&T to £85m, with all funders ranking Pari Passu and the financial covenants aligned.

Financial covenants are summarised in the table below and all are comfortably met.

Financial Covenant	Ratio	31 December 2024	31 December 2023
Total Net Debt to EBITDA	2.5x	1.4x	0.9x
Interest Cover Ratio	4x	7.6x	18.4x
Fixed Cover Charge Ratio	1.5x	3.5x	14.8x
Asset Cover Ratio	3x	3.7x	5.4x

RETURN ON EQUITY

The Group had average net asset value over the course of the year of £183m (2023: £168m) and reported profit after tax of £22.2m (2023: £21.1m), representing a post-tax return on equity (RoE) using monthly averages, of 12.2% (2023: 12.6%) and a post tax return on monthly average tangible equity (RoTE) of 15.1% (2023: 15.1%)The Group targets to achieve a sustainable post-tax ROE % in the mid-teens, through the cycle, and is committed to achieving this objective.

GOING CONCERN

The Board has assessed the impact of appropriate scenarios and believes that it has sufficient committed funding facilities available to meet the anticipated needs of the Business. The Group has prepared the financial statements on a going concern basis.

SHARE PRICE AND EPS

The closing share price at 31 December 2024 was 355p (2023: 432p).

Basic earnings per share was 51.1p (2023: 48.7p), up 5% year-on-year after the impact of the increase in the rate of corporation tax from 19% to 25% from 1st April 2023. Diluted earnings per share was 50.9p (2023: 48.5p). Net asset value per share was 441.9p (2023: 409.0p), up 8% on prior year.

CHANGE OF ACCOUNTING REFERENCE DATE ("YEAR END")

The Board has made the decision to change the Group's financial year end from 31 December to 30 September, with effect from September 2025, as previously communicated. This will result in financial performance being more evenly spread across the two half year reporting periods. Comparative unaudited figures for the twelve months to September 2024 are summarised overleaf.

Revenue and Income Statement

	30 September 2024 Unaudited £'m	31 December 2024 Audited £'m
Pawnbroking	97.7	102.3
Pawnbroking scrap	32.2	35.3
Pawnbroking total	129.9	137.6
Retail	58.6	61.8
Gold purchasing	44.1	54.8
Foreign exchange	7.8	8.0
Other services	3.4	3.2
Revenue	**243.8**	**265.4**
Pawnbroking	97.7	102.3
Pawnbroking scrap	7.4	9.5
Pawnbroking total	105.1	111.8
Retail	18.7	19.3
Gold purchasing	10.5	14.8
Foreign exchange	6.8	7.0
Other services	2.5	2.5
Gross profit	**143.5**	**155.4**
Less IFRS 9 impairment charge:		
Pawnbroking	(26.3)	(34.0)
Personal loans	0.6	0.7
Income from operations	**117.8**	**122.1**
Less Operating expenses:		
Other direct costs	(57.9)	(59.2)
Administrative costs	(26.2)	(27.4)
Operating Profit	**33.7**	**35.5**
Finance costs	(6.0)	(6.4)
Profit before tax	**27.7**	**29.1**
Tax charge on profit	(6.9)	(6.9)
Profit after tax	20.8	22.2

Key Performance Indicators

	30 September 2024 Unaudited	31 December 2024 Audited
Number of stores	282	285
Capital value pledge book	£111m	£127m
Carrying value pledge book	£138m	£158m
Monthly average capital value pledge book	£104m	£109m
Risk adjusted margin on capital value	76%	71%
Monthly average carrying value pledge book	£129m	£135m
Risk adjusted margin on carrying value	61%	58%
Diluted EPS	47.6p	50.9p

Group Balance Sheet

	30 September 2024 Unaudited £'000	31 December 2024 Audited £'000
Non-current assets		
Goodwill	27.2	27.3
Other intangible assets	8.9	9.5
Property, plant and equipment	15.8	15.8
Right-of-use assets	17.7	17.9
	69.6	**70.5**
Current assets		
Inventories	51.9	40.6
Trade and other receivables	146.0	164.9
Cash and cash equivalents	21.1	14.6
	219.0	220.1
Total assets	**288.6**	**290.6**
Current liabilities		
Trade and other payables	(9.4)	(7.7)
Lease liability	(5.4)	(5.3)
	(14.8)	**(13.0)**
Net current assets	**204.2**	**207.1**
Non-current liabilities		
Borrowings	(74.5)	(69.1)
Lease liabilities	(14.3)	(14.5)
Deferred tax liabilities	(0.4)	(1.5)
Long term provisions	(0.4)	(0.4)
	(89.6)	(85.5)
Total liabilities	**(104.4)**	**(98.5)**
Net assets	**184.2**	**192.1**
Equity		
Share capital	2.2	2.2
Share premium account	50.2	49.7
Retained earnings	131.8	140.2
Total equity attributable to equity holders	**184.2**	**192.1**

Diane Giddy
Chief Financial Officer

A WEALTH OF EXPERTISE

KEY
- Audit Committee
- Nomination Committee
- Risk Committee
- Remuneration Committee
- Customer Committee
- Committee Chair

CHRIS GILLESPIE
CHIEF EXECUTIVE

APPOINTED
29 OCTOBER 2020

Chris's career in financial services spans over 40 years. He has considerable experience from senior leadership roles in consumer finance businesses. Prior to joining H&T, Chris was Managing Director of the consumer credit division at Provident Financial PLC. Chris is a hands-on leader whose focus is on ensuring the business delivers for all stakeholders. He takes a keen interest in industry-wide matters. He is a fellow of the Association of Chartered Certified Accountants.

External Appointments

CCTA - Director

The National Pawnbrokers Association of the UK – Director

Corimiro Properties Ltd

Quadrillion Properties Ltd

SIMON WALKER
CHAIR AND NON-EXECUTIVE DIRECTOR

APPOINTED
15 SEPTEMBER 2023

Simon has specialised, for more than 30 years as a partner in KPMG's financial services practice, in providing advice and support to financial institutions on strategy, performance improvement, risk management and governance. He has worked extensively with specialist lenders and banks to diversify and improve the quality of their lending.

Simon graduated in law from University College London and is a chartered accountant.

Appointed to the Board 15 September 2022, as Chair April 2023.

External Appointments

OSB plc Non-Executive Director and Chair of risk

Non-Executive Director and Chair of risk of CCFS plc

The Bureau of Investigative Journalists, Non-Executive Director

Leeds Theatre Trust Ltd, Leeds Theatre CIC

Leeds Playhouse (Enterprises) Ltd

IWP Holdings Ltd

Independent Wealth Planners UK Ltd

Onesavings Bank Plc

Chair of Risk Committee Bank of London

DIANE GIDDY
CHIEF FINANCIAL OFFICER

APPOINTED
24 NOVEMBER 2021

Diane is a Chartered Accountant whose experience spans investment banking and the financial services industry and brings with her significant senior finance and operational experience of working within these regulated sectors. Diane was part of the South African-based FirstRand Group for 13 years, where she held several senior finance positions across the Investment Banking Business both in South Africa and the United Kingdom, most recently as the Chief Financial Officer of the FirstRand Group London branch for five years, where she enjoyed a wide remit working across multiple geographical locations and regulatory jurisdictions. Diane is a member of the Institute of Chartered Accountants in England and Wales as well as a CFA Charterholder, CFA Institute.

External Appointments
Director and shareholder of Cotton Bobbins (Pty) Ltd

TONI WOOD
SENIOR INDEPENDENT DIRECTOR

APPOINTED
15 MAY 2023

Toni is a highly experienced marketing, commercial and digital leader having held senior roles in the UK and internationally at Sainsbury's, Proctor & Gamble, Whitbread and the DFS Group. She is currently Chief Customer and Digital Officer for Headlam Group plc, a Board adviser to ufurnish.com and a member of the Digital Advisory Board for Econsultancy.

Toni is experienced across retail, hospitality, FMCG, technology, ecommerce and logistics, from start-up to FTSE 100. She is a Fellow of the McKinsey Marketing Academy and a Positive Psychology coach, and was listed as a UK Top Marketer in both 2019 and 2022.

External Appointments
WVC Group Ltd

ROBERT VAN BREDA
NON-EXECUTIVE DIRECTOR

APPOINTED
1 JULY 2023

Robert brings a wealth of experience from his 30-year career in financial services. His earlier career at NatWest initially involved corporate banking roles before moving into central finance function positions. More recently, Robert has specialised in start-ups and scaling businesses and has held Board and CFO roles with challenger banks Vanquis and Cashplus. In his most recent role as interim CFO he helped Griffin Financial Technology Limited obtain a banking licence. These experiences have included capital and debt fund-raising and development of corporate governance.

Although Robert has held senior finance positions, he also brings management experience of technology, HR, audit and Company Secretarial functions.

He is an Associate of the London Institute of Banking and Finance and is also an Associate of the Chartered Institute of Management Accountants.

Robert chairs the Audit Committee.

External Appointments
Griffin Financial Technology – Adviser

CATHERINE NUNN
NON-EXECUTIVE DIRECTOR

APPOINTED
1 JULY 2023

Catherine is a highly experienced CEO, Retailer and NED, having had broad experience across a variety of customer-facing and consumer-led environments in the UK and internationally, most with 'blue chip' businesses including BP and Lakeland. Catherine returned to the CEO role at Lakeland in 2024. She is a non-executive Director at Cakebox PLC and The Wine Society.

Catherine chairs our Customer Committee, focused on ensuring we continue to ensure that our customers are at the focus of everything we do.

External Appointments
Chair of ESG and NED at Cakebox PLC

NED at the International Exhibition

Cooperative Wine Society Limited

Nunn Associates Ltd

Chair of Trustees at Making Me

SALLY VEITCH
NON-EXECUTIVE DIRECTOR

APPOINTED
1 JULY 2023

Sally is an established NED, with extensive experience as a former Finance Director, and with strong consumer-led experience. Sally has held non-executive roles across audit, remuneration and nomination committees over the last ten years at LHV Bank Limited, Tipton & Coseley Building Society, Perenna Bank, and Redwood Bank. She was also Director of Finance of Home Retail Group.

Sally chairs the Risk Committee.

External Appointments
Chair of Audit and Remco, Perenna Bank Ltd

Senior Independent Director, Chair of Audit and Remco, LHV Bank Limited

Chair at Settle Housing Association

LAWRENCE GUTHRIE
NON-EXECUTIVE DIRECTOR

APPOINTED
1 JULY 2023

Lawrence brings to the Board more than 30 years' corporate finance advisory experience, the last 20 of which have been dedicated to financial services. Lawrence started his career at Charterhouse, before co-founding the financial services practice at Hawkpoint, and subsequently at Quayle Munro, which was acquired by Houlihan Lokey in 2018. Lawrence joined Stephens Europe as Managing Director, in 2023.

Lawrence chairs the Remuneration Committee

External Appointments
Stephens Europe – MD

The Directors recognise good corporate governance practise is in the best interests of all stakeholders of the Business. In complying with the London Stock Exchange AIM rule 26, the Directors have adopted the Corporate Governance Code of the Quoted Companies Alliance (QCA).

The QCA Code 2023 is based on ten principles under the three categories of delivering growth, maintaining a dynamic management framework, and building trust. The Board is committed to each of these a s it believes these will support the Group's medium to long-term success.

This Corporate Governance Report sets out our governance framework and how we comply with the principles.

Our website at handt.co.uk provides updates on compliance as appropriate.

We describe our compliance with the ten principles of the QCA code at: handt.co.uk/pages/corporate-governance.

QCA CODE PRINCIPLES

PRINCIPLE ONE

Establish a purpose, strategy and business model which promote long-term value for shareholders

The Board is responsible for the delivery of the Group's long-term strategic objectives. Our high-level strategy is to make pawnbroking a more widely accepted and valued financial service. We will continue investment in our retail and digital footprint to deliver a service that exceeds our customers' expectations and delivers attractive returns for shareholders, while broadening the business offering.

During the year, the Group executed its funding strategy, securing mid-term strategic objectives with additional funding from Pricoa Private Capital, (part of PGIM Inc) in the form of a private note placement. Existing facilities from its incumbent banker, Lloyds Bank plc and Allica Bank remain in place.

We continuously develop our capabilities to address a changing market and customer needs. We are focused on maximising the potential from our core service offerings, while investing in the development of new products, channels and the store estate.

Our network of stores supports this development, supported by an effective digital proposition, as the Group continues to extend its online presence.

PRINCIPLE TWO

Promote a corporate culture that is based on ethical values and behaviours

Our corporate culture and ethical values are key to delivering the Group's objectives and strategic goals. The Board and management team work to ensure this culture is pervasive within the Group and all our employees share our collective values. The Group's business model and strategy are aligned with the core principle of providing products that our customers value and ensuring that they receive positive experiences whenever they engage with the Group. Our operational controls, employee training and culture ensure that we drive this consistent message across our Business. In line with regulatory deadlines, we implemented policies, procedures and training updates to ensure we comply with the FCA Consumer Duty regulations.

Ensuring compliance with our processes, procedures and values is core to the Group's operation. Our Group Internal Audit teams plan to visit our stores at least twice a year on a risk-based methodology and we have a schedule of mystery shopping. Board meetings are regularly held at our Sutton Head Office allowing Executive and Non-Executive Directors to meet and discuss issues with all levels of colleagues. Non-Executive Directors visit stores throughout the year and will attend long-service award events. All of these together, allow the Board to monitor that our ethical values and behaviours are recognised and respected.

PRINCIPLE THREE

Seek to understand and meet shareholder needs and expectations

The Group is committed to engaging with its shareholders to ensure its strategy and performance is clearly understood. Feedback from investors is obtained through direct interaction between the CEO, supported by the CFO, at one-to-one shareholder meetings following its full-year and half-year results and certain other ad hoc meetings between Board members, Executive Management and shareholders that take place throughout the year.

The Annual General Meeting (AGM) is the primary method of engagement with our private shareholders, through both the distribution of the Annual Report and attendance at the meeting. We encourage our private and institutional shareholders to attend our AGM. The voting record at the AGM is monitored and we are pleased that all resolutions have been passed by shareholders. There is also regular investor dialogue through the medium of the Group's corporate brokers, Shore Capital and Canaccord Genuity, and the Group seeks to stay abreast of shareholder expectations and reactions through its regular investor roadshows and update meetings.

The Board recognises the importance of communications with shareholders. The Chief Executive's Review on pages 10-17 includes a detailed review of the Business and future developments. There is a regular dialogue with institutional shareholders including presentations after the Group's preliminary announcement of the year-end results and at the half-year results.

More information on those responsible for shareholder liaison and contact information can be found at: **handt.co.uk/investor-relations**.

PRINCIPLE FOUR

Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

At H&T we believe that it is important to engage with our full range of stakeholders. Active engagement strengthens our relationships and helps us deliver our strategic goals, while maintaining our values and delivering returns for all our stakeholders.

Customers

The fair treatment of our customers, whose interests are at the centre of all decisions and actions we carry out, is core to our long-term success. We have developed a diverse range of products to meet, as best we can, the unique needs of our customers. We offer a transparent, efficient, and professional service and constantly review our products to identify areas for improvement.

We consistently receive valuable feedback from our customers; we also acknowledge that, despite our best efforts, things can go wrong, and if customers have cause to complain, we listen to them and ensure that we remedy any mistakes made.

We understand that many customers may experience some form of vulnerability during their lives. Identifying and supporting vulnerable customers is important to us.

The Board sub-Committee, the Customer Committee, with a focus on our customers ensures we continue to consider customers as being central to all we do, and enables further scrutiny of the effectiveness of our policies and procedures in relation to all our customers.

Colleagues

Aside from our responsibilities to shareholders, suppliers, customers, and our regulator, we believe that our colleagues are our single greatest asset and accordingly, we endeavour to ensure our workforce are safe, highly trained, motivated and feel valued.

We strive to develop and retain our colleagues and an important part of this is to provide career growth opportunities within the Group where possible. We advertise vacant positions internally in order to encourage colleagues to apply for these positions; where appropriate we use the management and development programmes to help individuals progress.

We endeavour to ensure our workforce is highly trained, motivated and rewarded. Training is key to a motivated and skilled workforce, which is important in successfully providing great service to our customers across a large product range, as well as in protecting our customers' and investors' assets.

The Group has invested in diversity and inclusion training across the Business and has ensured that colleagues are able to raise and discuss any inclusion or diversity issues that may impact them.

We hold regular Your Voice council-style meetings with colleagues from a variety of positions within the Group, and geographically from around the country. These provide a forum to discuss suggestions and ideas with senior management. The meetings are very productive as they allow direct feedback on any issues that arise in our stores or the wider organisation.

The Group has an Innovations Committee, which reviews ideas and suggestions for changes to products, policies, and procedures from its colleagues.

The Health and Safety of our customers and colleagues is of paramount importance to the Group. All colleagues complete annual training, and a programme of annual Health and Safety risk assessments is in place.

Health and Safety standards and benchmarks have also been established in the Business and compliance with these standards is monitored by the Board.

Responsible Lending

The Group recognises that many people may require financial help at some point in their lives and we believe that everyone should have a choice in how to meet that need. As a responsible lender, we aim at all times, to treat customers fairly. We will do our utmost to try to help, while at the same time, ensuring our customers do not become unduly burdened. While this is non recourse lending, we take our responsibilities to help customers understand our products seriously and ensure that we meet the expectations of the FCA in relation to Consumer Duty as they arise in the context of lending transactions.

We also understand that things can, and do, go wrong. When customers have cause to complain we ensure that we do everything we can to put things right for them. We complete root-cause analysis in response to any customer complaints and adapt our processes and procedures in response.

Modern Slavery

The Group is opposed to slavery and human trafficking. The Group will not knowingly support or do business with any organisation involved in slavery or human trafficking. We have established policies to ensure that we are conducting business in an ethical manner and address the risk of slavery and human trafficking in our supply chain. These include the Purchasing Policy and internal Whistleblowing Policy. Our full statement can be found at: **https://handt.co.uk/pages/anti-slavery-human-trafficking-statement.**

Environmental, Social and Governance (ESG)

The Group is committed to reducing its impact on the environment, with continual investment in video conferencing technology, encouraging colleagues to use public transport for business travel when possible, and enabling use of energy-efficient technology in stores. The Group continues its journey to achieve our goal to become carbon neutral, by assessing our current impact and carbon impacts, from which we can track our progress to net zero.

Board Effectiveness

The Board recognises that it is important to maintain and enhance its strengths, whilst assessing areas to improve and build upon its skills. To that end an external review of the Board was performed in 2022 with progress in addressing actions documented in the 2023 Annual Report. Towards the end of 2024 an internal effectiveness review was performed by the Head of Group Internal Audit. The review assessed the structure and operation of both the Board and its sub-committees for compliance with QCA guidance. Additionally, all Board members completed a survey in which they had the opportunity to consider how well the Board and sub-committees met their respective objectives. The review is being considered by the Board and actions will be implemented ahead of the next external review.

PRINCIPLE FOUR CONTINUED

In the Community

We encourage community engagement and partnered with FareShare in 2024, providing meals through our colleague and Company donations, and additional fund raising events.

As a business we are committed to the high street and the communities that we support from our high-street presence. We continue to invest in new stores and refurbishment of our existing estate.

A list of our most relevant policies are available to review on our website **handt.co.uk/esg**.

PRINCIPLE FIVE

Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Board has well-established Audit and Risk Committees, which have the responsibility of managing the Group's internal control environment and risk framework.

The internal control environment is constructed on the three lines model, which is widely used to describe how large corporate entities manage the risks and uncertainties that they encounter. Development and adoption of a principles-based approach to corporate governance and risk management assists in achieving corporate objectives.

The first line comprises the revenue-generating and client-facing areas, along with all associated support functions, including Operations, Finance, Human Resources, and Information Technology. The first line identifies the risks, sets the controls, and escalates risk events to the second line of defence. Colleagues in the first line have primary responsibility for their risks and their activities are subject to oversight from the relevant parts of the second and third lines.

The second line is made up of Risk and Compliance and oversees the first line by setting limits, rules, and constraints on their operations, consistent with the risk appetite. The second line provides assurance to the Board Risk Committee on a combination of financial and non-financial risks through the completion of the annual compliance monitoring plan and regular risk reviews and reports.

The third line is Group Internal Audit, providing independent assurance to the Board Audit Committee on the effectiveness of the internal control procedures through completion of a risk-based annual internal audit plan, which considers the current risks faced by the Group.

The governing body, the Board, ensures that the appropriate governance structures and processes are in place. The Board delegates responsibility and provides resources to management to achieve the objectives of the Company, while nurturing a culture that promotes ethical behaviour, diversity, inclusion, and accountability.

See principle 9 for further details.

PRINCIPLE SIX

Establish and maintain the Board as a well-functioning, balanced team led by the Chair

The Board comprises the Non-Executive Chair, the Senior Independent Director, two Executive Directors, four Non-Executive Directors and the Company Secretary.

In May 2024, James Thornton retired from the Board and Toni Wood was appointed as Senior Independent Director. The Board considers, after careful review, that the Non-Executive Directors bring sufficient independent judgement to the Group.

Directors' conflicts of interest are discussed at each Board meeting and steps are taken to address any actual or perceived conflicts. The Board has carefully considered the independence of all Directors and considers that in all cases they continue to be independent of the Company. In reaching this conclusion the Board has considered the following points in relation to all Non-Executive Directors.

The Board confirms that no Non-Executive Director:

- has ever been an employee of H&T;
- has ever had a material business relationship with H&T either directly or as a partner, shareholder, Director or senior colleague of a body that has such a relationship with H&T;
- has received, or does receive, additional remuneration from H&T apart from the Director's fee;
- has participated in H&T's performance-related pay scheme;
- has been a member of H&T's pension scheme;
- has any close family ties with any of H&T's advisers, Directors, or senior colleagues; or
- holds cross-Directorships or has significant links with other H&T Directors through involvement in other companies or bodies.

Non-Executive Directors each confirm that they are:

- independent from Executive Directors;
- not financially dependent on the remuneration they receive from H&T;
- act in an independent manner, giving their objective opinion and advice on situations discussed and not seen to be led by other Non-Executive Directors;
- only spend the required time in H&T so they do not become over-familiar with the day-to-day running of operational issues; and
- ensure there is no conflict of interest at the time of appointment and throughout their term of office, bringing to the Board's attention when there is a potential conflict of interest.

All Directors use their independent judgement to challenge matters, whether strategic or operational. The Chair holds regular update meetings with each Director to ensure they are performing as they are required.

