H&T GROUP PLC

Success in new markets

The UK's leading pawnbroker

Annual Report and Accounts 2015

H&T provides a range of simple and accessible financial products tailored for a customer base which has limited access to, or is excluded from, the traditional banking and finance sector.

Pawnbroking

Pawnbroking loans are secured on an item of value with a term of up to six months.

Jewellery Retail

H&T offer a unique range of new and second-hand jewellery and watches.

Personal Loans

Loans from £50 to £2,000 over any term of up to two years.

Gold Purchasing

Gold Purchasing is a simple way for customers to use their unwanted gold to raise some cash.

Cheque Cashing

Get cash for cheques in a few minutes, rather than banking the cheque.

Buyback

Raise cash from electronic items such as phones, tablets, laptops and game consoles.

Foreign Exchange

Highly competitive rates and with no commission charges.

Highlights

FINANCIAL OVERVIEW

GROSS PROFIT
£47.5m
(2014: £45.7m)

EBITDA
£10.7m
(2014: £9.8m)

PROFIT BEFORE TAX
£6.8m
(2014: £5.5m)

DILUTED EPS
14.86p
(2014: 11.78p)

PROPOSED DIVIDEND PER SHARE
8p
(2014: 4.8p)

PROPOSED FINAL DIVIDEND
4.5p
(2014: 2.7p)

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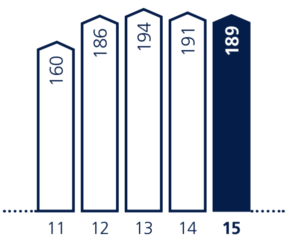
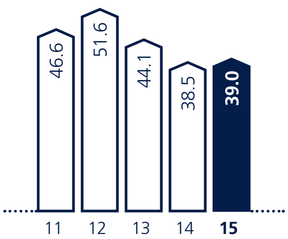
KEY PERFORMANCE INDICATORS

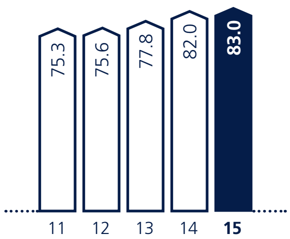
NUMBER OF STORES
189 stores
(2014: 191 stores)



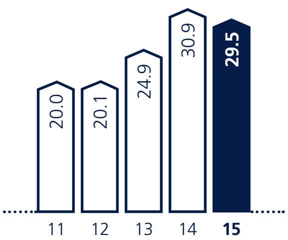
PLEDGE BOOK (£m)
£39.0m
Up 1.3% (2014: £38.5m)



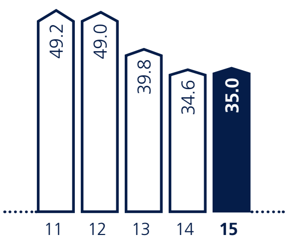
REDEMPTION OF ANNUAL LENDING (%)
83.0%
(2014: 82.0%)*



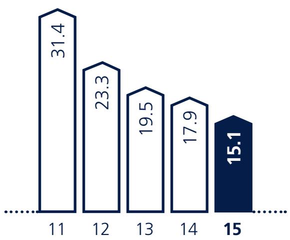
RETAIL SALES (£m)
£29.5m
(2014: £30.9m)



RETAIL MARGIN (%)
35.0%
(2014: 34.6%)



GOLD PURCHASE MARGIN (%)
15.1%
(2014: 17.9%)



* This is the actual percentage of lending in each year which was redeemed or renewed, the 2015 figure is an estimate based on recent trend and early performance.

OPERATIONAL HIGHLIGHTS

- Growth in Personal Loans with the loanbook increasing 35.5% from £3.1m to £4.2m
- Buyback volume more than doubles from £2.9m to £6.0m
- FX gross profits increase 75% to £1.4m (2014: £0.8m)

SERVICE PERFORMANCE

- During 2015 and 2014 we conducted an online customer satisfaction survey where customers rate us from 1 to 10 on questions grouped in each area, we received 3,996 responses in 2015 (2014: 4,967) the average scores were:

CUSTOMER SURVEY	2015	2014
Knowledge	**9.63**	9.59
Professionalism	**9.67**	9.63
Satisfaction	**9.60**	9.55

CONTENTS

Chairman's statement

We have seen a year of steady progress against a backdrop of volatile commodity prices including gold and difficult trading conditions in the sector. We have a robust business that remains resilient and is rigorous in its response to the regulatory environment and changing consumer behaviour.