PRINCIPLE SEVEN

Maintain appropriate governance structures and ensure that, individually and collectively, the Directors have the necessary up-to-date experience, skills and capabilities

In addition to reviewing materials for Board and Committee meetings prior to attendance, the Non-Executive Directors are required to commit such time to the Group's affairs that allows them to discharge their oversight responsibilities. The Non-Executive Directors also provide their skills and experience in assisting the Group with areas that complement their industry skills and experiences including strategy, acquisitions, risk management and regulation.

The Directors of the Group and their biographies are set out on pages 51-53. The Board has satisfied itself that between them, the Directors have the necessary up-to-date experience, skills and capabilities. Each Director undertakes learning and development throughout the year to ensure their skillset remains up to date. Directors also complete the Group's annual mandatory training delivered through the e-learning platform, and can receive ad hoc additional training as required.

Independent Advice

All Directors can take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary.

Member attendance at Board and Committee meetings:

Board	Board	Audit	RemCo	Risk	Nomination	Customer
James Thornton	3/9	0/0	1/3	0/0	0/0	0/0
Chris Gillespie	9/9	3/3	3/3	4/4	1/1	3/3
Diane Giddy	9/9	3/3	0/0	4/4	0/0	3/3
Toni Wood	8/9	2/3	3/3	3/4	1/1	1/3
Simon Walker	9/9	3/3	2/3	4/4	1/1	2/3
Catherine Nunn	9/9	3/3	3/3	4/4	1/1	3/3
Sally Veitch	9/9	2/3	2/3	4/4	1/1	2/3
Lawrence Guthrie	9/9	3/3	3/3	4/4	1/1	2/3
Robert Van Breda	9/9	3/3	3/3	4/4	1/1	3/3

Skills Matrix

Name	General Management	CEO Experience	CFO Experience	CTO Experience	ESG Experience	Finance/ Accounting	Technology/ Digital / Media	Governance	Legal	Investments	Marketing Expertise
Chris Gillespie CEO	■	■	■			■		■		■	
Diane Giddy	■		■			■		■		■	
Simon Walker	■							■		■	
Toni Wood	■			■	■	■	■	■		■	■
Catherine Nunn	■	■			■	■		■			■
Sally Veitch	■		■			■		■			
Lawrence Guthrie	■					■				■	
Robert Van Breda	■		■	■	■	■		■		■	
F Woolfe									■		

BOARD MEETINGS

The Board is responsible to the shareholders for the effective and suitable management of the Group. A Directors' responsibilities statement in respect of the financial statements is set out in this Annual Report on pages 75-76. The Board meets formally at least nine times during the year. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of the Board meetings. There is a formal schedule of matters reserved to the Board, which includes the determination of strategy, approval of acquisitions, approval of budget and major capital expenditure.

At Board meetings, the standing agenda normally comprises a review of the financial results and update of operations, a CEO report and an update on the progress of the Group's other strategic objectives, which includes Consumer Duty. During the year, the Board hears from departmental managers and asks questions on their progress, issues and prospects, and receives a quarterly ESG update.

The Board meetings in August and March covered the approval of the interim and preliminary financial results respectively and the November meeting dealt with the approval of the annual budget.

Remuneration Committee

The Remuneration Committee comprises independent Non-Executive Directors of the Company.

Lawrence Guthrie (Chair)
Catherine Nunn
Robert van Breda
Toni Wood
Board Observer: Simon Walker

The Committee meets at least twice each year and at such other times as the Chair of the Committee sees fit. The Chair of the Committee is appointed by the Board on the recommendation of the Nomination Committee. The quorum for the Committee is two.

The duties of the Committee are:

- To determine and agree with the Board the framework or broad policy for the remuneration of the Chair, Chief Executive, all other Executive Directors, and such other members of the Executive Management as it is designated to consider, including levels of base pay, potential bonus and long-term incentives;
- Within the terms of the agreed policy, determine individual remuneration packages including bonuses, incentive payments, share options, pension arrangements and any other benefits;
- Determine the contractual terms on termination and individual termination payments, ensuring that the duty of the individual to mitigate loss is fully recognise;
- In determining individual packages and arrangements, give due regard to the comments and recommendations of the QCA Code;
- Be told of, and be given the chance to, advise on any major changes to employee benefit structures in the Company;
- Recommend and monitor levels and structure of remuneration for senior managers below Board-level as determined; and
- Agree the policy for authorising claims for expenses from the Chief Executive and the Chair of the Board.

The Committee is authorised by the Board to:

- Seek any information it requires from any colleagues or officers to perform its duties; and
- Be responsible for establishing the selection criteria and then for selecting, appointing, and setting the Terms of Reference for any remuneration consultants providing advice to the Committee at the Group's expense.

During 2024, the Remuneration Committee reviewed and approved as part of the standard agenda schedule, the outcome of the 2023 Bonus Scheme and setting of the 2024 Bonus Scheme financial and non-financial targets, the Performance Share Plan for 2024, the Gender Pay Report, the Remuneration Policy, the Terms of Reference for the Remuneration Committee, and the 2024 salary review proposals.

The Committee has considered the following priorities for 2024.

- Ensuring the entry pay-level for H&T colleagues is ahead of the National Living Wage.
- Aligning the store pay structure, in line with a balanced scorecard approach, to provide motivation and retention, and to acknowledge completion of training modules.

Audit Committee

The Audit Committee comprises independent Non-Executive Directors of the Company.

The members of the Committee are:

Robert van Breda (Chair Audit Committee)
Lawrence Guthrie
Sally Veitch
Simon Walker
Observer: Toni Wood

The Committee meets at least three times a year. The quorum for the Committee is three members.

The Audit Committee reviews the prudence, accuracy and consistency of the financial results, and within the remit the key judgements made and the effectiveness and robustness of the financial control system that supports the financial results. It reviews the scope, the outcomes from, and the performance and cost-effectiveness of, internal and external audit. It has delegated power from the Board to exercise the power from shareholders to agree fees for external auditors.

The Audit Committee is responsible for satisfying itself as to the independence and objectivity of external and internal auditors.

As directed by the Audit Committee, the principal function of the Group's Internal Audit team is to verify the design and operational effectiveness of all controls across the business. Internal audits reviews are undertaken covering all aspects of the Group's key risks and financial controls. The Head of Internal Audit reports directly to the Audit Committee Chair. The Audit Committee has access to all Internal Audit reports. The Committee reviews the operation of internal controls and reports to the Board on the annual review of internal control and risk management.

To ensure appropriate independence, the Audit Committee, on behalf of the Board, reviews and agrees the Internal Audit plan for the year, and the Head of Internal Audit reports separately to, and meets regularly with, the Chair of the Audit Committee, who reviews all corporate audit reports as they arise.

The Board Audit Committee chair report is on pages 65-67.

Nomination Committee

The Nomination Committee comprises independent Non-Executive Directors of the Company.

The members of the Committee are:

Simon Walker (Chair)
Lawrence Guthrie
Toni Wood

The function of the Nomination Committee is to provide a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. In carrying out its duties, the Nomination Committee is primarily responsible for:

- identifying and nominating candidates to fill Board vacancies;
- evaluating the structure and composition of the Board with regard to the balance of skills, knowledge and experience, and making recommendations accordingly;
- reviewing the time requirements of Non-Executive Directors;
- giving full consideration to succession planning; and
- reviewing the leadership of the Group.

In respect of Chair succession, the Chair and any Director directly affected are excluded from discussions, and the SID assumes the role of Chair.

PRINCIPLE SEVEN CONTINUED

Risk Committee

The Risk Committee comprises independent Non-Executive Directors of the Company.

The members of the Committee are:

Sally Veitch (Chair)
Catherine Nunn
Robert van Breda
Lawrence Guthrie

The Risk Committee meets at least three times in each year.

The Risk Committee owns the Group's Risk Appetite Statement, which sets out the Group's attitude to risk and the ranges and limits of acceptable risk-taking. The Committee establishes the high-level qualitative Risk Appetite Statement for the Group, the quantitative Risk Appetite Statement and the Key Risk Indicators used to measure risk exposure. The statements are subject to annual review by the Risk Committee and the Group Board.

The Risk Committee is responsible for the Risk Framework in place for the identification of enterprise-level risks (top-down approach) and identifying risks that occur in the day-to-day processes and operations of the Business (bottom-up approach). The risks identified are recorded in the Corporate Risk Register and reviewed by the Committee on a biannual basis.

The Risk Committee reviews the regular reports of the Director of Risk and Compliance to oversee the operational effectiveness of the risk management framework and the current risk exposure measured through the Key Risk Indicators.

The Committee makes recommendations to the Board in respect of all risks faced by the Company outside of its declared risk appetite.

The Risk Committee oversees the arrangements for whistleblowing and receives detail of any reports made under the Whistleblowing Policy.

The Board Risk Committee Chair report is on 68-69.

PRINCIPLE EIGHT

Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board regularly completes reviews of its operations and effectiveness; in previous years this has been conducted by means of a robust internally facilitated review of Board and Committee effectiveness.

We are committed to continuous improvement, along with our obligation for developing our Board capabilities, effectiveness and succession planning.

PRINCIPLE NINE

Establish a remuneration policy, which is supportive of long-term value creation and the Company's purpose, strategy and culture

The Board brings a range of experience and expertise sufficient to provide independent judgement on issues of strategy, performance, resources, and standards of conduct, which are vital to the success of the Group. The Non-Executive Directors hold shares as disclosed on page 74. There is no entitlement to share options for Non-Executive Directors, and there are no cross-Directorships between Executive and Non-Executive Directors. The Non-Executive Directors are considered to be independent; full details of the assessment of Directors' independence is included on page 56. The Chair, who is a regulated person, leads the Board and is principally responsible for considering regulatory and strategic matters on behalf of the shareholders, in support of the CEO.

The Senior Independent Director (SID) supports the functioning of the Board and acts as a conduit between the Executive and Non-Executive Directors. The SID leads the Board effectiveness review and Chair succession process, and assists with the preparation and approval of the Annual Report and Accounts.

The Company Secretary acts as a trusted adviser to the Board facilitating meetings and providing advice on legal and regulatory matters.

PRINCIPLE TEN

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

The Group communicates to its shareholders and other relevant stakeholders through a combination of dialogue, the publication of the Annual Report and Financial Statements and investor presentations, supported by additional information available on its website. The Audit Committee is a principal Committee within the Group's governance framework and provides the role of monitoring the integrity of the Group's financial results as outlined on page 65.

Significant Issues and Areas of Judgement considered by the Audit Committee the significant issues and areas of judgement considered by the Audit Committee in relation to the Annual Report and financial statements 2024 are outlined below. We discussed these with the external auditor during the year and, where appropriate, these have been addressed as areas of audit focus as outlined in the independent auditor's report on pages 77-80.

SIGNIFICANT ISSUES AND AREAS OF JUDGEMENT CONSIDERED BY THE AUDIT COMMITTEE

MATTER CONSIDERED	JUDGEMENT	ROLE OF THE AUDIT COMMITTEE
VALUATION OF PLEDGE LOANS		
IFRS 9 requires an impairment to be raised against the pledge book for future expected credit losses. A financial model is used to determine the impairment provision, which includes assumptions around future cash flows from either realising the loan or selling the underlying pledged item. The assumptions include the proceeds of sale, forfeit and redemption timelines, and the effective interest rate to be used in present valuing the future cash flows. Forward-looking assessments also consider any potential impact from macroeconomic factors.	Pledge book redemption rates, forfeit profiles and realisable value applied in the impairment model. This has been identified as a key audit risk by our independent auditors.	The Committee has reviewed the application of the agreed methodology and supporting calculations. It has considered the impact and validity of any changes made to the inputs of the IFRS 9 impairment model, including the impact of a change in redemption trends and profiles, and in recovery values. The Committee has considered the forward-looking factors and changes in the Business or external environment, which may impact on the recoverability, particularly of the gold price and redemption trends. The Committee considered and challenged Management's determination of the amounts provided, accounting treatment and related disclosures and concluded that they were appropriate based upon the information presently provided.
IMPAIRMENT OF GOODWILL		
The Group historically acquired a number of businesses and must consider whether goodwill paid requires impairment. The impairment is based on the future cash flow generated by each of the individual cash-generating units (CGUs). Expected cash flows are based on the Group's operating budget for the next year and assumptions for growth or decline in revenues and costs, in future years.	Forecast cash flows of the CGU and discount factor used.	The Committee reviewed the application of the agreed methodology and supporting calculations. It considered the factors that may impact the future performance of the CGUs and whether they should be reflected in the forecast cash flows. It considered the sensitivity of the projections and the amount of headroom available before impairment is required.

MATTER CONSIDERED	JUDGEMENT	ROLE OF THE AUDIT COMMITTEE
PROVISION RELATING TO THE RIGHT-OF-USE ASSETS		
The Group operates the store estate on a leasehold basis. Impairments are potentially required in respect of the carrying value of the CGU (lease). The impairment is based on the future cash flows generated by the CGU. Expected cash flows are based on the Group's operating budget for the next year and historical performance.	Forecast of future cash flows for the CGU.	The Committee reviewed the application of the agreed methodology and supporting calculations. The Committee considered the factors that may impact the future performance of the CGUs and whether they should be reflected in the forecast cash flows. The Committee considered the sensitivity of the projections and the amount of headroom available before an impairment is required.
VALUATION OF INVENTORY		
The Group has inventory balances, the values of which are supported by precious metals and tradable assets. The Group considers the need to recognise a provision in respect of these balances if the net realisable value (NRV) is below that of cost.	Calculation of the Net Realisable Value is based on the precious metal value where available, or an estimate of the achievable sales price based on the item. The inventory provision considers specific impairments such as quality issues.	The Committee reviewed the application of the agreed methodology and supporting calculations. It considered the overall adequacy of the provisions based on historical performance.
IMPAIRMENT OF PERSONAL LOANS		
The Group previously granted personal loans, however, this business line ceased in April 2022 and loans are in run-off. Personal loans are impaired in accordance with IFRS 9 based on the number of payments missed, with reference to the original loan agreement with the customer. Impairment is calculated using historical payment performance to estimate the value and timing of future payments for each level of customer arrears.	Point at which to impair a loan and whether historical performance provides a suitable method to project future cash flow.	The Committee reviewed the analysis of the agreed methodology and supporting calculations for the IFRS 9 impairment.

CHRIS GILLESPIE
CHIEF EXECUTIVE

REVIEWING THE ACTIVITY OF THE BUSINESS

The Directors present their Annual Report and the audited Consolidated Financial Statements of H&T Group plc and its subsidiaries (the Group) for the year ended 31 December 2024.

Principal Activities and Review of the Business

The main activities of the Group continue to be pawnbroking, gold purchasing, retail of new and pre-owned jewellery and watches, foreign currency and other related services, including watch repairs, operated through Harvey & Thompson Limited. The principal activity of the Company is that of a non-trading holding Company for H&T Group plc.

A review of the Business and its future development (including the information that fulfils the relevant requirements of section 417 of the Companies Act 2006) is given in the Chair's Statement and Chief Executive's Review on pages 6-17.

Dividends

The Directors propose a final dividend of 11p (2023: 10.5p) per share subject to approval at the Annual General Meeting on 17th May 2025. This proposed dividend, in accordance with IAS 10 'Events after the balance sheet date', has not been provided for in the attached financial statements; further information has been provided in Note 14.

During the year, the Company paid an interim dividend for the year ended 31 December 2024 of 7.0p per share (2023: 6.5p per share).

Capital Structure

Details of the authorised share capital are shown in Note 27 to the Consolidated Financial Statements. The Company has one class of ordinary shares, which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company. During the period the Group issued no new 5p ordinary shares (2023: 137,450).

The nominal issued share capital as at 31 December 2024 was £2,199,396.70 (31 December 2023: £2,199,396.70).

As at 1st March 2025, the Company has been notified of the following voting rights by major shareholders of the Company:

Total number of shares in issue:	43,987,934
Percentage of securities not in public hands	12.26%
Shareholder with >3% holding	**%**
Fidelity International	9.99 %
Octopus Investments	9.65 %
Close Brothers Asset Management	8.16 %
Artemis Investment Management	5.19 %
Stitching Value Partners	5.09 %
Hargreaves Lansdown, stockbrokers (EO)	4.98 %
Interactive Investor (EO)	4.76 %
Premier Miton Investors	3.52 %

Details of employee share schemes are set out in Note 28. Under its Articles of Association, the Company has authority to allot under these share schemes, for cash, up to a maximum of 4,398,793 ordinary shares without being required to offer such securities to all shareholders in accordance with statutory pre-emption rights.

On any date, no option may be granted under any share option scheme or long-term incentive plan, if (as a result) the aggregate nominal value of ordinary shares issued or issuable pursuant to options granted during the previous ten years under any share option scheme would exceed 10% of the nominal value of the share capital of the Company in issue on that date. There were no other dilutive equity instruments in the Company in issue at 31 December 2024 or 31 December 2023.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Companies Act and related legislation and requires certain Directors annually to retire by rotation. The Articles themselves may be amended by special resolution of the shareholders.

There are a number of agreements that take effect, alter, or terminate upon a change of control of the Company, such as commercial contracts, bank loan agreements, property lease arrangements and colleagues' share plans. None of these are considered to be significant in terms of their likely impact on the business of the Group as a whole. Furthermore, the Directors are not aware of any agreements between the Company, or any other Group Company, and its Directors or colleagues that provide for compensation for loss of office or employment that occurs because of a takeover bid.

Directors and their interests

The Directors who served throughout the year and to the date of this report, except where otherwise stated, were as follows:

Executive
C D Gillespie
D E Giddy

Non-Executive
S R Walker
T M Wood
S Veitch
R Van Breda
L Guthrie
C Nunn
J F Thornton (resigned 16 May 2024)

The notifiable beneficial interests of each of the Directors, including as appropriate, persons closely associated, as at the year end in the Ordinary Share Capital of the Company are shown below:

Director	Type of Share	At 1 January 2024	At 31 December 2024
C D Gillespie	Ordinary 5p shares	125,000	191,665
D E Giddy	Ordinary 5p shares	15,000	28,273
S Walker	Ordinary 5p shares	15,000	30,000
*T Wood	Ordinary 5p shares	–	2,503

* Includes interest of a person closely associated. There have been no other changes in the interests of the current Directors between 31 December 2024 and the date of this report.

The Directors have no beneficial interest in the Share Option Schemes operated by the Group.

At 31 December 2024, the market price of H&T Group plc's shares was 354.5p and the range during the year ended 31 December 2024 was 305p to 440p.

At 31 December 2023, the market price of H&T Group plc's shares was 432p and the range during the year ended 31 December 2023 was 394p to 493p.

None of the Directors hold any interests in the shares of any other Company within the H&T Group plc.

At the forthcoming Annual General Meeting the Company will effect its policy, which will require all Directors to offer themselves for annual election.

- To elect Christopher Gillespie as a Director of the Company, who is standing for re-election.
- To elect Diane Giddy as a Director of the Company, who is standing for re-election.
- To elect Simon Walker as a Director of the Company, who is standing for re-election.
- To elect Toni Wood as a Director of the Company, who is standing for re-election.
- To elect Lawrence Guthrie as a Director of the Company as was appointed by the Board since the last Annual General Meeting.
- To elect Catherine Nunn as a Director of the Company as was appointed by the Board since the last Annual General Meeting.
- To elect Robert van Breda as a Director of the Company was appointed by the Board since the last Annual General Meeting.
- To elect Sally Veitch as a Director of the Company as was appointed by the Board since the last Annual General Meeting.

Directors' Indemnities

Under the Company's Articles of Association, any Director is entitled to be indemnified by the Company (to the extent permitted by law) against any liability incurred by them in defending proceedings, which relate to any acts or omissions in their capacity as an officer of the Company. In addition, the Company maintains insurance for the benefit of the Directors in respect of such matters that it considers to be appropriate. These arrangements were in force throughout the whole of the current and preceding financial years.

Personnel

Details of the number of colleagues and related costs can be found in Note 9 to the Consolidated Financial Statements. All colleagues have contracts of employment with Harvey & Thompson Limited, the trading subsidiary in the Group.

Harvey & Thompson Limited maintains a policy of equality, diversity and inclusion and is committed to ensuring that all individuals are treated fairly, with respect and are valued.

Harvey & Thompson Limited is committed to providing a safe working environment for all colleagues through a combination of procedural and physical security measures. These measures are kept under review and updated as appropriate.

All colleagues are incentivised through different bonus schemes. The Executive Directors, together with key members of the management team, qualify for the Performance Share Plan (PSP). Further details on share option plans are provided in Note 28 to the Consolidated Financial Statements.

Colleague Consultation

Consultation with colleagues, or their representatives, has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests, and that all colleagues are aware of the financial and economic performance of their stores, regional areas and of the Group as a whole. This is achieved through formal and informal meetings, monthly information bulletins, employee surveys, and twice a year through employee nominated forums.

Employment of the Disabled

It is the policy of the Group to give full and fair consideration to the employment of disabled persons in jobs suited to their individual circumstances and, as appropriate, to consider them for recruitment opportunities, career development and training. Where possible, arrangements are made for the continuing employment of colleagues who have become disabled while in the Group's employment.

Health and Safety

The safety of our customers and colleagues is of paramount importance to the Group. All colleagues complete annual training, and a programme of annual Health and Safety Risk Assessments is in place.

Health and safety standards and benchmarks have also been established in the Business and compliance is monitored by the Board.

Political Contributions

No political contributions were made during the year (2023: £nil).

Going Concern

The Group has prepared the financial statements on a going concern basis.

The Group delivered profit before tax of £29.1m for the year ended 31 December 2024 (2023: £26.4m). The Group also increased its net assets to £192.1m (2023: £177.4m).

The Group has a net debt position of £54.4m at 31 December 2024 (2023: £31.6m), utilising £34.1m (2022: £33m) of the total funding facility with Lloyds Bank plc, which allows for maximum borrowings of £50m (2023: £50m), £10m of the Allica term loan, and £25m of the Pricoa term loan, all subject to the same financial covenants. The Group had cash on hand of £14.7m (2023: £11.4m).

This strong balance sheet position provides a high level of confidence that the Group will be able to repay all liabilities as they fall due during 2025 and into H1 2026 at least.

The Group met all the financial covenants covering the Group's lending facilities in 2024 and there is no evidence to suggest that they will not be met in 2025.

The Group has a strong asset base and the ability to generate cash quickly through the sale of jewellery stock for its intrinsic value or by restricting new pawnbroking lending.

The Board has approved a detailed budget for 2025. All forecasts and sensitivities indicate surplus cash generated from operations for the period reviewed after accounting for the Company's forecast levels of capital expenditure and other investment. In considering the going concern basis of preparation, longer-term forecasts are also prepared, with the financial forecasts revealing no inability to meet financial covenants or repay liabilities.

The Group's offering is principally that of secured lending against pledges. The Group's policies on pawn lending remain rigorous and prudent, such that the Group has limited exposure to loss in the event of customers not redeeming their pledges, due to the value of the pledge collateral held, principally being gold, watches and precious stones. The Group has no reason to believe that the value will not be maintained in the near future.

Based on the above considerations, and after reviewing in detail 2025 and Q1 2026 forecasts, the Directors have formed the view that the Group has adequate resources to continue as a going concern for the next 12 months and has prepared the financial statements on this basis. Principal risks and uncertainties to the Group's business are discussed in more detail in the Strategic Report.

SUBSEQUENT EVENTS POST BALANCE SHEET DATE

Independent Auditor and Statement of Provision of Information to the Independent Auditor

There are no post balance sheet events which require adjustment or disclosure.

PKF Littlejohn LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Each of the persons who is a Director at the date of approval of this report confirms that:

(1) so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and

(2) the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

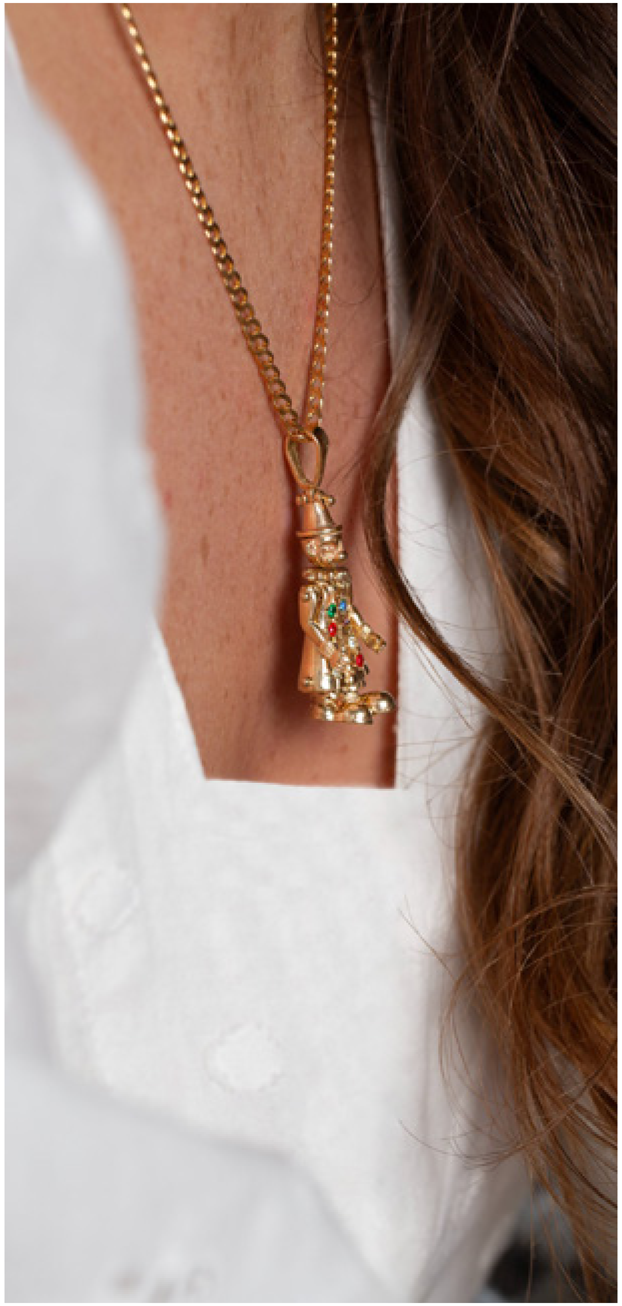
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

CHRIS GILLESPIE
Chief Executive

17 March 2025

Registered and Head Office
H&T Group Plc
Times House
Throwley Way
Sutton
Surrey
SM1 4AF



ROBERT VAN BREDA
CHAIR OF THE AUDIT COMMITTEE

MEETING ATTENDANCE

SIMON WALKER	3(3)
ROBERT VAN BREDA	3(3)
SALLY VEITCH	2(3)
LAWRENCE GUTHRIE	3(3)

> *"It is pleasing to see the development of both the Committee and the Internal audit function"*

DEAR SHAREHOLDER,

I am pleased to present the Board Audit Committee report for the year to 31 December 2024. This report sets out the Committee's role and how it has discharged its duties during the year. In order to ensure that the Board Audit Committee is effective in its role, it follows the guidance and best practice recommendations of the QCA's Audit Committee Guide.

The BAC play a key role in the Group's governance and its primary role is to assist the Board by overseeing the integrity of financial reporting, financial controls and risks, external audit processes and the Group Internal Audit function. It has been pleasing to see the development of both the Committee and the Internal Audit function since I became the Committee's chair in July 2023.

The BAC is satisfied that the external audit was conducted in line with expectations and continues to be effective. During the year, the Committee considered and recommended to the Board a change to the financial year-end from 31 December to 30 September with effect from September 2025, which will result in the financial performance being more evenly spread across the two half-year reporting periods. The change in financial year-end will be a key focus for the Committee in 2025. The Committee continues to review key accounting judgements and estimates incorporated into the financial accounting and reporting. The Committee also oversaw the early adoption of the new Quoted Companies Alliance Corporate Governance Code (2023), which has been applied to the 2024 Annual Report.

The Financial Reporting Council reviewed the Group's 2023 Financial Statements in a sample for the 'Climate-related Financial Disclosures by AIM and Large Private Companies' thematic review and, while no issues or queries were raised, the letter provided recommendations for improvements in our ESG reporting for the benefit of users of future reporting.

In line with the Finance Act 2016 requirements for large UK businesses, the tax strategy of the Group has been published on the H&T website in 2024. I am satisfied that we have the right skills and experience in the Committee and relevant functions to meet our audit obligations.

PRINCIPAL ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

Financial Statements

- To monitor the integrity of the Group's Financial Statements and to review the Group's Financial Statements before recommendation to the Board for approval.
- Wherever practicable to review any formal announcements relating to the Group's financial performance.
- To review the Group's accounting policies and their compliance with accounting practices.

Financial Controls and Risks

- To keep under review the effectiveness of the Group's financial reporting and financial control policies, systems and the Group's procedures for the identification, assessment, management and reporting of risks.
- To review and oversee the Group's tax strategy.

External Audit

- To recommend to the Board the appointment, re-appointment and removal of the external auditors; approving their remuneration and terms of engagement, independence and objectivity.
- To meet with the external auditors at least twice each year; at the audit planning stage and post audit at the reporting stage.
- To review the external auditor's management letter and management's responses.

Internal Audit

- To review, assess and approve the Company's internal audit plan, monitoring and assessing the effectiveness of the Company's internal audit function in the context of the Company's overall risk management framework.
- To periodically review reports on the effectiveness and performance of the Internal Audit function.

ESG Reporting

To review the ESG disclosures made to shareholders and other stakeholders (both qualitative and quantitative) and consider whether they are appropriate, high-quality, accurate, complete and consistent.

COMMITTEE MEMBERSHIP

The Committee, chaired by Robert van Breda, comprises four of the Board's independent Non-Executive Directors including the Chair, all of whom served on the Committee throughout the period. The Company Secretary acts as secretary to the Committee.
The Board considers that the members of the Committee, whose biographies are on pages 51-53 and skills set out on page 57, have the requisite skills and experience to fulfil the Committee's responsibilities, as set out in the Committee's Terms of Reference.

COMMITTEE MEETINGS AND ATTENDANCE

The Audit Committee met three times during the year. Details of Committee members' attendance are given on page 57.
The CEO and CFO joined all the meetings to report on their areas of responsibility. Other business and finance leaders, the Head of Group Internal Audit and representatives of the external auditor, PKF, attend meetings at the request of the Committee. The Committee also has access to the Group's management team to seek further advice, if required. Papers are prepared and circulated in advance of Committee meetings thereby allowing informed discussions, challenge and decision making at meetings. The Chair has regular contact with the CFO, and internal and external auditors, in addition to scheduled Committee meetings to ensure that emerging issues are addressed.

SIGNIFICANT ISSUES AND AREAS OF JUDGEMENT CONSIDERED BY THE BOARD

The Audit Committee reviewed the 2024 Annual Report, interim results, preliminary results announcement and reports from the external auditor on the outcome of their reviews and audit. During the year, and up to the date of this Report, the Committee considered key accounting issues, judgements and related disclosures in the Group's accounts. The significant areas of judgement considered by the Committee in relation to the accounts for the year ended 31 December 2024 were as follows.

GOING CONCERN

Information regarding future financial plans, risks and liquidity was presented to the Committee to enable it to determine whether the going concern basis of accounting remained appropriate.
The Committee reviewed and challenged assumptions and conclusions, and was satisfied that the financial statements could be prepared on a going concern basis and recommended this to the Board (see page 64).

- **Valuation of Pledgebook Impairments** – IFRS 9 requires an impairment provision to be raised against the pledge book for future expected credit losses, considering forward looking information that may impact these expected credit losses. The Committee reviewed the application of the agreed methodology and supporting calculations. It considered the impact and validity of any changes to the inputs to the IFRS 9 impairment model, considering the impact of a change in redemption trends and profiles. It considered the forward looking factors and changes in the business or external environment which may impact on the recoverability, including the forward looking retail and scrap disposition assumptions.
- **Impairment of Goodwill** – The Group historically has acquired a number of businesses and must consider whether goodwill paid requires impairment. The impairment is based on the future cash flow generated by each of the individual cash-generating units (CGUs). Expected cash flows are based on the Group's operating budget and assumptions for growth or decline in revenues and costs, in future years. The Committee reviewed the application of the agreed methodology and supporting calculations. It considered the factors that may impact the future performance of the CGUs and whether these should be reflected in the forecast cash flows. It also considered the sensitivity of the projections and the amount of headroom available before impairment is required.
- **Provision Relating to the Right-Of-Use Assets** The Group operates the store estate on a leasehold basis. An annual impairment review is required in respect of the carrying value of the CGU (lease). The impairment is based on the future cash flows generated by the CGU. Expected cash flows are based on the Group's operating budget and historical performance.
  The Committee reviewed the application of the agreed methodology and supporting calculations. It considered the factors that may impact the future performance of the CGUs and whether they should be reflected in the forecast cash flows. It considered the sensitivity of the projections and the amount of headroom available before an impairment is required.
- **Valuation of Inventory** – The Group has inventory balances, the values of which are supported by precious metals and tradable assets. The Group considers the need to recognise a provision in respect of these balances if the net realisable value (NRV) is below that of cost.
  The Committee reviewed analysis of the agreed methodology and supporting calculations. It also gave due consideration of the potential impact on future performance factors of a range of external factors including changing business mix for product type and channel.
- **Impairment Of Personal Loans** – Personal loans are impaired based on the number of payments missed, based on the original loan agreement with the customer. Impairment is calculated using historical payment performance to estimate the value and timing of future payments for each level of customer arrears. The Committee reviewed analysis of the agreed methodology and supporting calculations for the IFRS 9 impairment.

ANNUAL REPORT

The QCA Code (QCA Code 2023 'Roles and Responsibilities') requires that the Audit Committee 'has an objective approach to assessing whether the company's corporate reporting is fair, balanced and understandable'. To aid the Committee in its review it received a report from the Head of Group Internal Audit, who is not involved in the preparation of the Annual Report and Accounts, and who conducted an independent review. The following factors were considered during the course of the review: ensuring that all statements are consistent with one another; verifying that figures in the narrative sections are consistent with the relevant financial detail; identifying any duplication of information; confirming that there is a balance between 'good news' and 'bad news' where relevant; and highlighting any inappropriate use of technical language or jargon. The Committee considered this independent report as well as its own review of the Annual Report and Accounts when making its recommendation to the Board that, taken as a whole, they are fair, balanced and understandable.

As part of its review the Committee also reviewed adoption and implementation of the new Quoted Companies Alliance Corporate Governance Code (2023) which applies ten principles that deliver growth (Principles 1-5), maintain a dynamic management framework (Principles 6-9) and build trust by clear communication to shareholders and other stakeholders (Principle 10).

INDEPENDENCE, OBJECTIVITY, AND EFFECTIVENESS AND PROPOSED RE-APPOINTMENT OF PKF

The Audit Committee has considered whether to conduct an audit tender for audit quality or independence reasons and concluded it is not required. During 2021, the Audit Committee conducted a full tender exercise for the appointment of a new auditor, which resulted in the appointment of PKF Littlejohn LLP. It is the responsibility of the Committee to monitor the independence and objectivity of the external auditor (including the impact of any non-audit work undertaken by it) and its suitability for reappointment. The Audit Committee favours a presumption that non-audit work will be awarded to a firm other than the audit firm unless there is a good reason to use the auditor. The Audit Committee has reviewed whether the Group's current auditor, PKF Littlejohn LLP, continues to be objective and independent of the Group, and is satisfied that this is the case. In accordance with Section 489 of the Companies Act 2006, a resolution for the reappointment of PKF Littlejohn LLP will be proposed at the forthcoming AGM. The length of their tenure as external auditor is five years.

EXTERNAL AUDITOR NON-AUDIT COSTS

The Committee ensures that safeguards are in place to ensure the independence of external audit and PKF Littlejohn LLP provided no non-audit services during the year (2023: £nil).

RISK AND INTERNAL CONTROL

Risk Management

The risk management process is explained in more detail on pages 40-43. The Committee has reviewed the risk management process and is satisfied that appropriate arrangements are in place to ensure that existing risks are properly managed across the business and that processes are in place to identify and consider any new and emerging risks in a timely manner.

Internal Control

The Board has overall responsibility for the Group's systems of internal control and risk management and for reviewing their effectiveness. These systems cannot eliminate risk and are, therefore, designed to minimise and manage it – they provide reasonable, but not absolute assurance.

The Committee is updated on all Group Internal Audit activity, with a summary provided of key issues identified and actions taken in response. This gives Committee members assurance that any control weaknesses, which have been identified, are being addressed. The Committee, through execution of its duties, considers the Group's internal control environment and is satisfied that procedures are in place to ensure that assets are well protected, authority levels are clear, segregation of duties exist and performance is regularly monitored. Processes are in place to ensure that key controls are operating and compliance with these processes is the subject of inspection by the Group Internal Audit team, and subsequent review and oversight by the Audit Committee.

GROUP INTERNAL AUDIT

The Head of Group Internal Audit reports to the Chair of the Audit Committee to assure the function's independence and they meet at least monthly. The Head of Group Internal Audit is supported by two managers and eight auditors, the majority dedicated to stores, including concessions, providing the Audit Committee with assurance that the required controls over assets (both H&T's and customers') are in place and operating effectively.

Group Internal Audit also performs internal audits of financial, compliance, risk management, support and operational areas according to a programme approved by the Committee. To this end, the Head of Group Internal Audit presents an annual plan to the Audit Committee for approval, setting out how the resource will be allocated across the business, including corporate and store audits. Progress against this plan is monitored at subsequent meetings and any changes due to business needs are reviewed. The effectiveness of the team and its level of resource are reviewed by the Committee annually, including a consideration of outputs, and customer feedback received. During the year, internal resource was supplemented by external specialists to perform a cybersecurity audit. The results of all audit work are shared with the relevant Executive Directors and with the Committee.

Robert van Breda
Chair, Audit Committee

SALLY VEITCH
CHAIR OF THE RISK COMMITTEE

EFFECTIVE RISK MANAGEMENT

DEAR SHAREHOLDER,

I am pleased to present our report for the year to 31 December 2024. The Committee's purpose is to support the Board in providing oversight and challenge of the Company's risk management processes and the internal control framework to ensure that we meet the expectations of our shareholders, regulators, and customers. The Committee monitors the Group's risks on an ongoing basis to ensure they are managed within the risk appetite set by the Board. Effective risk management is important to the Group's achievement of its strategic goals.

The committee has held robust discussions over the past year with, Consumer Duty remaining a significant area of focus as it is now embedded within the business. Details of our overall risk management governance framework and processes, together with the Group's principal risks and how we mitigate them, can be found on pages 40-43 of the Strategic Report.

The Committee is responsible, on behalf of the Board, for:

- the Group's risk appetite (the extent and categories of risk which the Board regards as acceptable for the Group to bear);
- the Group's risk management and internal control framework (its principles, policies, methodologies, systems, processes, procedures, and people);
- the Group's current risk exposure including horizon scanning for new and potential risks and the capability to manage those risks; and
- in respect of the processes and procedures, the arrangements for the identification, assessment, monitoring, management and oversight of risk.

Sally Veitch
Chair, Risk Committee

MEETING ATTENDANCE

ROBERT VAN BREDA	4(4)
CATHERINE NUNN	4(4)
SALLY VEITCH	4(4)
LAWRENCE GUTHRIE	4(4)

Committee Membership

The Committee, chaired by Sally Veitch, comprises four of the Board's independent Non-Executive Directors, all of whom served on the Committee throughout the period. The members of the Committee, whose biographies are on pages 51-53, consider that they have the requisite skills and experience to fulfil the Committee's responsibilities. The Board considers that all Committee members have appropriate experience to execute their roles. The Company Secretary acts as secretary to the Committee.

Committee Meetings and Attendance

The Risk Committee met four times during the year. Details of Committee members' attendance are given on page 57. All members attended every meeting that they were eligible to attend.

The CEO and CFO have been invited to attend all meetings and expect to do so in the future.

The Committee also has access to the Group's management team to seek further advice, if required.

Detailed papers are prepared and circulated in advance of Committee meetings by management, thereby allowing informed discussions, challenge and decision making at meetings.

Significant Activities of the Committee in 2024

The Committee met four times in the year and conducted the following activities.

- Consumer Duty was implemented in 2023 and the Committee and business continues to further develop data monitoring, interpret latest FCA guidance and assess how H&T complies and ensures good customer outcomes. In July, the Committee reviewed the first annual Consumer Duty Board Report.
- Approved the annual refresh of the Group's risk management framework and risk appetite statements.
- Reviewed the annual Money Laundering Reporting Officer's annual report.
- Reviewed strategic, top and emerging risks, and redesigned and enhanced the reporting in this area.
- Oversaw the work of the Compliance team and Financial Crime team, approving the Financial Crime policy.

During the year, the risk team was restructured and risk now sits under the Director of Finance, Risk and Compliance.

> *"Effective risk management is important to the Group's achievement of its strategic goals."*

LAWRENCE GUTHRIE
CHAIR OF THE REMUNERATION COMMITTEE

MEETING ATTENDANCE

TONI WOOD	3(3)
ROBERT VAN BREDA	3(3)
CATHERINE NUNN	3(3)
LAWRENCE GUTHRIE	3(3)

DELIVERING UPON OUR BUSINESS STRATEGY

DEAR SHAREHOLDER,

As Chair of the Committee, I am pleased to present the Remuneration Committee Report for the year ended 31 December 2024.

We recognise that the overriding objective of the Remuneration Policy is to align the interests of our Directors with the interests of shareholders, both in terms of reward and avoiding inappropriate risk-taking. The main objective of our Policy, therefore is to encourage our Directors to deliver upon the business strategy that we have committed to our shareholders to achieve.

Chair's Introduction

I took over the role of Remuneration Committee Chair as of 4 June 2024 and would like to take this opportunity to thank the former Chair, Toni Wood, for her time while in the role and remaining on the Committee to provide continuity. I would also like to thank my fellow Non-Executive Committee members, Robert van Breda and Catherine Nunn for their engagement and support.

During the financial year, we have focused on ensuring that the remuneration of Directors is aligned with the interests of our shareholders, that there are adequate incentives for the business plans to be delivered and that more broadly the business is able to attract and retain talent to enable that delivery. While Directors did not take a pay increase in 2024, it was important to consider the short and long-term incentives as a way of motivating them to deliver shareholder value, as well as retaining key Senior Leadership Team members. Work was undertaken in conjunction with an external consultant to consider the effectiveness of the current long term incentive arrangements. Over recent years and due to the challenge of setting long term targets and the volatility of the external environment, there has been limited vesting of the long term incentives and therefore share ownership of the CEO and CFO is lower than expected. During 2025 the Committee will be considering some adjustments to the long term incentives with the aim of providing better matching of rewards to long term targets.

We welcome feedback from our shareholders as their views inform our thinking on remuneration matters, in particular when considering the Remuneration Policy and its implementation. The Committee is committed to continue consulting with key shareholders and I welcome any questions at the AGM.

Remuneration Policy

We recognise that attracting people to the pawnbroking industry can be challenging, and consequently, we need to ensure our methods of attracting and retaining people are well thought-through. Creating an effective Remuneration Policy is crucial to this aim to attract the required expertise and calibre.

Our objectives in relation to overall remuneration packages are to provide competitive reward packages that reflect the achievement of both individual and Company performance. The Policy indicates target salaries to be set at the median level, based on benchmarking. For Executive Directors, bonus arrangements are based on the achievement of financial and non-financial measures set at the beginning of the financial year aligned to the key annual goals supporting the Group's strategy. There is also a three year long-term incentive plan with targets set based on Total Shareholder Return and Earnings per Share.

Achievement of all targets can result in upper quartile total cash and share rewards being achievable. Across the Company, this allows remuneration to be competitive and in line with market rates.

Fees paid to the Chair and Non-Executive Directors are competitive and comparable with other companies of equivalent size and complexity, so that the Company can attract Non-Executive Directors who have a broad range of experience and skills to oversee the implementation of the Company's strategy. Non-Executive Directors are entitled to receive reimbursement of appropriate expenses and colleague discount on Group products and services, but do not participate in any of the Group's benefit arrangements, including incentive schemes and pension.

Composition and Role

The Committee operates under an agreed Terms of Reference, which are reviewed annually, and is responsible for determining the remuneration and targets, where applicable, for the Chief Executive, the Chief Financial Officer, all other Executive Directors, the Chair and such other members of executive management that it considers appropriate, agreeing the Remuneration Policy, advising the Nomination Committee as required, determining targets for performance-related pay schemes, pension arrangements, colleague benefit structures, and approval of expenses of the Chair and the Chief Executive.

In exercising its role, the Remuneration Committee has regard to recommendations put forward in the QCA Remuneration Committee Guide and other statutory and regulatory guidance and requirements. The Committee meets on a planned basis at least twice during the year.

Discretion Exercised by the Committee

During the period, the Committee has exercised its discretion in the bonus allocation for the Executive Directors. Out of a possible 75% (50% allocated to profit targets and 25% to pledge book growth), 27.5% was awarded for achievement of financial elements of performance. In relation to non-financial performance elements, 20% out of a possible 25% was awarded, as a result of driving improved operational performance, strong performance in relation to IT development delivery, rigour in cost management, appointment of additional brokers and increase in the proportion of lending over £5000 (deemed business lending).