INTRODUCTION
The UK economy has improved over the past year and we have seen a halt in the decline in our pledge book with some worthwhile growth in other product lines, notably Foreign Exchange, Personal Loans and Buyback. A number of initiatives have been launched which are still in the proving period; we will expand and develop those that are successful over coming months.

FINANCIAL PERFORMANCE
The Group delivered profit after tax of £5.4m (2014: £4.3m) and diluted earnings per share of 14.86 pence (2014: 11.78 pence). Subject to shareholder approval a final dividend of 4.5 pence per ordinary share (2014: 2.7 pence) will be paid on 3 June 2016 to those shareholders on the register at the close of business on 6 May 2016. This will bring the full year dividend to 8 pence per ordinary share (2014: 4.8 pence).

The Group's plan to improve its balance sheet strength while maintaining the pawnbroking loanbook has been successful with a net debt reduction of 78.4% to £2.1m (31 December 2014: £9.7m).

REGULATION
The regulation of Consumer Credit moved from the Office of Fair Trading (OFT) to the Financial Conduct Authority (FCA) on 1 April 2014. The Group obtained authorisation from the FCA on 11 February 2016 and we welcome the higher standards that this change will bring to our sector.

STRATEGY
We continue to develop our products aimed at those customers who need a simple and straightforward loan, either secured or unsecured. We are introducing a more disciplined approach to the retailing of jewellery, and the ways in which we promote our consumer finance products over mobile applications.

We have reduced further the debt in the business and at the same time increased the potential funding to enable the business to seize the opportunities that will be presented by a changing market.

PROSPECTS
Continuing high levels of consumer debt and the pressures on mainstream lenders create new opportunities in our market. The technologies that are evolving in the retail space will enable us to make better use of our loan centre, jewellery centre, and the store network, alongside the continuing development of our on-line services.

On behalf of the Board and our shareholders I would like to thank everyone at H&T for the hard work and dedication over the last year.

PETER D MCNAMARA
Chairman

Diluted EPS

14.86p

(2014: 11.78p)

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Proposed Dividend Per Share

8p (2014: 4.8p)

"We continue to develop our products aimed at those customers who need a simple and straightforward loan, either secured or unsecured."

The business at a glance

As at 31 December 2015, H&T was the largest pawnbroking business in the UK by size of pledge book. H&T has existed in some form since the late 1800s and over the years has built or acquired some of the oldest and largest pawnbrokers in the UK. Indeed the store in Edinburgh has operated from the same building for more than 150 years serving the same community.

On 8 May 2006 H&T floated on the AIM Market ("AIM") providing the Group with access to new sources of finance and allowing the provision of equity-based incentivisation to employees. Since then H&T has continued its development by adding new products and services and expanding the store network by 120 stores to 189 at 31 December 2015.

H&T operates in a fast moving, competitive environment and will continue to succeed by focussing on customer needs, the development and retention of staff and the development of existing and new products together with expansion in locations.

Pawnbroking

A pawnbroking loan is secured on an item of value with a term of up to six months. H&T values the item(s) based on weight and the precious metal or stones used in its manufacture. The customer agrees on a loan amount and enters into a consumer credit agreement. The agreement is for a period of six months and the customer can redeem the goods at any point during this time providing that they repay the original loan amount plus any interest due. At the end of the contract, they also have the option to extend the loan for a further six months. If the customer chooses not to redeem or renew the loan, H&T then takes action to dispose of the goods.

Jewellery Retail

H&T offer a unique range of new and second-hand jewellery and watches sourced from our pledge book, purchased over the counter or purchased from suppliers. All H&T's jewellery is professionally cleaned, restored and valued at the Group's refurbishment centre in Kent before being re-distributed for sale at stores across the country. All of H&T's staff are trained to a high standard to help customers choose individual pieces to suit their requirements.

Personal Loans

Personal Loans are a simple and innovative way for customers to obtain an unsecured loan of up to £2,000. They offer complete flexibility on the length of loan and regular repayments, depending on the personal circumstances of each customer. Before issuing a loan we establish the customer's identity, confirm their income and employment and complete an affordability assessment. If approved then the customer enters into a consumer credit loan agreement and we will collect the repayments on the dates agreed with the customer.

Gold Purchasing

Gold purchasing is a simple way for customers to use their unwanted gold to raise some cash. The process is straightforward with the store assessing the items, agreeing a price with the customer and purchasing the goods for cash on the spot. Customers can also sell watches and diamonds to H&T which sets us apart from other providers in the market.

Cheque Cashing

Cheque cashing is a service that allows customers to get cash for their cheques in a few minutes, rather than banking the cheque. Most are wage cheques, although other types such as personal, lottery, building society and Giro cheques are considered. Customers use H&T to speed up the cheque clearance (some building societies can take almost two weeks to clear a cheque) or to avoid banking the cheque into an overdrawn account. Customers are required to provide proof of identity and address in order to use the service.

STORES | ONLINE | APPS

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Prepaid Debit Card

A pre-paid debit card is an ideal way for customers to have the functionality of a Mastercard without the associated credit, giving them the freedom to shop online, over the phone or in store. As there is no loan or credit involved the application process is simple and the acceptance rate is 100%. Customers leave the store with an ATM only card and the personalised Mastercard arrives in the post shortly after. Cash can then be loaded to the card at thousands of locations across the UK, including any H&T store or Post Office branch.

Western Union

Every year millions of people worldwide trust Western Union to send money within minutes to family, friends or colleagues in other countries. Since H&T launched Western Union in 2012 it has increased transaction numbers to around 10,000 per month and introduced a new customer base to H&T.

Buyback

Increasingly, a younger generation of customers are seeking the opportunity to raise cash from electronic items such as phones, tablets, laptops and game consoles. To take advantage of this new asset class, H&T has developed its Buyback offer. Customers can sell their electronic items to H&T for cash and buy the item back within 31 days. H&T restrict the types of item purchased to current models of the most popular items.

Foreign Exchange

H&T offer a foreign exchange service at highly competitive rates and with no commission charges, further establishing one of our core strengths of offering great value to the customer. Not only does offering this additional service make currency exchange easier for our customers, but we're also broadening our appeal to a new audience.

What is pawnbroking?

Pawnbroking is quite simply a loan secured on an item of value ("the pledge"). Traditionally pawnbrokers would accept almost anything of value in order to secure the loan. The H&T pawnbroking offer is mainly based on jewellery as it is compact, high worth and can be valued and if necessary resold relatively easily.

HOW DOES IT WORK?

The customer brings in the item(s) of value to the store and is asked to give an indication of how much they want to borrow. This is done in order to establish how realistic the customer's expectation is, as the high margins charged by the high street jewellers can give an inflated perception of the value of the goods. The store staff then use a combination of their expertise and training, together with the point of sale system to determine if there is adequate security for the loan. Assuming that there is, the customer and H&T then enter into a credit agreement. This is a contract for six months and carries interest of 2.0% to 9.99% per month. The rate charged is dependent on local competition and the size of the loan.

During the contract the customer can:

- **REDEEM THE PLEDGE.** This means they pay H&T the value of the loan (whether in full or by part payments), plus the interest accrued to date; or

- **RENEW THE PLEDGE.** This means they pay H&T the interest only and a new loan agreement is issued for a further six months.

Approximately five months after the date of the loan we will write to the customer explaining that the contract is almost due and reminding them of the final date to redeem. We write again once the contract is expired to give the customer another opportunity to redeem or renew their pledge.

If the customer does not redeem or renew then we have to attempt to realise the value of the pledge to repay the loan.

The regulations set out a different treatment for pledges over £75 and those £75 and under.