Approach to Recruitment Remuneration

The Committee will set a new Executive Directors' remuneration package in line with the Company's approved Policy at the time of appointment. In arriving at a total package, and in considering the quantum for each element of that package, the Committee will take into account the skills and experience of the candidate, the market rate for the candidate, as well as the importance of securing the best available candidate. Annual bonus and LTIP awards will not exceed the policy maximum. Participation in the annual bonus plan will be pro-rated for the year of joining. Other payments may be made in relation to relocation expenses and other incidental expenses as appropriate.

Factors Taken Into Account When Determining Directors' Remuneration Policy: Executive Directors

REWARD TYPE	PURPOSE	COMMENT	MAXIMUM REWARD IN CATEGORY
BASE SALARY	To attract and retain experienced and skilled individuals.	Reviewed annually and approved by the Remuneration Committee. Independent benchmarking of roles takes place at least once every three years ensuring that salaries remain competitive and reflective of market conditions. Individual contributions are also reflected. No change to policy in the period under review.	No maximum limit is set.
BONUS	To attract and retain experienced and skilled individuals. To align reward with business performance.	Reviewed annually and approved by the Remuneration Committee, considering the total remuneration package available to Executive Directors in light of market practice for Companies of similar size and delivering similar performance.	Annual Bonus is subject to meeting certain performance criteria. The maximum bonus payable and the proportion paid for on-target performance, are set by the Remuneration Committee in advance of each financial year.
LONG-TERM INCENTIVES	To attract and retain experienced and skilled individuals. To align reward with medium-term delivery of strategy.	Reviewed annually and approved by the Remuneration Committee, following consultation with shareholders. Periodic review by specialist consultants on long-term incentives is undertaken.	From 2021, the Board established a long-term incentive plan based on the performance of the Business over a three-year period. A maximum 125% allocation per role is applied with potential to transfer bonus to LTIP with approval from the Remuneration Committee.
BENEFITS	To support competitive remuneration packages to attract and retain talent.	Benefits include car allowance, private medical insurance, life insurance.	No maximum limit is set, as the cost of providing these benefits fluctuate over time.
PENSION	To ensure that pension contributions are within market range.	Executive Directors can elect to participate in the Company Defined Contribution Scheme or to take cash in lieu of this contribution.	The pension contribution rate of Executive Directors is 10% and the contribution is matched by the Company within a Defined Contribution Scheme.

Service Agreements and Letters of Appointment

Each of the Executive Directors has a renewable fixed-term service contract. Their contracts are terminable by the Company on giving one year's notice and by the individual on giving six or 12 months' notice dependent on their role. Apart from their service contracts, no Director has had any material interest in any contract with the Company or its subsidiaries. The service contracts contain provision for early renewals of term anticipated within their terms of our contract with them and termination in the event of various scenarios and contain typical restrictive covenants.

Letters of Appointment for the Chair and Non-Executive Directors have an initial fixed-term period of three years subject to satisfactory performance and re-election at Annual General Meetings. All Directors are expected to stand for re-election annually at the Annual General Meeting.

Approach to Payments for Loss of Office

The Company has reserved the right to make a payment in lieu of notice on termination of an Executive Director's contract equal to their base salary and contractual benefits (excluding performance-related pay). In normal circumstances, Executive Directors have no entitlement to compensation in respect of loss of performance bonuses and all share awards would lapse following resignation. However, under certain circumstances (e.g. 'good leaver' or change in control), and solely at the Committee's discretion, annual bonus payments and all share awards, may be made and would ordinarily be calculated up to the date of termination only, based on performance.

Shareholding Guidelines

There are no minimum or maximum limits for Directors' shareholdings or retention rules post termination. The Group encourages Executive Director shareholding and also all its colleagues to own shares in the Company, and thereby have a direct interest in the long-term performance of the Business.

Aggregate Directors' Remuneration

The total amounts for Directors' remuneration were as follows:

	2024 £	2023 £
Emoluments	**1,356,578**	1,296,120
Gain on exercise of share options	**400,023**	–
Money purchase pension contributions	**24,566**	24,533
	1,781,167	1,320,653

Directors' Emoluments and Compensation

Name of Director	Fees/ Basic salary £	Benefits in kind £	Annual bonuses £	2024 Total £	2023 Total £
Executive					
C D Gillespie (note 1)	372,304	12,388	200,959	**585,651**	574,794
D Giddy (note 1)	245,655	10,832	128,355	**384,842**	372,439
Non-Executive					
J F Thornton (note 2)	20,830	–	–	**20,830**	61,530
S R Walker	90,000	–	–	**90,000**	79,586
T M Wood	56,239	–	–	**56,239**	50,426
S Vietch	55,280	–	–	**55,280**	27,640
R Van Breda	55,280	–	–	**55,280**	26,807
L Guthrie	53,176	–	–	**53,176**	25,140
C Nunn	55,280	–	–	**55,280**	27,640
P D McNamara (note 3)	–	–	–	**–**	50,118
Aggregate emoluments	1,004,044	23,220	329,314	**1,356,578**	1,296,120

Notes:
1. The bonus opportunity in 2024 was based on the achievement of a combination of key financial performance objectives and shared personal objectives. The Remuneration Committee reviewed both the financial performance element (up to 75%) and the personal objectives element (up to 25%) to determine the overall award for the 2024 Senior Executive bonus plan. After considering the business performance of the pawnbroking book, the level of profit before tax and the delivery of the shared personal objectives, and additional key strategic actions, the Committee determined that 20% access to the shared personal objectives element of the bonus had been achieved and 27.5% of the financial performance element. Taking both elements of the bonus plan together an overall award of 47.5% of the potential opportunity was made.
2. J Thornton left H&T Group on 16 May 2024. Amount paid relates to service up until leave date.
3. P McNamara left H&T Group on 1 April 2023.

Directors' Bonus Schemes

The Remuneration Committee considers the total remuneration package available to Executive Directors in light of market practice for Companies of a similar size and delivering a similar shareholder performance. As part of their total package, Executive Directors are entitled to receive an annual bonus, subject to meeting certain performance conditions. These performance conditions, the maximum bonus payable and the proportion paid for on-target performance are set by the Remuneration Committee in advance of each financial year.

Directors' Bonus and Shared Objectives

The Directors' bonus scheme incorporates shared objectives that reward both financial targets as well as targeted non-financial performance. For 2024, such non-financial objectives have included: driving operational performance including development of business and larger loans, delivery of technology projects in-store and the jewellery centre, enhancing online capabilities, cost control, appointing a second broker and institutional analyst.

Directors' Pension Entitlements

One Director (2024: One Director) was a member of the money defined contribution purchase scheme during the year. Contributions paid during the year by the Group in respect of the Directors were
as follows:

Name of Director	2024 £	2023 £
D Giddy	**24,566**	24,566
	24,566	24,566

Advice provided to the Remuneration Committee

During the year, the Committee has sought advice regarding long-term incentive plans.

Long-Term Incentive Plan

The long-term incentive plan for Executives is designed to reward execution of strategy and growth in shareholder value over a three-year period. The LTIP granted during 2024 was based on similar criteria applied previously and granted in 2021, 2022 and 2023. Performance shares were granted to 22 senior colleagues equivalent to between 25% and 125% of base salary. Dividends are not paid on awards until, and to the extent that, such shares have vested.

The 2021 scheme vested, with only part of the Earnings per Share target met, and as such, 44% of the awards were granted under this Scheme.

Performance Condition	Weighting	Vesting Criteria
Total shareholder return (TSR) – combination of share price and dividends payable over the performance period. Starting share price is taken as the average of the share price for the 90 days prior to year-end.	50%	47% straight-line growth in TSR results in 30% payout ratio of the pool. 63% straight-line growth results in 100% payout ratio of the pool. If the growth rate falls between the thresholds above, the proportion of shares that vest will be determined on a straight-line basis.
Earnings per share (EPS) – growth as calculated from the Annual Report in 2023 to that published in 2026.	50%	28% straight-line growth in EPS results in 30% payout ratio of the pool. 45% straight-line growth results in 100% payout ratio of the pool. If the growth rate falls between the thresholds above, the proportion of shares that vest will be determined on a straight-line basis.

Executive Directors	Date of Grant	Exercise Price	Performance End Date	Vesting Date	At 1 January 2024 Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	At 31 December 2024 Number
C Gillespie	14/05/2021	nil	31/12/2023	14/05/2024	150,485	–	(66,665)	(83,820)	–
	12/05/2022	nil	31/12/2024	12/05/2025	112,657	–	–	–	112,657
	15/05/2023	nil	31/12/2025	15/05/2026	93,816	–	–	–	93,816
	15/05/2024	nil	31/12/2026	15/05/2027	–	111,335	–	–	111,335
D Giddy	14/05/2021	nil	31/12/2023	14/05/2024	66,262	–	(29,354)	(36,908)	–
	12/05/2022	nil	31/12/2024	12/05/2025	81,767	–	–	–	81,767
	15/05/2023	nil	31/12/2025	15/05/2026	68,092	–	–	–	68,092
	15/05/2024	nil	31/12/2026	15/05/2027	–	80,808	–	–	80,808
					573,079	192,143	(96,019)	(120,728)	548,475

Payments for Loss of Office

No payments were made during the year with regards to loss of office.

Statement of Directors' Shares and Share Interests

The notifiable beneficial interests of each of the Directors as at the year-end in the ordinary share capital of the Company are shown below:

Director	Type of Share	Ordinary 5p Shares	Absolute Change	Shares at 31/12/2024	Shares at 31/12/2023*
Directors	Directors	**155,000**	**97,441**	**252,441**	**155,000**
Christopher Gillespie		125,000	66,665	191,665	125,000
Simon Walker		15,000	15,000	30,000	15,000
Diane Giddy		15,000	13,273	28,273	15,000
Toni Wood		–	2,503	2,503	–

* J Thornton, who left H&T Group during the year, held 5,000 shares.

There have been no other changes in the interests of the current Directors between 31 December 2024 and the date of this report.

The Directors have no beneficial interest in the Share Option Schemes operated by the Group other than those noted.

At 31 December 2024, the market price of H&T Group plc's shares was 354.5p and the range during the year ended 31 December 2024 was 305p to 440p.

At 31 December 2023, the market price of H&T Group plc's shares was 432p and the range during the year ended 31 December 2023 was 394p to 493p.

None of the Directors hold any interests in the shares of any other Company within the Group.

At the forthcoming AGM all Directors will be offering themselves for re-election.

We intend to put the proposed Directors' Remuneration to an advisory vote by shareholders at the Annual General Meeting.

If you have any comments or queries on anything related within this Remuneration Report, I will be available at the Annual General Meeting.

Lawrence Guthrie
Chair, Remuneration Committee

CHRIS GILLESPIE
CHIEF EXECUTIVE

REPORTING RESPONSIBLY

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom and Article 4 of the IAS Regulation and have elected to prepare the Parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 Reduced Disclosure Framework. Under Company law, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the Parent Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group Financial Statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, and disclose with reasonable accuracy at any time the financial position of the Company, to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibilities Statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

This Responsibilities Statement was approved by the Board of Directors on 18 March 2025 and is signed on its behalf by:

C D Gillespie
Chief Executive

17 March 2025

Opinion

We have audited the financial statements of H&T Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 2024 which comprise the Group Statement of Comprehensive Income, the Group Statement of Changes in Equity, the Group Balance Sheet, the Group Cash Flow Statement, the Parent Company Balance Sheet, the Parent Company Statement of Changes in Equity and notes to the Group financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent company's affairs as at 31 December 2024 and of the group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

a) Reviewing management's assessment of going concern and disclosures within the financial statements;

b) Reviewing management's assessment of the impact of uncertain economic outlook on forecast revenue and expected credit losses;

c) Assessing management's forecasting abilities by comparing the current-year performance against the prior-year forecasts;

d) Determining if all relevant information has been included in the assessment of going concern including completeness of forecast expenditure;

e) Analysing forecasts and budgets, reviewing the underlying key assumptions in relation to revenue and expenditure and checking mathematical accuracy of management's going concern model;

f) Reviewing the reasonability of management's forecast scenarios (major shift in the value of gold and a sudden increase in pawnbroking lending, that results in a significantly higher book value) and the financial resources available; and

g) Evaluating the cash position and available borrowing facilities at and after the year-end to assess the Group's liquidity position.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our Application of Materiality

Materiality measure	Amount	Key considerations and benchmarks
Group financial statements – 0.75% (2023: 0.74%) of net assets.	**£1,755,000** (2023: £1,314,000)	In determining our materiality benchmark, we considered the performance indicators most applicable to the users of the financial statements, the nature of the business, comparative audit reports for other listed entities and other consumer credit businesses. We believe that investors and other stakeholders are interested in the net asset position of the Group, among other key performance indicators. We therefore consider the net assets value to represent an appropriate benchmark on which to base the materiality calculation.
Parent Company financial statements – 1% (2023: 2%) of net assets	**£527,000** (2023: £699,000)	The Parent Company acts as a holding company, as such the value of investments and the net asset value of the balance sheet are of key interest to investors and other stakeholders. The net asset value has been used as the benchmark to determine materiality.

We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce the risk that the aggregated uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole to an acceptably low level. Performance materiality was set at £1,316,000 (2023: £985,500) and £395,000 (2023: £524,250) for the Group and Parent Company, respectively, being 75% (2023: 75%) of materiality for the financial statements as a whole. The percentage parameter applied to materiality to derive performance materiality has been maintained at 75% due to there being no audit adjustments identified in the previous year. The performance materiality threshold was considered to be appropriate to provide coverage of significant and residual risks to the classes of transactions and account balances within the financial statements representing risk areas and those that require management judgements and estimates including measurement of expected credit losses, and calculation of stock provisions.

We applied the concept of materiality both in planning and performing our audit, and in evaluating the impact of misstatements.

We have agreed with the audit committee that we would report to the committee all individual audit differences in excess of £87,000 (2023: £65,700) and £26,000 (2023: £34,950) for the Group and Parent Company, respectively, as well as differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

Our approach to the audit

Our audit approach was developed by obtaining an understanding of the Group's and Parent Company's activities and the overall control environment. Based on this understanding we assessed those aspects of the Group's and Parent Company's transactions and balances which were most likely to give rise to a material misstatement and were most susceptible to irregularities including fraud or error. We looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. We identified what we considered to be key audit matters in the next section and planned our audit approach accordingly.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How our scope addressed this matter</th></tr>
<tr><td colspan="2">Valuation of pledge loans – expected credit loss provision. (Notes 4, 20 and 26)</td></tr>
<tr><td>The pledge book impairment balance as at 31 December 2024 amounted to £10.455 million (2023: £5.834 million).

A financial model is used to determine the impairment provision. This model involves determining the probability of default (PD) and loss given default (LGD), including amounts recoverable from forfeited pledges, which are then applied to the pledge book balance to determine the expected credit losses. The assumptions within the model also include forward looking information.

Further to this, management are also required to consider forward-looking macro-economic variables which may impact the expected credit losses (e.g., inflation, GDP, unemployment rates, and gold prices). Historically, management have deemed that there was no material impact from macroeconomic factors on the level of expected credit losses and therefore no additional overlay has been previously applied by management.

Given the quantum of the impairment balance and the significant management estimation involved, the pledge loan impairment provision is considered to be a key audit matter.</td><td>Our work in this area included:
Updating our understanding of the internal control environment in operation and undertaking a walk-through to test whether the key controls had been operating in the period under audit;
Reviewing the methodology used in calculating the expected credit losses and challenging management on its compliance with IFRS 9;
Reviewing and challenging management on the assumptions used with the ECL methodology, with reference to historical performance and future strategy and targets, including:
Weighted average interest rates, and the resulting effective interest rate;
Timelines to redemption and forfeiture; and
Realisable values of pledge items;
Recalculating the ECL provision using assumptions generated from independently extracted data from the loan management system, to determine an auditor's range;
Reviewing and challenging management's assessment of the impact of forward-looking information to the expected credit loss provision, including the potential impact of variables such as unemployment rates, interest rates and gold prices;
Testing the completeness and accuracy of data flowing to the expected credit loss calculation model;
Performing analytical review procedures to understand the year-on-year changes in the impairment charge and movement in the impairment provision; and
Reviewing the disclosures in the financial statements.
Key observation
Based on our audit procedure performed and evidence obtained, we consider the valuation of the pledge loans book to be appropriate.</td></tr>
</table>

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Group and Parent Company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, and application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the Group and Parent Company in this regard to be those arising from consumer credit, money laundering, taxation, the Financial Conduct Authority rules and guidance, London Stock Exchange AIM Rules for Companies and the Companies Act 2006.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group and Parent Company with those laws and regulations. These procedures included, but were not limited to:
  - Reviewing the financial statement disclosures and agreeing them to supporting documentation to assess compliance with relevant laws and regulations discussed above;
  - Reviewing minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing Regulatory News Service announcements and correspondence with HM Revenue and Customs and the Financial Conduct Authority and;
  - Reviewing legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations; and
  - Reviewing the compliance reports to understand the nature of any compliance matters and the existence of any non-compliance with laws and regulations.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that a potential management bias was identified in relation to the following areas:
  - Measurement of expected credit losses;
  - Valuation of stock provisions; and

We addressed the risk of bias by challenging the key assumptions and judgements made by management in each of the above-noted areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azhar Rana (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London
E14 4HD

17 March 2025

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Continuing operations:			
Revenue	5, 6	**265,373**	220,775
Cost of sales		**(109,983)**	(93,539)
Gross profit	6	**155,390**	127,236
Impairment charges		(33,332)	(20,298)
Income from operations		**122,058**	106,938
Other direct expenses		(59,171)	(53,223)
Administrative expenses		(27,384)	(24,204)
Operating profit		**35,503**	29,511
Investment revenues	5, 10	**82**	82
Finance costs	11	**(6,528)**	(3,233)
Profit before taxation	7	**29,057**	26,360
Tax charge on profit	12	**(6,829)**	(5,277)
Profit for the financial year and total comprehensive income		**22,228**	21,083

	Note	2024 Pence	2023 Pence
Earnings per share from continuing operations			
Basic	13	**51.17**	48.74
Diluted	13	**50.94**	48.49

All profit for the year is attributable to equity shareholders.

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Note	Share capital £'000	Share premium account £'000	Employee Benefit Trust shares reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2023		2,193	49,423	(34)	112,537	164,119
Profit for the year		–	–	–	21,083	21,083
Total comprehensive income		–	–	–	21,083	21,083
Issue of share capital to satisfy equity-settled share-based payments	27	6	300	–	(306)	–
Share option movement	24, 28	–	–	3	(679)	(676)
Dividends	14	–	–	–	(7,156)	(7,156)
At 31 December 2023		2,199	49,723	(31)	125,479	177,370
At 1 January 2024		**2,199**	**49,723**	**(31)**	**125,479**	**177,370**
Profit for the year		–	–	–	22,228	**22,228**
Total comprehensive income		–	–	–	22,228	**22,228**
Settlement of share-based payments	27	–	-	6	-	**6**
Deferred tax on share-based payments	24, 28	–	–	–	(39)	**(39)**
Share-based payment charge	24, 28	–	–	–	283	**283**
Employee benefit trust		–	–	–	(107)	**(107)**
Dividends	14	–	–	–	(7,609)	**(7,609)**
At 31 December 2024		**2,199**	**49,723**	**(25)**	**140,235**	**192,132**

GROUP BALANCE SHEET

As at 31 December 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Goodwill	15	**27,310**	21,851
Other intangible assets	16	**9,504**	7,618
Property, plant and equipment	17	**15,780**	15,686
Right-of-use assets	17	**17,901**	19,581
		70,495	64,736
Current assets			
Inventories	19	**40,582**	40,711
Trade and other receivables	20	**164,792**	135,271
Current tax recoverable	20	**137**	–
Cash and bank balances	21	**14,654**	11,387
		220,165	187,369
Total assets		**290,660**	252,105
Current liabilities			
Trade and other payables	22	**(7,700)**	(7,955)
Lease liabilities	22	**(5,338)**	(3,965)
Current tax liability		**–**	(858)
		(13,038)	(12,778)
Net current assets		**207,127**	174,591
Non-current liabilities			
Borrowings	23	**(69,100)**	(43,000)
Lease liabilities	22	**(14,445)**	(18,002)
Deferred tax liabilities	24	**(1,520)**	(508)
Long-term provisions	25	**(425)**	(447)
		(85,490)	(61,957)
Total liabilities		**(98,528)**	(74,735)
Net assets		**192,132**	177,370

	Note	2024 £'000	2023 £'000
Equity			
Share capital	27	**2,199**	2,199
Share premium account		**49,723**	49,723
Employee Benefit Trust shares reserve		**(25)**	(31)
Retained earnings		**140,235**	125,479
Total equity attributable to equity holders		**192,132**	177,370

The financial statements on pages 81-83 of H&T Group plc, registered number 05188117, were approved by the Board of Directors and authorised for issue on 17 March 2025.

The Group Balance Sheet should be read in conjunction with the accompanying Notes.

They were signed on its behalf by:

C D Gillespie
Chief Executive

GROUP CASH FLOW STATEMENT

For the year ended 31 December 2024

	Note	2024 £'000	As restated 2023 £'000
Net cash generated / (utilised) from operating activities	29	**11,857**	(3,509)
Investing activities			
Interest received		**82**	82
Purchases of intangible assets	16	**(2,840)**	(1,554)
Purchases of property, plant and equipment	17	**(4,444)**	(7,045)
Acquisition of trade and assets of businesses	30	**(12,491)**	(3,155)
Net cash used in investing activities		**(19,693)**	(11,672)
Financing activities			
Dividends paid	14	**(7,609)**	(7,156)
Payment of lease liabilities		**(6,219)**	(6,046)
Increase in borrowings	23	**26,100**	28,000
Debt restructuring costs		**(1,062)**	(490)
Employee benefit trust		**(107)**	31
Net cash used in financing activities		**11,103**	14,339
Net increase/(decrease) in cash and cash equivalents		**3,267**	(842)
Cash and cash equivalents at the beginning of the year		**11,387**	12,229
Cash and cash equivalents at end of the year		**14,654**	11,387

* The restatement of the 2023 figures is explained in note 35.

1. GENERAL INFORMATION

H&T Group plc is a Company incorporated in England and Wales under the Companies Act.

The Company is a public Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 81-83.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in Note 6 and in the Chair's Report, the Chief Executive's Review, the Chief Financial Officer's Review and the Directors' Report.

The financial statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the Group operates.

2. CHANGES IN ACCOUNTING POLICIES

In the current year, the company has applied the following amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board that are effective for an annual year that begins on or after 1 January 2024.

- Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective date 1 January 2024).
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective date 1 January 2024).
- Amendments to IFRS 16 Leases: Lease liability in Sale and Leaseback (effective date 1 January 2024).
- Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with covenants (effective date 1 January 2024).
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (effective date 1 January 2024).