- Over £75: These pledges are sent to public auction with a reserve price. H&T is entitled to retain no more than the value at auction. Any part payments made against the loan or the surplus, if greater than the value of part payments, is repaid to the customer.

- £75 and under: These pledges become the property of H&T immediately; the rules relating to the surplus do not apply due to the lower value of the items concerned.

Regardless of the outcome H&T does not pursue the customer in the rare circumstances when there is a shortfall between the amount due under the agreement and the amount recovered when the item is sold. Therefore if the customer is unable to redeem there will be no further consequences and their credit rating is unaffected.

AS GOOD AS GOLD

For some, lending money can be a risky business, but not for H&T. The loan is secured on gold, precious stones or watches (over 99% of our pawnbroking business) and that security is left in our possession for the duration of the contract. If the loan forfeits, then the collateral can be easily liquidated, in almost all cases fully recovering the amount lent.

VALUATIONS, HOW H&T MANAGE THE PROCESS

A pawnbroker advances money secured on items of value. Therefore it is vital that we can determine what those items are worth to ensure adequate security, whilst also being able to give the customer what they want.

1

H&T's pledge book is almost entirely gold and diamond set jewellery, as those items are relatively easy to value and in the event of default they can be sold either through the retail window or as a commodity.

2

Our staff ask the customer how much they would like to borrow and perform a visual examination of the item. Using the weight and metal type we now have a good idea of what the item is worth based on our general lending guidelines.

3

If we can meet the customer's expectations then the item is tested with a range of acids to determine the metal type and carat, while diamonds are verified using electronic testing equipment.

4

The customer details and a full description of the item are entered to the computer system which calculates a range of loan values in accordance with Group policy. A credit agreement is produced and the cash issued to the customer.

Our customers

H&T aim to be the lender of choice for customers with limited access to mainstream credit by being consistently fair, always being professional, and building a range of products that serve our customer's changing needs.

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AGE PROFILE

Pawnbroking		Personal Loans		Buyback	
18-24	7%	18-24	6%	18-24	17%
25-35	25%	25-35	34%	25-35	39%
36-44	23%	36-44	23%	36-44	23%
45-55	26%	45-55	25%	45-55	15%
56+	19%	56+	12%	56+	6%

GENDER SPLIT

Pawnbroking		Personal Loans		Buyback	
Male	41%	Male	57%	Male	63%
Female	59%	Female	43%	Female	37%

PERSONAL SERVICE
Our staff realise that each customer has different needs and use our range of products to help them find the right solution. We believe that the face to face interaction in store is key to building trust and understanding and delivering genuine, high quality service.

USE OF FUNDS
An H&T loan or sale of gold will generally be used by our customers to fund day-to-day living expenses. Our services are utilised to resolve short-term cash flow requirements for both business and household expenditure.

RESPONDING TO FEEDBACK
As in previous years we have seen an overwhelmingly positive response from both new and existing customers around satisfaction. Customer feedback is something we take seriously and actively encourage. Results of mystery shopper programmes and online surveys are fed directly to stores aiding them in a continuous loop of feedback and improvement. This year we have achieved a positive customer recommendation result of 94% (based on reviewcentre.com data taken in January 2016).

Customers rate staff knowledge, accessibility and professionalism highly. They praise staff ability to answer questions clearly and quickly as well as proactively engage with the customer early on to anticipate their needs.

CUSTOMER FEEDBACK

'All shop staff are friendly and welcoming and serve you promptly.' Edinburgh

'Staff are always very friendly and even managed to remember my name.' Sutton

'Friendly and professional, provided an excellent service.' Dudley

'The assistant was really helpful and friendly. Would recommend others to go to the store.' Eltham

Our people

We are firm believers at H&T that our employees are our single greatest asset, and accordingly we strive to ensure our workforce constantly feel appreciated and valued.

11 WORKSHOPS
training for all staff in compliance, sales and negotiation techniques

H&T'S COMMITMENT TO DEVELOPING OUR PEOPLE

We continually advance and assist our staff to realise their potential. Our work with Learning and Development ensures our people are developed to support them in their roles. Throughout 2015 we have continued to build on this offering, meeting the needs of the business and our people, this includes:

WORKSHOPS

The Company's goal is still to provide the best possible technical and behavioural training to our people, enabling staff to perform their roles with the upmost efficiency. We have a collection of 11 workshops which include compulsory training for all staff in compliance, sales and negotiation techniques, health and safety protocols, and also the identification of diamond stones and high-end watches. In addition to these courses we also provide further classroom based training on a need driven basis in managerial subjects such as financial and commercial awareness, effective management of teams, and recruitment best practice.

MANAGEMENT DEVELOPMENT PROGRAMMES

In 2015 we ran two separate Management Development Programmes. STAR, a 9 month long programme for Store Managers looking to develop themselves further; and MDP (Management Development Programme) for aspiring Deputy Store Managers looking for preparation to Store Manager.

E-LEARNING

E-learning continues to be a big part of our H&T Academy blended learning approach. The programme offers more than 38 different modules that focus more on the theoretical side of our products and knowledge, leaving the workshops to tackle the more practical elements. Over the past year our e-learning programme has been instrumental in helping the Company and staff to meet the requirements of the new FCA regulatory regime.

Our workshops begin with the Stair Steps 1-3 programme, which focuses on the fundamentals of the business; including a classroom based workshop on sales and negotiation techniques, Introduction to Diamonds, Introduction to Watches, Buyback and finally Advanced Diamonds.

Stair Steps 4 and 5 offer more managerial and behavioural training and which include workshops such as Intro to Management, Managing Your Team More Effectively, Introduction to Training and Coaching and Financial and Commercial Awareness.

REWARD AND RECOGNITION

As well as offering competitive salaries, we are proud to offer a generous benefits package to our employees. This includes life assurance for all of our staff members, an Employee Assistance Programme; enhanced sick and holiday pay; an innovation scheme (successful ideas and suggestions can earn an employee a reward of up to £1000, depending on the overall benefit to our business); health insurance for management; eye care vouchers and discounts on bicycles through our cycle to work scheme. All of these are offered in addition to monthly, quarterly and annual bonuses that can be achieved dependant on hitting performance targets.

69%
of managers have over
5 years of service

CUSTOMER FEEDBACK

'The assistant understood the difficulty of money in this day of age and helped me to see the best way forward.' Gillingham

'I have used the store so many times the staff know my name, so it is a really nice experience to hear them welcome me by my first name when I go there.'
New Addington

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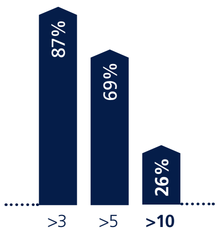
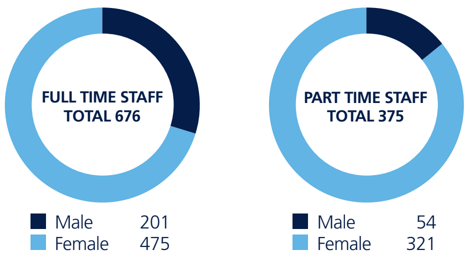
2015
EMPLOYER OF THE YEAR
Award at the NPA

MANAGERS TENURE
(Years of service)



OUR STAFF TOTAL 1,051



YOUR VOICE MEETINGS
Bi-annually, we hold a council-style meeting with a group of employees from a variety of positions within the Company , and geographically from around the country. These meetings allow our staff a forum in which to discuss suggestions and ideas with senior management. We have found the meetings to be hugely productive and resourceful, as well as providing us with new innovations from within our organisation, it also permits us to receive direct feedback on new strategies, or indeed any issues that arise in our stores.

NPA AWARDS
H&T is proud to announce that in 2015, we won the esteemed "Employer of the Year" Award at the National Pawnbroker's Association (NPA) Awards, demonstrating H&T's passion for developing and supporting its people to their full potential.

PROGRESSION AND RECOGNITION
H&T's retention strategy encourages its people to seek opportunities in the Company, across stores and head office in order to enhance their skills. We advertise all available positions weekly to every employee in order to help them in applying for these positions. 53% of our Deputy Manager and Store Manager roles were filled internally in 2015.