The following standards and amendments are not yet effective and have not yet been applied.

The Directors do not expect that the adoption of the Standards issued will have a material impact on the financial statements of the Group in future periods.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rate: Lack of Exchangeability (effective date 1 January 2025).

3. MATERIAL ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards in accordance with the requirements of the Companies Act 2006 and, therefore, the Group Financial Statements comply with the requirements of the AIM Rules.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The material accounting policies adopted are set out below.

Basis of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Audit Exemption of Subsidiary

Swiss Time Services Limited, registered number 03143852, is exempt from the requirements of the UK Companies Act relating to audit of individual accounts by virtue of s479A of the Act. The outstanding liabilities at 31 December 2024 have been guaranteed by the Company pursuant to s479A to s479C of the Act.

Going Concern

The Directors have, at the time of approving the financial statements and the Group's available cash resources, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method.
The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Intangible Assets – Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised, at date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in any subsequent period.

3. MATERIAL ACCOUNTING POLICIES CONTINUED

Intangible Assets – Other than Goodwill

Intangible assets with a finite useful life are carried at cost less amortisation, less impairment losses. Intangible assets represent intangibles, which have been separately identified under IFRS 3 (Business Combinations) arising in business combinations, being customer relationships (which include customer accreditations where applicable), brands or assets that meet the recognition criteria of IAS 38 Intangible Assets, being principally computer software assets. Customer relationships and brands acquired in a business combination are recognised at fair value at the acquisition date.

Amortisation of intangible assets acquired in a business combination is calculated using the expected life of the intangible assets acquired.

Amortisation of other intangible assets (computer software) is calculated using the straight-line method to allocate the cost of the asset less its assessed realisable value over its estimated useful life (six to 15 years).

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes and estimates being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the derecognition of an intangible asset, measured as the difference between net disposal proceeds and the carrying amount of the asset, are recognised in the Group Statement of Comprehensive Income when the asset is derecognised.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Depreciation

Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value of each asset, evenly over its expected useful life as follows:

Leasehold premises	
– Leasehold improvements	Shorter of 10 years or life of lease with minimum of 5 years
Computer equipment	
– Computer hardware	3 to 5 years
Fixtures and fittings	5 to 10 years
Motor vehicles	4 years
Right-of-use assets	Life of the lease

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year-end.

Fixtures and fittings include specialised equipment for jewellery and watch repairs.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in income.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identifier asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision making rights that are most relevant to changing how, and for what, purpose the asset is used. In rare cases where the decision about how, and for what, purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how, and for what, purpose it will be used.

As a Lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at, or before, the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability initially is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

3. MATERIAL ACCOUNTING POLICIES CONTINUED

Leases continued

As a lessee continued

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Impairment of Non-financial Assets Including Goodwill and Other Intangibles

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 cash-generating unit's (CGUs) fair value 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 of 11.5% (2023: 11.1%), which reflects the 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 conditions are taken into account.

The Group bases its impairment calculation on detailed budgets and historical performance measures. These are prepared separately for each of the Group's CGUs to which the individual assets are allocated, which are usually taken to be at store level.

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.

While the impairment review has been conducted based on the best available estimates at the impairment review dates, the Group notes that actual events may vary from management expectation but is comfortable that other than a right-of-use-asset (property lease) reversal of impairment charge of £0.04m (2023: 0.06m), no further impairment exists at the balance sheet date based on reasonably possible sensitivities.

Inventories

Inventories are stated at the lower of cost and net realisable value. For inventory acquired for retail sale the cost represents the purchase price plus overheads directly related to bringing inventory to its present location and condition, and is measured on a first-in first-out basis. For inventory arising from unredeemed pledges, the cost represents the value of the pledge loan plus overheads. The net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Relative to these measures, the Group considers the value of inventory to be conservatively stated.

Where necessary, provision is made for obsolete, slow-moving, and damaged goods or inventory shrinkage. The provision for obsolete, slow moving, and damaged inventory represents the difference between the cost of the inventory and its net realisable value. The inventory shrinkage provision is based on an estimate of the inventory missing at the reporting date using historical shrinkage experience.

Financial Assets

All financial assets are recognised and derecognised on a trade date basis.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

In accordance with IFRS 9 Financial Instruments the Group has classified its financial assets as 'amortised cost'; no financial assets have been classified as FVTOCI or FVTPL at the reporting date for 2024 and 2023.

3. MATERIAL ACCOUNTING POLICIES CONTINUED

Financial Assets continued

Classification of Financial Assets continued

Amortised cost and effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. Interest income is recognised in profit or loss and is included in the 'finance income – interest income' line item (Note 26).

Any loans that may be subject to voluntary or mandatory forbearance are reviewed in relation to an increased credit risk by considering:

- whether the forbearance arrangement might lead to a change in cash flows, which are considered substantial modification of the loan; or
- whether the forbearance arrangement indicates that there has been a significant increase in credit risk (SICR) and as such expected credit losses are required to be recognised over the lifetime of the loan.

Foreign Exchange Gains and Losses

The presentational currency of the Group is Sterling. Transactions in currencies other than Sterling are recorded at the rates of exchange prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the Group Statement of Comprehensive Income.

The Group may decide to hedge its exposure to certain foreign exchange risks by entering into derivative financial instruments contracts, mainly forward contracts.

Impairment of Financial Assets

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

Due to the short-term nature of pledge loans, which are typically six-month contracts, ECL is always recognised on a lifetime basis.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

(i) Significant Increase in Credit Risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information. The Group has considered the likely impact of high inflation and rising interest rates on repayments. See Note 26 for more details.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

(ii) Definition of Default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL as default is a component of the probability of default (PD), which affects the measurement of ECL.

The Group considers the following as constituting an event of default unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate:

- the borrower is past due on any material credit obligation to the Group; or
- the borrower is unlikely to pay its credit obligations to the Group in full.

The Group has further considered the likely impact of high inflation, movements in the gold price, GDP, unemployment and rising interest rates on defaults.

(iii) Write-off Policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES CONTINUED

Impairment of Financial Assets continued

(iv) Measurement and Recognition of Expected Credit Losses

The measurement of expected credit losses is a function of the probability of default, loss-given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss-given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is based on the asset's gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of Financial Assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. Pawnbroking loans in the course of realisation continue to be recognised as trade receivables until the pledged item is moved to inventory or until redemption.

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss (FVTPL).

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings, using the effective interest method.

Fees paid on the establishment of loan facilities are capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Financial Liabilities Measured Subsequently at Amortised Cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination; (ii) held-for-trading; or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial Liabilities at FVTPL

Only the Group's derivative financial instruments, of which there are none outstanding at the year-end, are recorded as financial liabilities at FVTPL, with any gains or losses arising on changes in fair value recognised in profit or loss.

Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Group 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 that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available, against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at 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.

3. MATERIAL ACCOUNTING POLICIES CONTINUED

Taxation continued

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the Group 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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and 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.

VAT

The Group is partially exempt for VAT and operates a number of VAT schemes including the Margin Scheme and the Gold Scheme. The Group takes advantage of the simpler approach offered by global accounting under the Margin Scheme. Within the financial statements sales are disclosed net of VAT payable, other direct expenses and administrative expenses include the cost of irrecoverable input VAT.

Provisions

A provision is recognised in the balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of 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 at the Directors' best estimate of the expenditure required to settle the present obligation at the balance sheet date and are discounted to present value where the effect of the time-value of money is material.

Most of the leases include end-of-lease rectification clauses, which impose certain requirements on the Group to complete repairs and maintenance, or redecoration activities if required. The Group provides for both rectification costs and repairs, and maintenance obligations. Rectification costs are provided for on signing the lease and repairs are provided as management becomes aware of any significant amounts that will be required.

Share Capital and Share Premium Account

There is one class of shares. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium account.

Incremental external costs directly attributable to the issue of new shares are recorded in equity as a deduction, net of tax, to the share premium account.

Employee Benefit Trust

An Employee Benefit Trust (EBT) was established in October 2008. The EBT has been set up to hold shares in the Company. These shares, once purchased, are held in trust by the Trustee of the EBT, Fiduchi Limited, for the benefit of the colleagues. The EBT is accounted for within the Company accounts. The net cost of the shares held by the EBT are shown as a deduction from shareholders' funds.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services and interest income provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured.

The following specific recognition criteria must also be met before the Group recognises revenue from the following major sources:

- pawnbroking, or Pawn Service Charge (PSC);
- retail jewellery sales;
- pawnbroking scrap and gold purchasing;
- foreign exchange income; and
- income from other services.

Pawnbroking, or Pawn Service Charge (PSC)

PSC comprises contractual interest earned on pledge loans, plus auction profit or loss, less any auction commissions payable and less surplus payable to the customer. Revenue is recognised over time in relation to the interest accrued by reference to the principal outstanding and the effective interest rate applicable as governed by IFRS 9.

Retail Jewellery Sales

Jewellery inventory is sourced from unredeemed pawn loans, newly purchased items and inventory refurbished from the Group's gold purchasing operation. For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the store. Payment of the transaction price is due immediately at the point the customer purchases the goods.

Under the Group's standard contract terms, customers have a right of return within 30 days. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset, and a corresponding adjustment to cost of sales.

The Group uses its accumulated historical experience to estimate the number of returns. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent and immaterial level of returns over previous years; as a proportion of sales 2024 returns were 7.5% (2023: 7.3%).

3. MATERIAL ACCOUNTING POLICIES CONTINUED

Pawnbroking Scrap and Gold Purchasing

Scrap revenue comprises proceeds from gold scrap sales, jewellery items and watches. Revenue is recognised when control of the goods has transferred, being at the point the smelter purchases the relevant metals or the items are sold or auctioned.

Foreign Exchange

The foreign exchange currency service where the Group earns a margin when selling or buying foreign currencies.

Other Services

Other services comprise revenues from third-party cheque cashing, money transfer income, watch repairs, income from the Group's former unsecured lending activities (ceased in April 2022) and other income. Commission receivable on cheque cashing, and other income is recognised at the time of the transaction as this is when control of the goods has transferred. Repair income is recognised when the repair has been completed.

The Group recognises interest income arising on secured and unsecured lending within trading revenue rather than investment revenue on the basis that this represents most accurately the business activities of the Group.

Gross Profit

Gross profit is stated after charging inventory, pledge and other services' provisions and direct costs of inventory items sold or scrapped in the year, before loan and pawnbroking impairments.

Impairment charges

Impairment charges comprise a charge for interest earned on pawnbroking loans that ultimately forfeit, net of the movement in the IFRS 9 provision.

Operating Expenses

Operating expenses comprise all expenses associated with the operation of the various shops and collection centre of the Group, including premises expenses, such as rent, rates, utilities and insurance, all staff costs and staff related costs for the relevant employees and the administrative expenses and overheads of the Group.

Operating Profit

Operating profit is stated before investment income and finance costs.

EBITDA

EBITDA is a non-GAAP measure defined as earnings before interest, taxation, depreciation and amortisation. It is calculated by adding back depreciation and amortisation to the operating profit as follows:

	2024 £'000	2023 £'000
Operating profit	**35,503**	29,511
(i) Depreciation of the right-of-use assets	**5,755**	5,769
(ii) Depreciation and Amortisation	**5,231**	3,418
(iii) Impairment of the right-of-use-assets	**(38)**	(57)
EBITDA	**46,451**	38,641

The Board considers EBITDA to be a key performance measure as the Group's borrowing facilities include a number of loan covenants based on EBITDA.

Retirement Benefit Costs

The Group operates a defined contribution pension scheme, which is contracted into the state scheme. The amount charged to the Group Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. The total defined contribution expenses recognised in profit and loss for 2024 is £1,005,000 (2023: £927,000).

Share-based Payments

The Group issues equity-settled share-based payments to certain colleagues (including Directors). These payments are measured at fair value at the date of grant. This fair-value cost of equity-settled awards is recognised on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of any non-market-based vesting conditions. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. A corresponding credit is recorded in equity.

No cost is recognised for awards that do not ultimately vest.

Dividends

Dividends are provided for in the period in which they become a binding liability on the Company.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Pawnbroking Impairment

The Group recognises interest on pawnbroking loans as disclosed in the Group's accounting policies section set out in Note 3. Pawnbroking or Pawn Service Charge (PSC), is determined in accordance with the IFRS 9 expected credit loss model. As at 31 December 2024, the pawnbroking loss allowance is £10,455,000 (2023: £5,834,000).

In calculating lifetime expected losses on pledge balances, the probability of default is dependent on the estimate that the Group makes of the expected level and timelines of redeemed and forfeited pawn loans. The Group estimates these timelines based on historical redemption data assumptions and expectations of future market conditions.

The expected credit loss takes into account management's assessment of the realisation value of an unredeemed pledge item. This assessment considers the proportion of collateral that will be scrapped through a bullion dealer and the proportion that is expected to be retailed through stores and online. It also estimates the realisable value of the pledge collateral.

There is a risk that the actual redemption rate may vary significantly from the historical rate used to estimate the pledge interest accrual at the balance sheet date. There is also the risk that the realisation value of the pledge collateral will vary significantly from management estimates.

The Directors assess the pledge redemption profile estimate made at the prior balance sheet date annually to determine if the actual redemption profile differs significantly to the previous estimate. For 2024, the redemption rates have remained stable. The sensitivity of the pledge accrual to reasonable changes in the redemption rate is set out in Note 26.

Inventory Stock Provisions

Where necessary, provision is made for obsolete, slow-moving, damaged goods or inventory shrinkage. The provision for obsolete, slow-moving, and damaged inventory represents the difference between the cost of the inventory and its net realisable value. The inventory shrinkage provision is based on an estimate of the inventory missing at the reporting date using historical shrinkage experience.

Accounting for Business Combinations and Valuation of Acquired Intangibles

Business combinations are accounted for at fair value. The valuation of goodwill and acquired intangibles is calculated separately on each individual acquisition. In attributing value to intangible assets arising on acquisition, management has made certain assumptions in relation to the expected growth rates, length of customer relationships and the appropriate weighted average cost of capital (WACC) and internal rate of return (IRR).

The value attributable to the intangible assets acquired on acquisitions also impacts the deferred tax provision relating to these items.

The total carrying value of acquired intangibles (including brands) for 2024 is £5,459,000 (2023: £1,456,000) as included in Note 30. The key assumptions made in calculating the values disclosed in the financial statements include a WACC of 11.5%, length of customer relationships of 20 years and length of brand of 15 years.

The length of customer relationships is estimated by considering the length of time the acquiree has had its significant client relationships up to the date of acquisition and historic customer attrition rates.

The Directors consider the resulting valuations used give a reasonable approximation to the value of intangibles acquired and that any reasonable possible change in any one of the estimations in isolation would not have a material impact on the financial statements.

Impairment of Property, Plant and Equipment, Goodwill and Intangibles and Right-of-use Assets

Determining whether categories of assets are impaired requires an estimation of the value-in-use of the CGU to which the assets have been allocated.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate of 11.5% (2023: 11.1%), which reflects the 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 conditions, including high inflation and rising interest rates are considered.

The Group bases its impairment calculation on detailed budgets and historical performance measures as an indicator of future performance. These reviews are usually carried out annually and prepared separately for each of the Group's CGUs, which is usually taken to be at store-level.

While the impairment review has been conducted based on the best available estimates at the impairment review dates, the actual events may vary from management expectations.

5. REVENUE

An analysis of the Group's revenue is as follows:

	2024 £'000	2023 £'000
Sales of goods		
Gold purchasing, retail, pawnbroking scrap	**151,875**	119,303
Interest/commission earned		
Pawnbroking, cheque cashing and other financial services	**113,498**	101,472
Revenue	**265,373**	220,775
Investment revenues	**82**	82
Total Group revenue	**265,455**	220,857

Further analysis of revenue by segment is shown in Note 6.

6. OPERATING SEGMENTS

For reporting purposes, the Group is currently organised into five segments – pawnbroking (being pawnbroking and pawnbroking scrap), gold purchasing, retail, foreign exchange and other services.

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, which is the chief operating decision maker. The Board of Directors is responsible for allocating resources and assessing performance of the operating segments, and has been identified as the Steering Committee that makes strategic decisions.

The principal activities by segment are as follows:

Pawnbroking

Pawnbroking is a loan secured against a collateral (the pledge). In the case of the Group, around 98% (2023: 99%) of the collateral against which amounts are lent comprises precious metals (predominantly gold), diamonds and watches. The pawnbroking contract is a six-month credit agreement bearing a monthly interest rate of between 2% and 10.49%. The contract is governed by the terms of the Consumer Credit Act 2008. If the customer does not redeem the goods by repaying the secured loan before the end of the contract, the Group is required to dispose of the goods either through public auctions if the value of the pledge is over £75 (disposal proceeds being reported in this segment) or, if the value of the pledge is £75 or under, through public auctions or the retail or pawnbroking scrap activities of the Group.

Pawnbroking scrap comprises all other proceeds from gold scrap sales of the Group's inventory assets other than those reported within gold purchasing. The items are either damaged beyond repair, slow-moving or surplus to the Group's requirements, and are smelted and sold at the current gold spot price less a small commission.

Gold Purchasing

Jewellery is bought direct from customers through all the Group's stores. The transaction is simple with the store agreeing a price with the customer and purchasing the goods for cash on the spot. Gold purchasing revenues comprise proceeds from scrap sales on goods sourced from the Group's purchasing operations.

Retail

The Group's retail proposition is primarily gold, jewellery and watches and the majority of the retail sales are forfeited items from the pawnbroking pledge book or refurbished items from the Group's gold purchasing operations. The retail offering is complemented with a small amount of new or second-hand jewellery purchased from third parties by the Group.

Foreign Exchange

The foreign exchange currency service, where the Group earns a margin when selling or buying foreign currencies.

Other Services

This segment comprises the following.

- Third-party cheque encashment, which is the provision of cash in exchange for a cheque payable to our customer for a commission fee based on the face value of the cheque.
- Money transfer commission earned on the Group's money transfer service.
- Watch repair services provided by Group Company, Swiss Time Services Limited.
- Personal loans income from the Group's former unsecured lending activities which ceased in April 2022. Personal loan revenues are stated at amortised cost after taking into consideration an assessment on a forward-looking basis of expected credit losses.

Cheque cashing is subject to bad debt risk, which is reflected in the commissions and fees applied.

Further details on each activity are included in the Chief Executive's Review on pages 10 to 17.

6. OPERATING SEGMENTS CONTINUED

Income

Segment information about these businesses is presented below:

	2024 £'000	2023 £'000
Revenue	£'000	£'000
Pawnbroking	**102,314**	90,412
Pawnbroking Scrap	**35,268**	27,908
Pawnbroking total	**137,582**	118,320
Retail*	**61,782**	48,584
Gold purchasing	**54,824**	42,811
Foreign Exchange	**7,983**	7,136
Other services	**3,202**	3,924
External and total revenue	**265,373**	220,775

Gross profit		
Pawnbroking	**102,314**	90,412
Pawnbroking Scrap	**9,463**	4,695
Pawnbroking total	**111,777**	95,107
Retail*	**19,320**	14,417
Gold purchasing	**14,781**	8,577
Foreign Exchange	**7,040**	6,276
Other services	**2,472**	2,859
Gross profit	**155,390**	127,236

Impairment		
Pawnbroking	**(33,979)**	(20,930)
Personal Loans	**647**	632
Impairment	**(33,332)**	(20,298)

	2024 £'000	2023 £'000
Income from Operations		
Pawnbroking	**68,335**	69,482
Pawnbroking Scrap	**9,463**	4,695
Pawnbroking total	**77,798**	74,177
Retail*	**19,320**	14,417
Gold purchasing	**14,781**	8,577
Foreign Exchange	**7,040**	6,276
Other services	**3,119**	3,491
Income from Operations	**122,058**	106,938

Other direct expenses excluding impairment	**(59,171)**	(53,223)
Administrative expenses	**(27,384)**	(24,204)
Operating profit	**35,503**	29,511
Interest receivable	**82**	82
Financing costs	**(6,528)**	(3,233)
Profit before taxation	**29,057**	26,360
Tax charge on profit	**(6,829)**	(5,277)
Profit for the financial year and total comprehensive income	**22,228**	21,083

* Includes retail of forfeited pledge items

6. OPERATING SEGMENTS CONTINUED

Income continued

	2024 £'000	2023 £'000
Segment assets		
Pawnbroking	**158,289**	129,294
Retail*	**38,871**	38,856
Gold purchasing	**946**	826
Foreign Exchange	**6,818**	4,623
Other services	**1,627**	2,387
Unallocated assets	**84,109**	76,119
Segment assets	**290,660**	252,105
Segment liabilities		
Retail*	**(515)**	(786)
Other services	**(1,486)**	(2,096)
Unallocated liabilities	**(96,527)**	(71,853)
	(98,528)	(74,735)

* Includes retail of forfeited pledge items

	2024 £'000	2023 £'000
Other information		
Capital additions (*)	16,985	16,101
Depreciation, amortisation and impairment (*)	10,947	10,409

Geographical Segments

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

	2024 £'000	2023 £'000
United Kingdom	**263,218**	217,388
Other	**2,155**	3,387
	265,373	220,775

The Group's non-current assets are located entirely in the United Kingdom. Accordingly, no further geographical segment analysis is presented.

7. OPERATING PROFIT

Operating profit represents the results from operations before finance income and costs, and taxation.

This is stated after charging/(crediting):

	2024 £'000	2023 £'000
Depreciation of property, plant and equipment reported within:		
– Other direct expenses	**3,896**	2,213
– Administrative expenses	**381**	290
Depreciation of right-of-use assets (Note 17)	**5,755**	5,769
Impairment of right-of-use assets	**(38)**	(57)
Amortisation of intangible assets (reported within other direct expenses) (Note 16)	**954**	915
Loss of disposal of property, plant and equipment	**73**	233
Cost of inventories recognised as expense	**111,199**	94,105
Write-down of inventories recognised as an expense	**168**	215
Staff costs (see Note 9)	**51,396**	47,177
Impairment loss recognised on pawnbroking financial assets*	**33,979**	20,930
Impairment gain recognised on personal loans financial assets	**(647)**	(632)

* Prior to recovery through disposition of forfeited items.

8. AUDITOR'S REMUNERATION

The analysis of auditor's remuneration, exclusive of VAT, is as follows:

	2024 £'000	2023 £'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**20**	20
Fees payable to the Company's auditor for other services to the Group		
– The audit of the Company's subsidiaries pursuant to legislation	**212**	221
Total audit fees	**232**	241

The Company and Group audit fees are borne by Harvey & Thompson Limited.

There were no fees payable to the Company's auditor and its associates in respect of associated pension schemes. There were no benefits in kind granted to the Company's auditors.

9. INFORMATION REGARDING DIRECTORS AND COLLEAGUES

Non-Executive Directors' emoluments

Each of the Non-Executive Directors received payments for services rendered to H&T Group plc both this year and the previous year. Their emoluments are included in the analysis below:

	2024 £'000	2023 £'000
Directors' emoluments		
Aggregate emoluments	**1,757**	1,296
Company pension contributions to money purchase schemes	**25**	25
	1,782	1,321

One Executive Director during the year (2023: one) participated in Harvey & Thompson Limited's money purchase pension scheme. Two (2023: none) of the Directors exercised options over shares in the Company in the year. Two (2023: two) of the Directors were granted shares under the long-term incentive scheme.

	2024 £'000	2023 £'000
Highest paid Director		
Aggregate emoluments	**863**	575

In addition, £127,000 (2023: £101,000) was charged to the Group Statement of Comprehensive Income in respect of the fair value of the share options and conditional shares granted under the different schemes.

	2024 No.	2023 No.
Monthly average number of persons employed (including Directors)		
Branches	**1,459**	1,422
Administration	**194**	201
	1,653	1,623

	2024 £'000	2023 £'000
Colleague costs during the year (including Directors)		
Wages and salaries	**45,528**	41,929
Share options expense	**283**	215
Social security costs	**4,580**	4,106
Other pension costs	**1,005**	927
	51,396	47,177

All Directors and colleagues are remunerated through a subsidiary Group Company. The Directors of Harvey & Thompson Limited, the trading subsidiary, are the key management personnel of the Group, of which one is female (2023: one).

10. INVESTMENT REVENUES

	2024 £'000	2023 £'000
Interest revenue:		
Bank deposits	**82**	82

Interest revenue recognised on pawnbroking and other financial services is reported within revenue for the reasons discussed in Note 3.

11. FINANCING COSTS

	2024 £'000	2023 £'000
Interest on bank loans	**5,219**	2,176
Other interest	**3**	4
Interest expense on the lease liability	**907**	945
Amortisation of debt issue costs	**399**	108
Total interest expense	**6,528**	3,233

12. TAX CHARGE ON PROFIT

(a) Tax on profit on ordinary activities

	2024 £'000	2023 £'000
Current tax		
UK corporation tax at 25% (2023: 23.5%)	**6,530**	6,195
Adjustments in respect of prior periods	**(674)**	(338)
Total current tax charge	**5,856**	5,857
Deferred tax		
Origination and reversal of temporary differences	**809**	(300)
Adjustments in respect of prior periods	**164**	(202)
Effect of changes in tax rates	**–**	(78)
Total deferred tax charge	**973**	(580)
Tax on profit on ordinary activities	**6,829**	5,277

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than that resulting from applying a standard rate of corporation tax in the UK of 25% (2023: 23.5%). The differences are explained below:

	2024 £'000	2023 £'000
Profit on ordinary activities before tax	**29,057**	26,360
Tax on profit on ordinary activities at standard CT rate of 25% (2023: 23.5%)	**7,264**	6,195
Effects of:		
Expenses not deductible for tax purposes	**1**	6
Fixed asset differences	**122**	(43)
Other differences	**(51)**	(277)
Adjustments to tax charge in respect of previous periods	**(674)**	(736)
Adjustments to tax charge in respect of previous periods - deferred tax	**167**	202
Remeasurement of deferred tax for changes in tax rates	**–**	(70)
Tax charge on profit	**6,829**	5,277

In addition to the amount charged to the Income Statement and in accordance with IAS 12, the excess of current and deferred tax over and above the relative related cumulative remuneration expense under IFRS 2 has been recognised directly in equity. The amount taken to equity in the current period was a debit of £39,000 (2023: credit of £398,000) (Note 24).

13. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. With respect to the Group these represent share options and conditional shares granted to colleagues where the exercise price is less than the average market price of the Company's ordinary shares during the year.

Reconciliations of the earnings per ordinary share and weighted average number of shares used in the calculations are set out below:

	Year ended 31 December 2024			Year ended 31 December 2023		
	Earnings £'000	**Weighted Average Number of Shares**	**Per-share Amount pence**	Earnings £'000	Weighted Average Number of Shares	Per-share Amount pence
Earnings per share: basic	**22,228**	**43,440,536**	**51.17**	21,083	43,253,136	48.74
Options and conditional shares	–	195,770	(0.23)	–	223,629	(0.25)
Earnings per share: diluted	**22,228**	**43,636,306**	**50.94**	21,083	43,476,765	48.49

14. DIVIDENDS

	2024 £'000	2023 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2023 of 10.5p (2022: 10.0p) per share	**4,565**	4,337
Interim dividend for the year ended 31 December 2024 of 7.0p (2023: 6.5p) per share	**3,044**	2,819
	7,609	7,156
Amounts proposed and not recognised:		
Proposed final dividend for the year ended 31 December 2024 of 11p (2023: 10.5p) per share.	**4,783**	4,554

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and accordingly, has not been included as a liability in these financial statements.

The right to receive dividends on the shares held in the EBT has been waived. The dividend saving through the waiver for 2024 is £89,000 (2023: £102,000). During the year, the EBT sold 198,136 shares.

15. GOODWILL

	Goodwill Arising on Purchase of Subsidiaries £'000	Goodwill Arising on Trade and Asset Purchases £'000	Total Goodwill £'000
Cost and carrying amount			
At 31 December 2023	15,760	6,091	21,851
Additions (Note 30)	–	5,459	**5,459**
At 31 December 2024	**15,760**	**11,550**	**27,310**

There are no recognised impairment losses at 31 December 2024.

Goodwill acquired in business combinations is allocated as follows:

Carrying amount	2024 £'000
Harvey & Thompson Limited	**14,133**
Stores acquired in 2005	**181**
Stores acquired in 2006	**553**
Stores acquired in 2007	**1,516**
Stores acquired in 2008	**391**
Stores acquired in 2010	**19**
Stores acquired in 2011	**49**
Stores acquired in 2012	**646**
Stores acquired in 2013	**155**
Stores acquired in 2019	**1,687**
Stores acquired in 2022	**12**
Stores acquired in 2023 (Note 30)	**882**
Swiss Time Services Limited	**1,627**
Stores acquired in 2024 (Note 30)	**5,459**
At 31 December 2024	**27,310**

The Harvey & Thompson Limited cash-generating unit was created when H&T Group plc acquired Harvey & Thompson Limited in September 2004. Management is unable to allocate this goodwill by store and accordingly, test this for impairment at the subsidiary entity-level. All assets acquired after September 2004 are reviewed for impairment at the related store or at cash-generating unit level. The stores are grouped for financial reporting purposes by year of acquisition to facilitate presentation and comparability on a year-by-year basis. Additionally, store performance is monitored by management based on the year of acquisition as the historical performance of an individual store is linked to its acquisition date. This approach is reflected in the way management has presented the above cash-generating units.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The impairment review was conducted as described in Note 3.

16. OTHER INTANGIBLE ASSETS

	Software £'000	Customer Relationships £'000	Brands £'000	Total £'000
Cost				
At 1 January 2023	4,194	8,652	388	13,234
Additions	1,554	–	–	1,554
Acquired through acquisition (Note 30)	–	611	–	611
At 1 January 2024	5,748	9,263	388	15,399
Additions	2,840	–	–	**2,840**
Disposals	(126)	–	–	**(126)**
At 31 December 2024	**8,462**	**9,263**	**388**	**18,113**
Amortisation				
At 1 January 2023	1,300	5,553	13	6,866
Charge for the year	229	660	26	915
At 1 January 2024	1,529	6,213	39	7,781
Charge for the year	376	552	26	**954**
Disposals	(126)	–	–	**(126)**
At 31 December 2024	**1,779**	**6,765**	**65**	**8,609**
Carrying amount				
At 31 December 2024	**6,683**	**2,498**	**323**	**9,504**
At 31 December 2023	4,219	3,050	349	7,618

Brands represents the fair value at the 1 July 2022 acquisition date of the Swiss Time Services brand. The fair value was determined by applying the relief from royalty method to the estimated cash flows to be earned from the brand. The key management assumptions are around growth forecasts, discount factors (a discount factor of 15% was used) and royalty percentage utilised. A brand useful life of 15 years is considered appropriate and projected cash flows have been discounted over this period.

Customer relationships represent the fair value arising from the acquisition of trade and assets of sole partnerships or limited companies and reflect repeat business associated with existing customers at acquisition date.

The customer relationship addition represents the fair value on acquisition of the customer base of Swiss Time Services on 1 July 2022. They were valued using the multi-period excess earnings method using a 15-year forecast followed by long-term growth at 2% reflecting local industry and inflation assumptions. A 20-year useful economic life is considered appropriate considering historic customer retention. Management did not identify any indicators of impairment in relation to individual intangible assets.

Customer relationships are amortised over a period of four to 25 years being the average length of the relationship with key clients for each of the acquired businesses.

17. PROPERTY, PLANT AND EQUIPMENT

	Short Leasehold Premises £'000	Long Leasehold Premises £'000	Motor Vehicles £'000	Computer Equipment £'000	Fixtures and Fittings £'000	Total £'000
Cost or valuation						
At 1 January 2023	36,667	454	152	3,275	7,483	48,031
Additions	5,699	5	53	682	606	7,045
Disposals	(489)	(18)	–	(1)	(9)	(517)
Reallocation	(1,668)	–	–	–	–	(1,668)
At 1 January 2024	40,209	441	205	3,956	8,080	52,891
Additions	3,276	5	23	136	1,004	**4,444**
Disposals	(1,854)	(1)	–	(14)	(165)	**(2,034)**
Reallocation	272	(272)	–	–	–	**–**
At 31 December 2024	**41,903**	**173**	**228**	**4,078**	**8,919**	**55,301**
Accumulated depreciation and impairment						
At 1 January 2023	26,975	267	56	2,222	5,466	34,986
Charge for the year	3,248	13	45	436	429	4,171
Disposals	(266)	(13)	–	(0.1)	(4)	(284)
Reallocation	(1,543)	(125)	–	–	–	(1,668)
At 1 January 2024	28,414	142	101	2,657	5,891	37,205
Charge for the year	3,222	7	46	465	537	**4,277**
Disposals	(1,802)	(1)	–	(13)	(145)	**(1,961)**
Reallocation	8	(8)	–	–	–	**–**
At 31 December 2024	**29,842**	**140**	**147**	**3,109**	**6,283**	**39,521**
Carrying amount						
At 31 December 2024	**12,061**	**33**	**81**	**969**	**2,636**	**15,780**
At 31 December 2023	11,795	299	104	1,299	2,189	15,686

17. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Right-of-use Assets

	£'000
Cost or valuation	
At 1 January 2023	51,253
Additions	6,303
Disposals	(5,251)
At 1 January 2024	52,305
Additions	**4,241**
Disposals	**(5,258)**
At 31 December 2024	**51,288**
Accumulated depreciation and impairment	
At 1 January 2023	32,261
Charge for the year	5,769
Disposals	(5,249)
Impairment charge	(57)
At 1 January 2024	32,724
Charge for the year	**5,755**
Disposals	**(5,054)**
Impairment adjustment	**(38)**
At 31 December 2024	**33,387**
Carrying amount	
At 31 December 2024	**17,901**
At 31 December 2023	19,581

Capital commitments for tangible and intangible assets are disclosed in Note 32.

18. SUBSIDIARIES

A list of the investments in subsidiaries, including the name, country of incorporation and proportion of ownership interest is set out in Note C to the Company's separate financial statements.

19. INVENTORIES

	2024 £'000	2023 £'000
Retail and scrap inventory	**40,582**	40,711

Of the retail and scrap inventory, around 98% (2023: 99.9%) represents gold, jewellery and watch items. The remaining balance is miscellaneous items which were previously held as pledge collaterals and subsequently forfeited.

20. TRADE AND OTHER RECEIVABLES

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Trade receivables	**158,404**	129,108
Other receivables	**410**	992
Prepayments and accrued income	**4,739**	4,595
Deferred debt issue cost	**1,239**	576
	164,792	135,271

Trade and other receivables are stated net of impairment.

The pledge loan book of £158.3m (2023: £128.9m) and personal loan book of £0.0m (2023: £0.1m) are included, net of provisions and including accrued interest within the trade receivables balance.

	2024 £'000	2023 £'000
Current tax recoverable	**137**	–

21. CASH AND BANK BALANCES

	2024 £'000	2023 £'000
Cash and bank balances	**14,654**	11,387

Cash and bank balances comprise cash held by the Group.

Further details on financial instruments, including the associated risks to the Group and expected credit allowances, is provided in Note 26.

22. TRADE AND OTHER PAYABLES

	2024 £'000	2023 £'000
Trade payables	**2,302**	3,320
Other taxation and social security costs	**1,129**	1,025
Accruals and deferred income	**4,269**	3,610
	7,700	7,955

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 27 days (2023: 27 days). For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Lease liabilities

	2024 £'000	2023 £'000
Current liabilities	**5,338**	3,965
Non-current liabilities	**14,445**	18,002

At the balance sheet date, the Group had outstanding lease commitments, which fall due as follows:

	2024 £'000	2023 £'000
Within one year	**5,338**	3,965
In the second to fifth years inclusive	**11,960**	13,158
After five years	**2,485**	4,844
	19,783	21,967

Current tax liabilities

	2024 £'000	2023 £'000
Current tax liabilities	**–**	858

23. BORROWING

	1 January 2024 £'000	Cash Flows £'000	31 December 2024 £'000
Lloyds Bank Plc Loan	33,000	**1,100**	**34,100**
Allica Bank Funding Facility	10,000	**–**	**10,000**
PGIM Private Capital Financing (formerly Pricoa)	–	**25,000**	**25,000**
At 31 December 2024	43,000	**26,100**	**69,100**

As at 31 December 2024, the key terms of the Lloyds Bank Plc facility were:

Key Term	Description – Loan
Total Facility Size	£45m
Termination Date	22 December 2027
Utilisation	The facility is available to be drawn down to the full £30m subject to the Company remaining compliant with leverage and interest cover ratios as stipulated in the Credit Agreement.
Margin	The facility has an interest calculation of SONIA plus a margin of between 2.4% and 3.3%, dependent on ratios as stipulated in the Credit Agreement.
Interest Payable	Interest due on the loan is payable at each interest period end. Interest amounts outstanding at the year end are included in accruals.
Repayments	Capital repayments are permitted prior to termination date for the whole or any part of the loan.

Key Term	Description – Overdraft
Total Facility Size	£5m
Termination Date	31 January 2026
Utilisation	The facility is available to be drawn down to the full £5m subject to the Company remaining compliant with leverage and interest cover ratios as stipulated in the Credit Agreement.
Margin	The facility has an interest calculation of the Bank of England base rate plus a margin of 1.7%.
Interest Payable	Interest due on the loans is payable at each interest period end. Interest amounts outstanding at the year end are included in accruals.
Repayments	Capital repayments are permitted prior to termination date for the whole or any part of the loan.

As at 31 December 2024 the key terms of the Allica Bank Funding Facility were:

Key Term	Description – loan
Total Facility Size	£10m
Termination Date	22 December 2027
Utilisation	£10m
Margin	The interest will be charged at a rate of 4% above the Bank of England base rate
Interest Payable	Interest due on the loan is payable at each interest period-end. Interest amounts outstanding at the year-end are included in accruals.
Repayments	Capital repayments are permitted prior to termination date for the whole or any part of the loan.

23. BORROWING CONTINUED

As at 31 December 2024, the key terms of the PGIM Private Capital (formerly Pricoa Private Capital) Financing were:

Key Term	Description – PGIM Private Capital Financing
Total Facility Size	£10m
Termination Date	February 2029
Utilisation	£10m
Margin	The interest will be charged at a rate of 8.37%.
Interest Payable	Interest due on the loans is payable at each interest period-end. Interest amounts outstanding at the year-end are included in accruals
Repayments	Capital repayments are permitted prior to termination date for the whole or any part of the loan

Key Term	Description – PGIM Private Capital Financing
Total Facility Size	£15m
Termination Date	February 2031
Utilisation	£15m
Margin	The interest will be charged at a rate of 8.43%.
Interest Payable	Interest due on the loans is payable at each interest period-end. Interest amounts outstanding at the year-end are included in accruals
Repayments	Capital repayments are permitted prior to termination date for the whole or any part of the loan

Deferred debt issue costs

There were £399,000 of deferred debt issue costs written off in the period to the Group Statement of Comprehensive Income (2023: £108,000).

Security

The facilities are secured by a fixed and floating charge and security over all of the assets of the Group.

Undrawn borrowing facilities

At 31 December 2024, the Group had available £10,900,000 (2023: £12,000,000) of undrawn committed borrowing facilities and £5,000,000 of uncommitted banking facilities (2023: £5,000,000) in respect of which all conditions precedent had been met.

24. DEFERRED TAX

The following are the deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior year.

	Intangible Assets £'000	Property, plant and Equipment Differences £'000	Short-term Timing Differences £'000	Share-based Payment £'000	Total £'000
At 1 January 2024	(555)	(1,306)	1,042	311	(508)
Adjustment in respect of prior years	(164)	–	–	–	**(164)**
Credit/(debit) to income	31	(524)	(316)	–	**(809)**
Debit to equity				(39)	**(39)**
At 31 December 2024	**(688)**	**(1,830)**	**726**	**272**	**(1,520)**

	31 December 2024 £'000	31 December 2023 £'000
Deferred tax assets	**998**	1,353
Deferred tax liabilities	**(2,518)**	(1,861)
Net deferred tax liabilities	**(1,520)**	(508)

Deferred tax assets and liabilities all relate to the same tax jurisdiction and taxable entities and are expected to reverse over the same time periods. Accordingly, these have been offset in the Balance Sheet.

The corporate tax rate increased to 25% from 1 April 2023.

The utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary difference.

25. PROVISIONS

	Provision for Reinstatement £'000	Provision for Redress Costs £'000	Total Provision £'000
At 1 January 2023	1,773	373	2,146
Additional provision in the year	351	–	351
Provision utilised in the year	(1,677)	(373)	(2,050)
At 1 January 2024	447	–	447
Additional provision in the year	17	–	**17**
Provision utilised in the year	(39)	–	**(39)**
At 31 December 2024	**425**	**–**	**425**

The reinstatement provision represents management's best estimate of the Group's liability to repair and maintain certain of the properties. At the reporting date, no demand to enforce the contractual obligations has been made by the related property landlords.

26. FINANCIAL INSTRUMENTS

The Group's financial assets and liabilities, as defined under IFRS 9, and their estimated carrying amount are as follows:

At 31 December 2024	**Financial Assets at Amortised Cost £'000**	**Financial Liabilities at Amortised Cost £'000**	**Carrying Amount Total £'000**
Financial assets			
Pawnbroking trade receivables	158,289	–	**158,289**
Other financial services trade receivables	–	–	**–**
Other assets	82	–	**82**
Cash and cash equivalents	14,654	–	**14,654**
Financial liabilities			
Trade and other payables	–	(6,625)	**(6,625)**
Borrowings due after more than one year	–	(69,100)	**(69,100)**
Net financial assets / (liabilities)	**173,025**	**(75,725)**	**97,300**

At 31 December 2023	Financial Assets at Amortised Cost £'000	Financial Liabilities at Amortised Cost £'000	Carrying Amount Total £'000
Financial assets			
Pawnbroking trade receivables	128,887	–	128,887
Other financial services trade receivables	125	–	125
Other assets	149	–	149
Cash and cash equivalents	11,387	–	11,387
Financial liabilities			
Trade and other payables	–	(14,849)	(14,849)
Borrowings due after more than one year	–	(43,000)	(43,000)
Net financial assets / (liabilities)	140,548	(57,849)	82,699

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

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

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 a customer's pledge becomes the property of the pawnbroker on default of the loan.

In addition to holding security, the Group further mitigates credit risk by applying strict lending criteria to all pawn loans.

Pledges are rigorously tested and appropriately valued. In all cases where the Group lending policy is applied, the value of the pledge item(s) is in excess of the pawn loan.

The Group estimates that the current fair value of the pledged security is in excess of the current book value of pawnbroking trade receivables.

26. FINANCIAL INSTRUMENTS CONTINUED

Financial Risks continued

Expected Credit Losses

The Group measures loss allowances for pawnbroking trade receivables using the IFRS 9 expected credit loss model. For active pawnbroking loans the Group estimates the expected future credit losses. An assessment is made of the carrying value of the pledge item, being the loan value plus accrued interest at amortised cost, compared to the expected realisation value of the underlying pledged item. The security acts to minimise the credit risk as the pledged item can be either retailed or scrapped on default.

Loans are considered to be in default when they reach the end of their contract period unless circumstances exist to indicate that this may not be the case.

Category	Basis for Recognising Expected Credit Losses	Gross Carrying Amount £'000	Loss Allowance £'000	Net Carrying Amount £'000
Performing	12-month ECL	116,894	(3,495)	113,399
In default	Lifetime ECL – credit-impaired	51,834	(6,960)	44,874
At 31 December 2024		**168,728**	**(10,455)**	**158,273**

The Group has performed a sensitivity analysis on the key assumptions used in determining expected credit losses on the pawnbroking balance.

A 1% increase or decrease in the Group's redemption ratio is a reasonably possible variance based on historical trends and would result in an impact on Group pre-tax profit of £45,000. This does not account for the potential loss of repeat business, however, and as such, the Group sees more value in retaining a high redemption ratio.

These changes are taken in isolation for illustrative purposes and are applied to each of the probability weighted scenarios used to develop the estimate of expected credit losses. There will be interdependencies between the various input factors and the exposure to the sensitivity will vary across different economic scenarios.

Additionally, the pledge provision represents the risk in overall recovery of the loan amounts, like credit risk, due to:

(i) assets being pledged as security against loans, which are subsequently seized by the police;

(ii) assets being pledged as security against loans, which are subsequently lost or stolen, resulting in the borrower being relieved of the liability to the Group; and

(iii) assets being pledged as security against loans, which have a net realisable value less than the amount lent.

The legal title that the Group can enforce on these items, and their ongoing security are, therefore, vital to the Group to ensure that the credit risk is mitigated to an acceptable level. The Group continually reviews and 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 pawn 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 loss allowance recognised against these financial assets, including full provision on assets notified to the Group by the police as frozen assets. The movement in the provision is as follows:

	£'000
At 1 January 2023	12,393
Net Consolidated Statement of Comprehensive Income credit	(4,135)
Utilised in the period	(2,424)
At 1 January 2024	5,834
Net Consolidated Statement of Comprehensive Income credit	**(8,734)**
Increase in the provision	**13,364**
At 31 December 2024	**10,455**

Personal Loans Trade Receivables

All unsecured lending ceased in April 2022 and no new loans have been granted since this time. The Group remains exposed to credit risk through customers defaulting on unsecured loans that remain currently.