Our communities

It is our continued ambition to support local and national charities and organisations. This has continued throughout 2015 with a year filled with events, fun days and fundraising.

We have raised thousands of pounds and collected thousands of gifts for a number of organisations, see some examples below:

EASTER EGG COLLECTION
In April, we raised £1,000 and collected 5,000 Easter eggs for local and national children's charities and hospitals.

MACMILLAN PARTNERSHIP
In 2015, we launched our Macmillan partnership and commitment to raise enough money to fund a Macmillan nurse for a year. All H&T stores have embraced this challenge with a range of activities, including:

- The Big Slim: a summer challenge to get fit and raise money resulted in raising over £6,000 for Macmillan and over 30 stones in weight lost by store staff
- Macmillan Coffee Morning: On 26 September we took part in the World's Biggest Coffee Morning, with tea and cakes in our stores and head office
- Throughout the year there were a range of activities in stores including cake, book and plant sales; sporting challenges; raffles; themed fancy dress days; and entertainment events.

CHRISTMAS COLLECTIONS
Throughout December all stores ran a Christmas fundraising campaign, including collecting a total of 945 gifts for Mission Christmas, a charity which helps give children living in poverty a chance to enjoy Christmas. Other stores have collected money, food and presents for local children's charities and food banks.

WE ARE MACMILLAN. CANCER SUPPORT

MISSION CHRISTMAS cash for kids

Chief Executive's review

The solid performance of our core products and the successful development of new products demonstrates the ability of the business to adapt to the changing market environment.

Profit Before Tax
£6.8m
(2014: £5.5m)

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INTRODUCTION
H&T have traded well in a challenging market having stabilised our core pawnbroking business whilst also developing our other revenue lines. Profit before tax for the year increased to £6.8m (2014: £5.5m), an increase of 23.6%, principally as a result of growth in Personal Loans and Other Services.

Our store estate of 189 stores comprises 150 H&T Pawnbrokers stores and 39 est1897 second hand jewellery retail stores. During the year we have closed two underperforming H&T Pawnbrokers stores. In light of the current trading environment a small number of stores are expected to close during 2016.

The Group's development of Personal Loans, Buyback and FX supports the evolution of our business model to products with higher growth whilst also reducing our exposure to fluctuations in the gold price. The Group's online development continues with the implementation of a new mobile optimised website, new branding and a simpler customer journey. This activity has resulted in an improvement in website traffic and the online Personal Loans book in H2 2015.

THE MARKET
The high street alternative credit market is changing. We estimate that around one third of outlets operated by the major groups have closed since December 2013 as a result of the lower gold price and the higher standards required by the FCA.

The average gold price in 2015 was £759 per troy oz (2014: £768), a fall of 1.2% although the monthly averages ranged from a high of £825 in January 2015 to a low of £712 in December 2015. This reduction during the course of the year compressed the margins realised from purchasing scrap in particular.

The cost cap on pay day lending was implemented on 2 January 2015 and as expected this led to closures among our high street competitors.

The cost cap has also assisted our online development as the fees paid to brokers have reduced to a level where we can now acquire leads in a more cost effective way. This has helped the development of the online Personal Loan book to £0.3m at 31 December 2015 (2014: £0.1m), with the growth taking place during H2 2015.

The Group has managed external risks effectively and our financial stability, range of products and outstanding service delivery position us to take advantage of these changing market conditions.

Chief Executive's review (continued)

OUR STRATEGY

The Group's strategy is to serve a customer base whose access to mainstream credit is limited and for whom small sum loans can help get through short term financial challenges. The Group will continue to deliver this strategy by developing a range of lending products, both secured and unsecured, offered in-store and online.

The development of a strong retail proposition supports our lending and purchasing operations, improves returns and reduces the Groups exposure to gold price volatility. The continuing development of the est1897 brand could play an important part of this strategy in the future.