Expected Credit Losses

The Group measures loss allowances for personal loan trade receivables using the IFRS 9 expected credit loss model. On initial recognition of the personal loans, the Group recognised 12-month expected credit losses. If the credit risk on a financial instrument has increased significantly since its initial recognition, the Group recognises lifetime expected credit losses. The Group deems the credit risk of the personal loans where one-to-two payments have been missed after initial recognition to have significantly increased, unless there are specific circumstances indicating otherwise. Such circumstances included temporary payment deferral arrangements agreed with customers from time to time. When there are indications that the personal loan asset is credit-impaired, no further interest is recognised on the asset. The Group deems those personal loans that have missed three scheduled payments of inception to be credit-impaired, unless there are specific circumstances indicating otherwise.

The Group's current credit risk grading framework comprises the following categories, as well as the Group's maximum exposure to credit risk by credit risk rating grades:

26. FINANCIAL INSTRUMENTS CONTINUED

Financial Risks continued

Personal Loans Trade Receivables continued

Expected Credit Losses continued

Category	Basis for Recognising Expected Credit Losses	Gross Carrying Amount £'000	Loss Allowance £'000	Net Carrying Amount £'000
No missed payments	12-month ECL	9	(5)	4
1–2 missed payments	Lifetime ECL – not credit-impaired	22	(22)	–
3+ missed payments	Lifetime ECL – credit-impaired	998	(998)	–
At 31 December 2024		**1,029**	**(1,025)**	**4**

The Group has performed a sensitivity analysis on the key assumptions used in determining expected credit losses on the personal loan balance.

A 1% increase or decrease in the Group's expected impairment is a reasonably possible variance based on historical trends, and would result in an impact on Group pre-tax profit of less than £1,000.

The changes applied in the above sensitivity analysis are in isolation for illustrative purposes and are applied to each of the probability weighted scenarios used to develop the estimate of expected credit losses. There will be interdependencies between the various economic inputs and the exposure to sensitivity will vary across the economic scenarios.

The personal loan trade receivables are disclosed net of the expected loss allowance associated with these financial assets. The movement in the provision is as follows:

	Personal Loans £'000
At 1 January 2023	307
Net Consolidated Statement of Comprehensive Income charge	(35)
Written back	632
At 1 January 2024	**904**
Net Consolidated Statement of Comprehensive Income charge	**(525)**
Written back	**646**
At 31 December 2024	**1,025**

Other Trade Receivables

This class represents amounts recoverable from the other financial services and activities the Group engages in, for example, third-party cheque encashment and watch repairs. On each product, the Group employs appropriate policies to mitigate the credit risk including credit checks, obtaining legal security and appropriate colleague recruitment and training policies. The Group monitors the ongoing risk associated with this class of financial assets through a continual review of bad debts, modifications to the lending policy, and internal audit activities.

Other services receivables are disclosed net of provisions for bad and doubtful debts, an analysis of which is as follows:

	Other Services £'000
At 1 January 2023	25
Net Consolidated Statement of Comprehensive Income charge	663
Written off	(632)
At 1 January 2024	56
Net Consolidated Statement of Comprehensive Income charge	**440**
Written off	**(465)**
At 31 December 2024	**31**

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 of theft or loss by colleagues 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.

The concentration of bank balances by counterparty financial institution is as follows:

	2024 £'000	2023 £'000
Barclays Bank plc	**343**	270
Lloyds Bank plc	**2,364**	935
Cash at stores	**11,947**	10,182
Total	**14,654**	**11,387**

26. FINANCIAL INSTRUMENTS CONTINUED

Market Risk

Pawnbroking Trade Receivables

The collateral, which protects the Group from credit risk on non-redemption of pawn loans is 98% (2023: 99%) 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.

A 1% increase/(decrease) in the gold price will have no real impact on pre-tax profit and represents management's assessment of the reasonably possible change in gold prices.

The Group considers this risk to be limited for a number of reasons. The Group applies conservative lending policies in pawnbroking pledges reflected in the blended margin made on retail sales and scrap gold when contracts forfeit. The value of gold for our customers is also much greater than the price of gold since jewellery items contain a retail margin. The fair value of the collateral held at the reporting date is estimated to be approximately £228.9m (2023: £183.8m). There have not been any significant changes in the quality of the collateral held from the previous year. The Group is also protected due to the short-term value of the pawn contract (six 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.

The price of gold will affect future Group profitability in three key ways.

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

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

   a. the size of the pledge book and associated yield is directly linked to lending rates, and;

   b. assuming constant scrap margins, absolute scrap profits would decrease as lending and purchasing rates decrease.

iii) A lower gold price may reduce the attractiveness of the Group's gold purchasing business segment.

Conversely, a lower gold price may dampen competition as lower returns are available and hence this may assist in sustaining margins. It is the Group's view that a change in the price of gold overall has a minimal impact on the results of the Business.

Borrowings

The Group has significant borrowings exposing it to liquidity risk in both repayment of borrowings and availability of finance. In order to mitigate this risk, the Group's funding is through banking institutions with high credit-ratings. The current borrowings are disclosed in detail in Note 23, which shows that the Group has arrangements in place for funding until December 2027. At 31 December 2024, the Group has available £10.9m (2023: £12.0m) of undrawn committed borrowing facilities and £5.0m (2023: £5.0m) of uncommitted facilities in respect of which all conditions precedent had been met. This level of headroom on the financing covenants is considered sufficient to finance operations at the current level, and as described in Note 23. As shown in Note 29, the Business has utilised cash flow from operating activities in the current year and still has discretion in its expansion programme should the Group need to improve short-term cash flow.

The Group is in full compliance with all loan covenants.

The maturity analysis of the cash flows arising from both current borrowing arrangements that expose the Group to liquidity risk are as follows:

Payments due by period	Less than 30 days £'000	30 to 60 days £'000	60 days to 180 days £'000	180 days to 1 year £'000	1–2 years £'000	2–3 years £'000	Total £'000
At 31 December 2024							
Floating rate borrowings	293	293	1,171	1,746	3,444	3,562	10,509
Fixed rate borrowings	173	172	691	1,065	2,102	2,102	6,305
Trade and other payables	2,302	5,398	–	–	–	–	7,700
Total	**2,768**	**5,863**	**1,862**	**2,811**	**5,546**	**5,664**	**24,514**

Payments due by period	Less than 30 days £'000	30 to 60 days £'000	60 days to 180 days £'000	180 days to 1 year £'000	1–2 years £'000	2–3 years £'000	Total £'000
At 31 December 2023							
Floating rate borrowings	321	324	1,122	1,923	3,909	3,909	11,508
Trade and other payables	3,320	3,610	–	–	–	–	6,930
Total	3,641	3,934	1,122	1,923	3,909	3,909	18,438

The amounts reported above for floating rate borrowings include the principal amount of borrowings as well as the interest payable on these borrowings. The floating rates used to predict the interest cash flows are based on the relevant SONIA yield curve derived from quoted interest rates. The above amounts are contractual, undiscounted cash flows.

26. FINANCIAL INSTRUMENTS CONTINUED

Interest Rate Risk

Borrowings

The Group is funded based on a combination of equity and bank borrowings. The bank borrowings are all held at rates based on SONIA and Bank of England base rates. Accordingly, the Group is exposed to cash flow risk through changes in the SONIA and Bank of England base rates, impacting cash flows.

Analysis is shown below to demonstrate the sensitivity on profitability of a 1.0% change in SONIA. A 1.0% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates based on borrowing levels at 31 December 2024.

	1.0% Decrease in Interest Rates £'000	1.0% Increase in Interest Rates £'000
At 31 December 2024		
Finance costs: gain/(loss)	**435**	**(435)**
Total pre-tax impact on profit from gain/(loss)	**435**	**(435)**
Post-tax impact on equity gain/(loss)	**326**	**(326)**
At 31 December 2023		
Finance costs: gain/(loss)	483	(483)
Total pre-tax impact on profit from gain/(loss)	483	(483)
Post-tax impact on equity gain/(loss)	362	(362)

Financial Assets

The Group is not exposed to significant interest rate risk on the financial assets, other than cash and cash equivalents, as these assets 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.

27. SHARE CAPITAL

	2024 £'000	2023 £'000
Issued, authorised and fully paid		
43,987,934 (2023: 43,987,934) ordinary shares of £0.05 each	**2,199**	2,199

The Group has one class of ordinary shares, which carry no right to fixed income.

The Group issued no share capital (2023: £6,873) during the year.

Options over shares in the Company are disclosed in Note 28. Under these share option arrangements, there are no (2023: none) open options over shares with an associated exercise price above zero. There are 1,228,310 potential shares to be issued in relation to the Performance Share Plan (2023: 1,231,773 potential shares).

Employee Benefit Trust Shares Reserve

The Group presents these shares as an adjustment to own equity at the balance sheet date through the Employee Benefit Trust shares reserve. Movements in this reserve are shown in the Group Statement of Changes in Equity.

Shares held by the Trust are valued at the weighted average historical cost of the shares acquired and the carrying value is shown as a reduction within shareholders' equity. The costs of operating the Trust are borne by the Trust and are not material. During the year to 31 December 2024, 198,136 shares were sold by the Trust to satisfy exercised share options by colleagues, and 87,513 shares were purchased. The EBT did not purchase any shares during 2023.

At 31 December 2024, 508,048 shares were held by the Trust (2023: 618,671 shares).

The award of shares under PSP schemes is conditional upon certain vesting criteria, as outlined in Note 28.

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 23, cash and cash equivalents and equity attributable to equity holders of the Parent, comprising issued capital, reserves and retained earnings.

27. SHARE CAPITAL CONTINUED

Gearing Ratio

Although the Group reviews its gearing ratio at each reporting date, no specific target has been fixed by management. The Group's gearing ratio at the year-end is as follows:

Gearing Ratio	2024 £'000	2023 £'000
Debt	**67,861**	43,000
Cash and cash equivalents	**(14,654)**	(11,387)
Net debt	**(53,207)**	(31,613)
Equity	**192,132**	177,720
Net debt to equity ratio (a non-IFRS measure)	**27.7%**	17.8%

Debt is defined as long and short-term borrowings, as detailed in Note 23.

Equity includes all capital and reserves of the Group attributable to equity holders of the Company.

Externally Imposed Capital Requirement

The Group is not subject to any externally imposed capital requirements.

28. SHARE-BASED PAYMENTS

As at 31 December 2024, the Company operated a single share award scheme, being the Performance Share Plan (PSP). There was a charge of £283,000 (2023: £215,000) made to the Group Statement of Comprehensive Income for the year in respect of this scheme.

Awards that can be granted under this scheme total a maximum of 4,398,793 shares (2023: 4,398,793 shares across three schemes), being 10% of the issued share capital of the Company as defined in the Articles of Association.

Performance Share Plan (PSP)

The PSP is a discretionary share incentive scheme under which the Remuneration Committee of H&T Group plc can grant ordinary shares at nil cost to Executive Directors and other senior management. The schemes are subject to three-year performance conditions. The awards are further subject to clawback and malus provisions.

Early exercise of the conditional shares in respect of the schemes is permitted if a share award holder ceases to be employed by reason of death, injury, disability, retirement, or change of control of the employing Company.

2021 PSP scheme

The 2021 PSP scheme vested on 14 May 2024. 198,136 shares were released to participants, based on meeting the specific performance conditions.

2022 PSP Scheme

On 12 May 2022, a PSP scheme was put in place. There are currently 14 senior managers who are participants of the scheme, together with both Executive Directors. The maximum number of potential shares awarded under the scheme will be 435,045, including 194,424 for the Executive Directors.

There is a three-year performance period to 31 December 2024 with the shares subject to the PSP awards being released during the following year subject to continued employment and the satisfaction of certain specific performance conditions.

The performance conditions for the awards are based on achieving growth in Total Shareholder Return over a three-year period at between 65% and 91% and Earnings Per Share growth over the same three-year period at between 117% and 164%; a two-year retention period applies to Executive Directors.

2023 PSP Scheme

On 15 May 2023, a PSP scheme was put in place. There are currently 17 senior managers who are participants of the scheme and both Executive Directors. The maximum number of potential shares awarded under the scheme is 349,470, including 161,908 for the Executive Directors.

There is a three-year performance period to 31 December 2025 with the shares subject to the PSP awards being released during the following year subject to continued employment and the satisfaction of certain specific performance conditions. The performance conditions for the awards are based on achieving growth in Total Shareholder Return over a three-year period at between 38% and 50% and Earnings Per Share growth over the same three-year period at between 106% and 136%; a two-year retention period applies to Executive Directors.

2024 PSP Scheme

On 15 May 2024, a PSP scheme was put in place. There are currently 21 senior managers who are participants of the scheme and both Executive Directors. The maximum number of potential shares awarded under the scheme is 443,796, including 192,143 for the Executive Directors.

There is a three-year performance period to 31 December 2026 with the shares subject to the PSP awards being released during the following year subject to continued employment and the satisfaction of certain specific performance conditions. The performance conditions for the awards are based on achieving growth in Total Shareholder Return over a three-year period at between 47% and 63% and Earnings Per Share growth over the same three-year period at between 28% and 45%; a two-year retention period applies to Executive Directors.

29. NOTES TO THE CASH FLOW STATEMENT

	2024 £'000	As restated* 2023 £'000
Profit for the year	**22,228**	21,083
Adjustments for:		
Investment revenues	**(82)**	(82)
Financing costs	**6,528**	3,233
Decrease in provisions	**(22)**	(1,699)
Income tax expense	**6,829**	5,277
Depreciation of property, plant and equipment	**4,277**	4,171
Depreciation of right-of-use assets	**5,755**	5,769
Amortisation of intangible assets	**954**	915
Right-of-use asset impairment	**(38)**	(57)
Share-based payment expense	**283**	215
Loss on disposal of property, plant and equipment	**74**	233
Loss on disposal of right-of-use assets	**–**	1
Operating cash flows before movements in working capital	**46,786**	39,059
Increase in inventories	**895**	(5,079)
Increase in receivables	**(22,594)**	(29,347)
(Decrease)/increase in payables	**(577)**	930
Cash generated from operations	**24,510**	5,563
Income taxes paid	**(6,841)**	(5,957)
Interest paid on loan facility	**(4,905)**	(2,169)
Interest paid on lease liability	**(907)**	(946)
Net cash generated / (utilised) from operating activities	**11,857**	(3,509)

* The restatement of the 2023 figures is explained in note 35.

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

30. ACQUISITIONS

The following asset purchase acquisitions were made during the year:

	Acquisition 1 2024 £'000	Acquisition 2 2024 £'000	Acquisition 3 2024 £'000	Total 2024 £'000	Total 2023 £'000
Assets					
Goodwill	**5,313**	**20**	**126**	**5,459**	882
Intangible assets	**–**	**–**	**–**	**–**	611
Inventory	**–**	**–**	**766**	**766**	163
Trade receivables	**5,966**	**19**	**132**	**6,117**	1,499
Total assets acquired	**11,279**	**39**	**1,024**	**12,342**	3,155
Total consideration:	**11,400**	**39**	**1,052**	**12,491**	3,156
Cash	**121**	**–**	**28**	**149**	1
Net cash outflow arising on acquisition					
Cash consideration	**11,400**	**39**	**1,052**	**12,491**	3,156
Less: cash balances acquired	**121**	**–**	**28**	**149**	1
Net cash outflow arising on acquisitions	**11,279**	**39**	**1,024**	**12,342**	3,155
Total assets acquired	**11,400**	**39**	**1,052**	**12,491**	3,156

Acquisition 1

On 22 February 2024, the Company acquired trade and assets from Maxcroft Securities Limited for total consideration of £11.4m.

Acquisition 2

On 2 May 2024, the Company acquired trade and assets from James Bowes Limited for total consideration of £39k.

Acquisition 3

On 2 December 2024, the Company acquired trade and assets from Boreham Christopher Jewellers Limited for total consideration of £1.1m.

In all the above asset purchases, the fair value of financial assets includes trade receivables measured in accordance with IFRS 9 and intangible assets, which have been valued by the Group based on discounted cash flows.

31. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note.

Transactions with Directors are disclosed in the Directors' Report and in Note 9. There were no other material related party transactions during the year.

Remuneration of Key Management Personnel

The remuneration of the Directors of Harvey & Thompson Limited, the trading subsidiary, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures:

	2024 £'000	2023 £'000
Short-term employee benefits	**1,893**	1,503
Pension contributions	**25**	26
Share-based payments	**161**	128
	2,079	1,657

32. CAPITAL COMMITMENTS

There is no significant capital expenditure authorised and contracted for but not provided in the accounts (2023: £nil).

33. CONTINGENT LIABILITIES

There were no contingent liabilities that were not provided in these financial statements.

34. EVENTS AFTER THE BALANCE SHEET DATE

The Directors have proposed a final dividend for the year ended 31 December 2024 of 11.0p. (2023: 10.5p) (Note 14).

35. PRIOR PERIOD ADJUSTMENTS

The Group has reclassified payments made in respect of lease liabilities and debt restructuring costs for 2023. There has been no impact on the Group Statement of Comprehensive Income. The impact of the reclassification on the cash flow statement is as follows:

	As restated £'000	2023 reported £'000	Effect of restatement £'000
Increase in receivables	**(29,347)**	(29,426)	79
Increase in payables	**930**	901	29
Cash generated from operations	**5,563**	5,455	108
Interest paid on loan facility	**(2,169)**	(1,939)	(230)
Net cash generated / (utilised) from operating activities	**(3,509)**	(3,387)	(122)
Acquisition of right-of-use assets	–	(6,303)	6,303
Debt restructuring costs	**(490)**	(355)	(135)
Payment of lease liabilities	**(6,046)**	–	(6,046)
Impact of restatement on cash flows	–	–	–

PARENT COMPANY BALANCE SHEET

For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Investments	C	**45,386**	45,613
		45,386	45,613
Current assets			
Receivables	D	**7,390**	10,851
Cash at bank and in hand		**4**	2
		7,394	10,853
Liabilities: amounts falling due within one year	E	**(51)**	(36)
Net current assets		**7,343**	10,817
Total assets less current liabilities		**52,729**	56,430
Net assets		**52,729**	56,430
Capital and reserves			
Called-up share capital	F	**2,199**	2,199
Share premium account		**49,723**	49,723
Employee Benefit Trust shares reserve		**(25)**	(31)
Share-based payment reserve		**537**	764
Retained earnings		**725**	4,245
Profit and loss account		**(430)**	(470)
Total shareholders' funds		**52,729**	56,430

As permitted by section 408 of the Companies Act 2006 the Parent Company has elected not to present its own profit and loss account for the year (Note B). The financial statements of H&T Group plc, registered number 05188117, were approved by the Board of Directors and authorised for issue on 17 March 2025.

Signed on behalf of the Board of Directors by:

C D Gillespie
Chief Executive

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

2024 Company	Note	Called-up share capital £'000	Share premium account £'000	Employee Benefit Trust shares reserve £'000	Share-based payment reserve £'000	Profit and loss account £'000	2024 Total £'000
At 1 January		**2,199**	**49,723**	**(31)**	**764**	**3,775**	**56,430**
Loss for the financial year		–	–	–	–	**(430)**	**(430)**
Dividend paid		–	–	–	–	**(3,044)**	**(3,044)**
Settlement of share-based payment	F	–	–	–	**(510)**	–	**(510)**
Share-based payment charge	G	–	–	–	**283**	–	**283**
Employee Benefit Trust		–	–	**6**	–	**(6)**	–
At 31 December		**2,199**	**49,723**	**(25)**	**537**	**295**	**52,729**

2023 Company	Note	Called-up share capital £'000	Share premium account £'000	Employee Benefit Trust shares reserve £'000	Share-based payment reserve £'000	Profit and loss account £'000	2023 Total £'000
At 1 January		2,193	49,423	(34)	2,344	9,912	63,838
Loss for the financial year		–	–	–	–	(470)	(470)
Dividend paid		–	–	–	–	(7,156)	(7,156)
Issue of share capital to settle share-based payments	F	6	300	–	(306)	–	–
Equity settled share-based payments		–	–	–	215	–	215
Employee Benefit Trust Shares sold		–	–	3	–	–	3
Transfer to profit and loss account reserves of expired or lapsed share-based payments		–	–	–	(1,489)	1,489	–
At 31 December		2,199	49,723	(31)	764	3,775	56,430

A. ACCOUNTING POLICIES

Basis of preparation

H&T Group plc is a Company incorporated in England & Wales under the Companies Act. The address of the registered office is given on page 113. The nature of the Company's operations and its principal activities are set out in the business overview on pages 2-5.

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) Reduced Disclosure Framework as issued by the FRC in July 2015 and July 2016.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the Group financial statements of H&T Group plc.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payments, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related-party transactions. Where required, equivalent disclosures are given in the Group financial statements of H&T Group plc. The Group financial statements of H&T Group plc are available to the public.

The financial statements have been prepared on a going concern basis as discussed in the Directors' Report.

The particular accounting policies adopted are described below.

Taxation

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Where tax losses are surrendered to, or received from, Group companies, the amount received/surrendered is charged/credited to the profit and loss account and treated as payable to/receivable from the related Group Company that has surrendered/received the losses.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Investments

Fixed assets investments are shown at cost less provision for impairment. Investments in subsidiaries includes capital contributions to subsidiaries as a result of the issue of equity-settled share-based payments to colleagues of subsidiaries. The accounting policy for share-based payments is set out in Note 3 to the consolidated financial statements.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

Dividends

Dividends receivable from subsidiary undertakings are recorded in the profit and loss account on the date that the dividend becomes a binding liability on the subsidiary Company. Under the terms of IFRS 3 Business Combinations, the Company records dividends arising from pre-acquisition profit and loss reserves of its subsidiary undertaking in the profit and loss account and considers whether the distribution affects the carrying value of the investment in the subsidiary undertaking.

Dividends payable are recorded as a distribution from retained earnings in the period in which they become a binding liability on the Company.

Share-based payments

The Company's trading subsidiary, Harvey & Thompson Limited, issues share options to colleagues in that Company, which are equity settled in shares of H&T Group plc. Harvey & Thompson Limited determines the fair value of the options granted measured at the date of grant depending on the vesting conditions attached to each scheme. This fair value cost of equity-settled awards is recognised on a straight-line basis over the vesting period in the financial statements of Harvey & Thompson Limited, based on the estimate of shares that will eventually vest and adjusted for the effect of any non-market-based vesting conditions.

The Company receives a payment each period, equal to the annual expense recorded in Harvey & Thompson Limited calculated on the basis described above. This amount is credited to the profit and loss account each period and is treated in a similar manner to a distribution of dividends from Group Companies.

Employee Benefit Trust

An Employee Benefit Trust (EBT) was established in October 2008. The EBT has been set up to hold shares in the Company. These shares, once purchased, are held in trust by the Trustee of the EBT, Fiduchi Limited, for the benefit of the colleagues. The EBT is accounted for within the Company accounts. The net cost of the shares acquired by the EBT are shown as a deduction from shareholders' funds. Note 27 provides detail on the EBT and movements in shares held.

B. COMPANY PROFIT AND LOSS ACCOUNT

As permitted by s408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account or statement of comprehensive income for the year.

The Company made a loss of £430,000 in 2024 (2023: loss of £470,000).

The auditor's remuneration for the current and preceding financial years is borne by a subsidiary undertaking, Harvey & Thompson Limited. Note 8 to the Group financial statements discloses the amount paid in respect of the Company.

The Directors did not receive any emoluments for their services to the Company (2023: £nil). Other than the Directors, the Company has no colleagues in either financial year.

C. INVESTMENTS

Shares in subsidiary undertaking	Total £'000
Cost	
At 1 January 2024	**45,613**
Additions	**283**
Settlement	**(510)**
At 31 December 2024	**45,386**

Additions represent capital contributions in relation to share options issued to colleagues, as set out in Note 28. Settlement relate to settlement of share based payments.

The investments in Group companies which are all included in the consolidated financial statements are as follows:

Name of Company	Country of incorporation	Proportion of ordinary shares held: Directly	Proportion of ordinary shares held: Indirectly	Principal activity
Harvey & Thompson Limited (Registered office: Times House, Throwley Way, Sutton, Surrey, SM1 4AF)	England & Wales	100%	–	Pawnbroking, jewellery sales, gold purchasing, unsecured lending, cheque-cashing and related services
Swiss Time Services Ltd (Registered office: Times House, Throwley Way, Sutton, Surrey, SM1 4AF)	England & Wales	–	100%	Watch repairs

The Company owns directly or indirectly 100% of the voting rights in the subsidiary undertakings. H&T Group plc is incorporated in England & Wales.

D. RECEIVABLES

	2024 £'000	2023 £'000
Amounts owed by subsidiary Companies	**7,379**	10,840
Prepayments and accrued income	**11**	11
	7,390	10,851

E. LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £'000	2023 £'000
Trade creditors	**4**	–
Accruals and deferred income	**47**	36
	51	36

F. CALLED-UP SHARE CAPITAL

Please refer to the Group financial statements of H&T Group plc for details of share capital including shares issued in the year (Note 27), and dividends paid and proposed (Note 14).

G. SHARE-BASED PAYMENT RESERVE

Refer to Note 28 of the Group financial statements of H&T Group plc for details of the performance share plan scheme.

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H&T Group plc
Times House
Throwley Way
Sutton
Surrey
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SW1A 1LD

Legal Advisors to the Group
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Independent Statutory Auditor
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E14 4HD

Bankers
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London
EC2V 7HN

Registrars
Equiniti Group PLC
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Public Relations
Alma PR
71-73 Carter Lane
London
EC4V 5EQ

Joint Broker
Canaccord Genuity Limited
88 Wood Street
London
EC2V 7QR

Store:	Address:	Postcode:
Acocks Green	1141a Warwick Road, Acocks Green, Birmingham	B27 6RA
Acomb	3 Odsal House, Front St, Acomb, York	YO24 3BL
Acton	158 High Street	W3 6QZ
Ashton Under Lyne	6 Mercian Mall, Ladysmith Centre, Ashton-under-Lyne	OL6 7JH
Ayr	114 High Street	KA7 1PQ
Barking	27 East Street	IG11 8ER
Barkingside	96 High Street, Barkingside, Essex	IG6 2DR
Barnsley	35 Peel Street, Barnsley	S70 2RJ
Basildon	1a Market Pavement	SS14 1DD
Basingstoke	Unit 21 Chelsea House, Festival Place, Basingstoke, Hampshire	RG21 7JR
Bearwood	543 Bearwood Road, Bearwood	B66 4BH
Beaumont Leys	27 Fletcher Mall, Leicester	LE4 1DF
Bedford	6 St Loyes Street, Bedford	MK40 1EP
Bedminster	84 East Street, Bedminster, Bristol	BS3 4EY
Belle Vale	35 Belle Vale Shopping Centre, Childwall, Liverpool	L25 2RQ
Bexleyheath	109 The Broadway Centre	DA6 7JH
Birkenhead	Grange Shop Cntr, 26 Borough Pavement	CH41 2XX
Birmingham	10 Ethel Street	B2 4BG
Blackburn	Unit 2, 3 Ainsworth Street	BB1 6AS
Blackpool	97-99 Central Drive	FY1 5EE
Bletchley	41 Queensway, Bletchley, Milton Keynes	MK2 2DR
Bolton	13 Newport Street	BL1 1NE
Bolton 2	Unit 2, Commercial Union House, Grt Moor St, Bolton	BL1 1NH
Bootle	64 Parkside, Strand Shopping Centre, Bootle.	L20 4XX
Borehamwood	1 Furzehill Parade, Shenley Road, Borehamwood, London	WD6 1DX
Boston	28-30 Strait Bargate, Boston	PE21 6LJ
Bow	575 Roman Road	E3 5EL
Bradford	26 James Street	BD1 3PZ
Bradford 2	19 James Street, Bradford	BD1 3PZ
Bradford 3	47 Hustlergate, Bradford	BD1 1PH
Breck Road	305-307 Breck Road, Liverpool	L5 6PU
Bridgewater	28 Cornhill, Bridgwater, Somerset	TA6 3BY
Brighton	4 Castle Square	BN1 1EG
Brixton	Arch 9, Atlantic Road	SW9 8HX
Bromley	82 High Street	BR1 1EY
Bull Street	102 Bull Street, Birmingham	B4 7AA
Burnley	42 Manchester Road, Burnley	BB11 1HJ
Burnt Oak	75 Burnt Oak Broadway	HA8 5EP
Burnt Oak 2	136 Burnt Oak, Broadway	HA8 0BB
Burton on Trent	209b Station Street, Burton On Trent	DE14 1AN
Camberwell	72 Denmark Hill	SE5 8RZ
Cambridge	76 Regent Street, Cambridge	CB2 1DP
Camden	90 Camden High Street, London	NW1 0LT

Store:	Address:	Postcode:
Canning Town	116 Barking Road, Canning Town	E16 1EN
Canterbury	2-3 Burgate Lane, Canterbury	CT1 2HH
Cardiff	5 St Martins Row, Albany Road, Cardiff	CF24 3RP
Cardiff Canton	140/142 Cowbridge Road East, Canton, Cardiff	CF11 9ND
Catford	58 Rushey Green	SE6 4JD
Chalk Farm	36 Chalk Farm Road	NW1 8AJ
Chatham	321 High Street	ME4 4BN
Chatham 2	157 High Street, Chatham	ME4 4BA
Cheetham Hill	Unit 5, Cheetham Hill Shopping Centre	M8 5EL
Chelmsford	25 High Chelmer	CM1 1XR
Chelmsley Wood	Unit 28, 30 Greenwood Way, Chelsley Wood	B37 5TL
Chesterfield	21 Middle pavement, Chesterfield, Derbyshire	S40 1PA
Clacton on Sea	5 Station Rd, Clacton-on-Sea	CO15 1TD
Clapham	9 Northcote Road	SW11 1NG
Clapham High Street	136 Clapham High St, London	SW4 7UH
Clapton	157 Clapton Common	E5 9AE
Clydebank	25 Sylvania Way South	G81 1EA
Colchester	10 Short Wyre Street	CO1 1LN
Corby	19 Corporation Street	NN17 1NG
Cosham	32 High Street	PO6 3BZ
County Road	66 County Road, Walton, Liverpool	L4 3QL
Coventry	10 Hales Street	CV1 1JD
Coventry 2	54 Lower Precinct, Coventry	CV1 1DX
Crawley	11 Broadwalk	RH10 1HJ
Crewe	Crewe Jewellers & Pawnbrokers, 21 Victoria Street	CW1 2HF
Croydon East	16 George Street	CR0 1PA
Croydon North End	63 North End, Croydon, CR0 1TG	CR0 1TG
Croydon West	12 London Road	CR0 2TA
Cumbernauld	9 Antoine Shopping Centre, Tryst Road, Cumbernauld	G67 1JW
Cwmbran	13 The Parade, Cwmbran	NP44 1QR
Dagenham	299 Heathway	RM9 5AQ
Dalston	52 Kingsland High St.	E8 2JP
Dalston 2	75 Kingsland High Street, Dalston	E8 2PB
Darlington	23 Skinnergate	DL3 7NW
Dartford	Unit 33, The Orchards Shopping Centre	DA1 1DN
Deptford	72 Deptford High Street	SE8 4RT
Derby	33 Victoria Street	DE1 1ES
Doncaster	23 High Street	DN1 1DW
Dover	3 Market Square, Dover	CT16 1LZ
Dovercourt	266 High St, Harwich	CO12 3PA
Downham	438 Bromley Road	BR1 4PP
Dudley	215 Wolverhampton St.	DY1 1EF
Duke Street	487 Duke Street, Glasgow	G31 1DL

Store:	Address:	Postcode:
Dundee	116 Seagate	DD1 2ET
Dunstable	38 High Street North, Dunstable	LU6 1LA
East Ham	47 High Street North	E6 1HS
East Kilbride	10 Princes Mall	G74 1LB
Easterhouse	Unit 19, Shandwick Sq. Shop C. Bogbain Rd	G34 9DT
Eastern Avenue	632 Eastern Avenue, Ilford	IG2 6PG
Eastleigh	43-45 Market Street	SO50 5RF
Edgware	125-127 Station Road, Edgware	HA8 7JG
Edinburgh	106 Lauriston Place, Edinburgh	EH3 9HX
Edinburgh 2	78a Nicholson Street, Edinburgh	EH8 9EW
Edinburgh 3	38 Queen Street, Edinburgh	EH2 1JX
Edmonton	16 South Mall, Edmonton Green Shopping C	N9 0TN
Ellesmere Port	43 Marina Drive, Port Arcades Shop Ctr	CH65 0AN
Eltham	89 Eltham High Street	SE9 1TD
Enfield	244 Hertford Road, Enfield	EN3 5BL
Erdington	134 Central Square Shopping Centre, Erdington	B23 6RY
Fareham	119a West Street	PO16 0DY
Felixstowe	38 Hamilton Rd, Felixstowe	IP11 7AN
Feltham	162 The Centre. Feltham	TW13 4BS
Finsbury	259-261 Seven Sisters Road	N4 2DD
Fore Street	169-171 Fore Street, Edmonton	N18 2XB
Forest Gate	29 Woodgrange Road	E7 8BA
Fulham	224 Northend Road	W14 9NU
Gateshead	Unit 5, Jackson Street	NE8 1EE
Gillingham	169 High Street	ME7 1AQ
Glasgow	9-11 Bath Street	G2 1HY
Gloucester	1 St Michael's Building, Eastgate Street, Gloucester	GL1 1PD
Golders Green	16 Golders Green Road, Golders Green	NW11 8LL
Govan	595 Govan Road	G51 2AS
Gravesend	21 King Street	DA12 2EB
Grays	23 High Street, Grays	RM17 6NB
Great Bridge	51 Great Bridge	DY4 7HF
Great Western Road	156 Great Western Road, Glasgow	G4 9AE
Green Lanes	457 Green Lanes, Haringey	N4 1HE
Green Street	342 Green Street, Upton Park, London	E13 9AP
Greenock	Unit 3 Hamilton Gate, Oakmall Shop Ctr	PA15 1JW
Grimsby	6 Victoria Street	DN31 1DP
Hackney	384 Mare Street	E8 1HR
Halifax	21 Westgate, Halifax	HX1 1DJ
Hamilton	34-36 Quarry Street Hamilton, Hamilton, Lanarkshire	ML3 7AR
Hammersmith	116 King Street	W6 0QP
Harehills	243a Roundhay, Leeds	LS8 4HS
Harlesden	72 High Street	NW10 4SJ

Store:	Address:	Postcode:
Harlow	23 Broad Walk	CM20 1JF
Harrow	324b Station Road	HA1 2DX
Harrow 2	14 St Anns Road, Harrow	HA1 1LG
Harrow 3	296 Station Rd, Harrow, London	HA1 2DX
Hastings	18 Queens Road	TN34 1QY
Hatfield	40 Town Centre, Hatfield, Herts	AL10 0JJ
Hayes	46 Station Road	UB3 4DD
Hayes 2	9 Coldharbour Lane, Hayes, London	UB3 3EA
Hemel Hempstead	180 Marlowes, Hemel Hempstead	HP1 1BH
Hillsborough	19 Middlewood Road, Hillsborough. Sheffield	S6 4GU
Holloway	9 Seven Sisters Road	N7 6AJ
Hounslow	30 High Street	TW3 1NW
Hounslow 2	253 High Street	TW3 1EA
Huddersfield	30 John William Street, Huddersfield	HD1 1BG
Hull	Unit 30, 37 Prospect Centre	HU2 8PP
Huyton	51 Derby Road, Huyton, Liverpool	L36 9UQ
Hyde	Unit 5, The Mall, Clarendon Sq Shop Ctr	SK14 2QT
Ilford	91-93 Cranbrook Road	IG1 4PG
Ilford 2	211 High Road	IG1 1LX
Ipswich	17 High Street, Ipswich	IP1 3JZ
Ipswich 2	26a Upper Brook St, Ipswich	IP4 1EB
Irvine	1/3 Bridgegate	KA12 8BJ
Islington	59 Chapel Market, London	N1 9EW
Kidderminster	20 Bull Ring, Kidderminster	DY10 2AZ
Kilburn	139 Kilburn High Road	NW6 7HR
Kilburn 2	63 Kilburn High Road, London	NW6 5SA
Kilburn 3	9 Kilburn Bridge, Kilburn, London	NW6 6HT
King Lynn	14 Broad St, Kings Lynn	PE30 1DP
Kingstanding	240 Hawthorn Road, Kingstanding, Birmingham	B44 8PP
Kingston	26 Castle Street, Kingston Upon Thames	KT1 1SS
Kirkby	Unit 11b, St Chads Way	L32 8RD
Kirkcaldy	85 High Street, Kirkcaldy, Fife	KY1 1LN
Leeds	8 New Market Street	LS1 6DG
Leeds Bramley	Unit 25 Bramley Shopping Centre, Leeds	LS13 2ET
Leeds Merrion	15 Merrion Centre, Leeds	LS2 8NG
Leicester	69 Market Place	LE1 5EL
Leigh	53 Bradshawgate	WN7 4NB
Leith	Unit 6, Newkirkgate Shopping Ctr.	EH6 6AA
Levenshulme	894 Stockport Road, Levenshulme, Manchester	M19 3AD
Lewisham	121 Lewisham High Street	SE13 6AT
Leyton	281 High Road	E10 5QN
Liverpool	Unit 6, 42-46 Whitechapel	L1 6DZ
Livingston	Unit 22, Almondvale Shopping Centre	EH54 6HR

Store:	Address:	Postcode:
Longsight	Unit 6, 543 Stockport Road, Longsight, Manchester	M12 4JH
Luton	174 The Mall	LU1 2TL
Macclesfield	23 Chestergate	SK11 6BX
Maidstone	2 Palace Avenue, Maidstone	ME15 6NF
Mansfield	5 Market Place, Mansfield	NG18 1HU
Margate	72 High Street, Margate	CT9 1DT
Merthyr Tydfil	126A High Street, Merthyr Tydfil.	CF47 8BT
Middlesbrough	45 Dundas Street	TS1 1HR
New Addington	14 Central Parade	CR0 0JB
Newcastle	67 Clayton Street	NE1 5PY
Newcastle 2	117 Grainger Street	NE1 5AE
Newport	57 Commercial Street, Newport, Gwent	NP20 1LQ
Northampton	Unit 3, 71B Abington Street	NN1 2BH
Northampton 2	1-2 Regent Square, Northampton	NN1 2NQ
Northfield	746 Bristol Road S Northfield Birmingham	B31 2NN
Norwich	8a Castle Meadow, Norwich	NR1 3DE
Nottingham	22-24 Upper Parliament Street	NG1 2AD
Oldham	Unit 8, Town Square Shopping Centre	OL1 1XD
Orpington	221 High Street	BR6 0NZ
Oxford	164 Cowley Road, Oxford	OX4 1UE
Paddington	63 Praed Street	W2 1NS
Partick	333 Dumbarton Road	G11 6AL
Peckham	51 High Street	SE15 5EB
Penge	136 High Street	SE20 7EU
Peterborough	1 Westgate	PE1 1PX
Peterborough 2	383 Lincoln Road, Peterborough, Cambs	PE1 2PF
Plaistow	2 and 2b Balaam Street, Plaistow	E15 8AQ
Plymouth	65 New George Street, Plymouth	PL1 1RJ
Pontypridd	6D Taff Street, Pontypridd	CF37 4UL
Poplar	22 Market Way	E14 6AH
Portsmouth	186 Kingston Road	PO2 7LP
Preston	11 Friargate	PR1 2AU
Queens Park	403 Victoria Road, Glasgow	G42 8RW
Ramsgate	28 King Street, Ramsgate, Kent	CT11 8NT
Reading	31 Oxford Road, Broad Street Mall	RG1 7QG
Rochdale	92 Yorkshire Street	OL16 1JX
Rochdale 2	1 Baillie Street, Rochdale	OL16 1JJ
Romford	Unit 30, Liberty 2, Mercury Gardens	RM1 3EE
Rose Hill	49 The Market, Rose Hill, Sutton	SM1 3HE
Rotherham	2 Effingham Street	S65 1AJ
Rugby	1 Church Street	CV21 3PH
Runcorn	119 River Walk, Shopping City	WA7 2BX
Rutherglen	Unit 3, Mitchell Arcade, Rutherglen Shop C.	G73 2LS

Store:	Address:	Postcode:
Salford	70 Fitzgerald Way, Salford Shopping C.	M6 5HW
Scunthorpe	114 High Street	DN15 6HB
Shawlands	32-34 Kilmarnock Road, Glasgow	G41 3NH
Sheerness	34 High Street, Sheerness	ME12 1NL
Sheffield	The Kiosk, 1-13 Angel Street	S3 8LN
Sheffield King Street	27 King Street, Sheffield	S3 8LF
Shepherds Bush	27 Uxbridge Road, Shepherds Bush	W12 8LH
Sidcup	76 High Street	DA14 6DS
Sittingbourne	28A High Street, Sittingbourne	ME10 4PD
Slough	64 High Street	SL1 1EL
Soho Road	224 Soho Road, Birmingham	B21 9LR
Southall	1A the Broadway	UB1 1JR
Southampton	113a East Street	SO14 3HD
Southampton 2	Unit 19, Marlands Shopping Centre	SO14 7SJ
Southend-on-Sea	95 Southchurch Road	SS1 2NL
Springburn	Unit 13, Springburn Shop C, Springburn Way	G21 1TS
St. Helens	4 Ormskirk Street	WA10 1BH
Stevenage	24 Westgate Centre	SG1 1QR
Stirling	33-35 Murray Place	FK8 1DQ
Stockport	109 Princes Street	SK1 1RW
Stockton	107-108 High Street	TS18 1BB
Stoke on Trent	49-51 Stafford Street	ST1 1SA
Stratford	Unit 27, The Mall, Stratford Centre	E15 1XD
Streatham	254 Streatham High Rd	SW16 1HT
Stretford	120 Chester Road, Stretford	M32 9BD
Sunderland	26 Blandford Street	SR1 3JH
Surrey Quays	196 Lower Road	SE16 2UN
Sutton	232 High Street	SM1 1NT
Sutton In Ashfield	Unit 44, Idlewells Shopping Centre	NG17 1BJ
Swansea	256 Oxford Street, Swansea	SA1 3BN
Swindon	46 Bridge Street	SN1 1BL
Sydenham	37 Sydenham Road	SE26 5EX
Tooting	63 Mitcham Road	SW17 9PB
Tooting Junction	20-22 London Road	SW17 9HW
Tottenham	518 High Road	N17 9SX
Uxbridge	Unit 11, Chequers Square, The Mall	UB8 1LN
Wallsend	28 High Street East	NE28 8PQ
Walsall	8 The Bridge	WS1 1LR
Waltham Cross	Unit 78,The Pavilions Shopping Centre	EN8 7BZ
Walthamstow	234 High Street	E17 7JH
Walton Vale	27 Walton Vale, Liverpool	L9 4RE
Walworth	389 Walworth Road, London	SE17 2AW
Walworth 2	241 Walworth Road, Walworth, London	SE17 1RL

Store:	Address:	Postcode:
Ward End	Unit 8, Fox and Goose Shopping Centre, Ward End Birmingham	B8 2EP
Warrington	Unit 47 61 The Mall Golden Square Shopping Centre, Warrington	WA1 1QP
Watford	114 High Street	WD17 2BJ
Welling	3 Bellegrove Road	DA16 3PA
Wellingborough	28 Silver Street, Wellingborough	NN8 1AY
Wembley	544 High Road	HA0 2AA
West Bromwich	64 Kings Square (High Street), Sandwell Ctr	B70 7NW
West Bromwich 2	23B St Michael Street, West Bromwich	B70 7AB
West Road	138 West Road, Newcastle Upon Tyne	NE4 9QA
Wester Hailes	Unit 31, Westside Plaza, Edinburgh	EH14 2SW
Widnes	85 Widnes Road, Widnes	WA8 6BJ
Wigan	41 Standishgate Wigan	WN1 1UP
Willesden	70 High Road	NW10 2PU
Willesden 2	1d Walm Lane, Willesden	NW2 5SJ
Wisbech	13 Market Place, Wisbech	PE13 1DT
Woking	14 Wolsey Walk, Woking, Surrey	GU21 6XU
Wolverhampton	10a Cleveland Street	WV1 3HH
Wolverhampton 2	15-16 Queen Street	WV1 3JW
Wolverhampton 3	104 Darlington Street, Wolverhampton	WV1 4EX
Wood Green	12 Cheapside	N22 6HH
Woolwich	4 Powis Street	SE18 6LF
Woolwich 2	2 Greens End, Woolwich	SE18 6HX
Woolwich 3	16 Beresford Square, Woolwich	SE18 6AY
Worcester Park	148 Central Road	KT4 8HH
Worksop	27-29 Bridge Street	S80 1DA
Wythenshawe	Unit 1D, Hale Top, Civic Centre	M22 5RN

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