REGULATION

THE FINANCIAL CONDUCT AUTHORITY

The regulation of Consumer Credit moved from the Office of Fair Trading (OFT) to the Financial Conduct Authority (FCA) on 1 April 2014. The Group obtained authorisation from the FCA on 11 February 2016 and we welcome the higher standards that this change will bring to our sector.

The Group has appointed a head of compliance and established a risk committee comprised of independent Non-Executive Directors to oversee the Group's compliance framework. Our Non-Executive Directors have extensive experience with the regulatory requirements of the FCA and its predecessors and provide the Group with valuable support and insight into the new regime.

HIGH COST SHORT TERM CREDIT INTEREST RATE CAP

On 2 January 2015 the cost cap on the interest rate and charges that apply to high-cost short-term credit (HCSTC) came into effect. They are:

- a maximum charge of 0.8% per day on the amount borrowed
- a maximum of £15 fees on default
- a cap on the total costs incurred over the life of the loan of 100% of the amount borrowed

The definition of HCSTC is broad but provides a specific exemption for pawnbroking and certain other credit products at present.

The Group is well positioned for the new regulatory environment both in terms of our detailed preparation and the range of products we offer.

REVIEW OF OPERATIONS

The Group's total gross profits increased to £47.5m (2014: £45.7m) principally as a result of the improvements in the Pawnbroking Scrap, Personal Loans and Other Services segments.

The development in Personal Loans and Other Services is encouraging as we establish these high growth products in the store estate, collectively generating an additional £1.8m of gross profits in the year.

PAWNBROKING

The pledge book has increased 1.3% to £39.0m (2014: £38.5m). During the year the Group has focussed on enabling our staff to make sound lending decisions to maximise the potential in the market whilst managing financial risk.

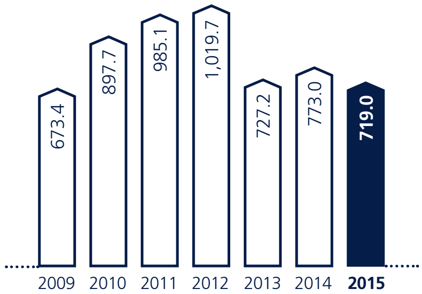
The Group's Pawn Service Charge was unchanged at £28.4m (2014: £28.4m) and now represents 59.9% of Group gross profit (2014: 62.1%).

The yield on the pledge book has improved to 73.4% (2014: 68.8%) as a result of the improvements in redemption delivered over recent years. The average monthly redemption of loans issued in 2012 was 75.6%, this has increased to 82.0% for loans issued in 2014 as a result of our high quality lending decisions, customer communication and, where appropriate, assisting customers into repayment plans for pawnbroking loans. The early redemption performance of loans issued in 2015 leads us to expect further improvements during the course of the year.

Total lending in 2015 increased 3.9% to £98.2m (2014: £94.5m), the average lending rate per gram being in line with 2014.

The Group implemented a number of initiatives during the year to support the pawnbroking proposition:

END OF PERIOD STERLING GOLD PRICE
(£ per troy oz)



PERSONAL LOANS
Gross profits increased
33.3%

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1) Continued development of "Expert Eye", a system which enables high definition magnified images to be sent from a store to our centre of excellence at the jewellery centre where the images are assessed and with telephone support the store is able to make a better loan decision
2) Relaunch of the online pawnbroking system to simplify the customer journey via the "We lend on anything" valuation portal and interaction with the "Expert Eye" valuation service
3) The development of the website to deliver a mobile optimised application process

The Group remains focussed on pawnbroking as the largest contributor to gross profits. Our continued delivery of excellent customer service and high quality lending decisions on a wide range of assets positions us well in this evolving market.

PAWNBROKING SCRAP
Pawnbroking Scrap produced a profit in the year of £0.1m (2014: £0.2m loss).

This result was expected given the relative stability in average gold prices between 2014 and 2015. We would not expect margins on pawnbroking scrap to return to historical levels as we seek to maintain a competitive proposition on lending and support the pledge book.

RETAIL
Retail sales decreased 4.5% to £29.5m (2014: £30.9m) and gross profit decreased 3.7% to £10.3m (2014: £10.7m). On a like for like basis direct margin from retail improved 1.3% with the growth coming from the est1897 retail focussed stores. Retail sales are stated net of margin scheme VAT payable, the cost of which increased in the year by an estimated £0.7m principally as a result of reduction in retail stocks.

The Group considers a successful retail offering to be a core part of our Group proposition. Pawnbroking and Gold Purchasing generate significant amounts of saleable jewellery which must be sold. While higher historic gold prices provided a reasonable return from scrapping gold, this disposition route is not suitable for gemset items or watches. The ability to sell items rather than scrap them also provides a higher return and reduces the Group's exposure to short term gold price volatility.

The three standalone Discount Secondhand Jewellery stores have provided a useful forum to test and develop new inventory lines and display techniques although they have yet to provide a meaningful contribution.

The 36 rebranded Discount Secondhand Jewellery stores have outperformed the core estate, delivering growth in direct retail margin of 5.8% year on year. The Group has completed a number of trials during the year to ascertain the correct balance between lending and retail activities in these stores and we expect further improvement in the future.

GOLD PURCHASING
During the year the average gold price fell from a high of £825 in January 2015 to a low of £712 in December 2015, the average for the year was £759 (2014: £768), a fall of 1.2%. This reduction during the course of the year reduces the margin realised from purchasing scrap and is the principal reason for the reduction in gross profits from purchasing to £2.3m (2014: £2.4m), a fall of 4.2%.

Following several years of decline the market for gold purchasing is now finding a new level. This stabilisation has allowed a focus on improving margins during H2 2015 which, while improving gross profits, has in turn resulted in a reduction in volumes during H2 2015. We estimate that the weight of fine gold purchased has reduced approximately 7.1% between 2014 and 2015.

Chief Executive's review (continued)

STORE DEVELOPMENT

	2009	2010	2011	2012	2013	2014	**2015**
Acquired	—	1	1	6	3	1	—
New Stores	17	12	24	22	5	4	—
Closed	—	—	—	(2)	—	(8)	**(2)**
Estate Total	**122**	**135**	**160**	**186**	**194**	**191**	**189**

BUYBACK
Value purchased increased to
£6.0m
(2014: £2.9m)

PERSONAL LOANS
Personal Loans gross profits increased 33.3% to £2.4m (2014: £1.8m); the loanbook net of provisions at 31 December 2015 was £4.2m (31 December 2014: £3.1m), an increase of 35.5%. The yield on the average monthly loanbook was 68.0% (2014: 69.5%), the slight reduction caused by the growth in the new customer numbers and development of the online product.

The Group considers the development of the Personal Loan product in-store and online to be a significant opportunity. H&T's personal loan product allows for loans of up to £2,000 over any term of up to two years based on affordability. Approximately 80% of the loans issued by the Group fell under the definition of high-cost short-term credit (HCSTC) during 2015 and as such must comply with additional rules under the new FCA regulatory regime.

The Group has positioned the product to be cheaper and more flexible than most comparable loans in the market and has applied robust affordability assessments including a manual review of each loan application. The Group intends to reduce the proportion of HCSTC loans over time as we develop lower cost, longer term loans for our customers.

We expect the in-store focus, new website, improved search engine optimisation, digital marketing and our presence on price comparison websites to increase volumes during 2016.

OTHER SERVICES
The Other Services segment has increased 44.4% to £3.9m (2014: £2.7m) principally as a result of the improvements in the recently introduced FX and Buyback products.

Buyback has been a particular success as part of the "We buy anything" proposition as the value purchased increased from £2.9m in 2014 to £6.0m in 2015. This improvement was achieved through simplification of the in-store valuation process using a new computer system and a measured extension to the assets accepted.

FX also continues to grow with gross profits increasing by 75.0% from £0.8m to £1.4m as the product becomes more established in the business.

Our continued investment in systems, training and store level point of sale materials will provide further growth as we establish these rapidly growing products in the business.

PROSPECTS
The demand for small sum, short term cash loans remains strong and by increasing the range of assets it accepts, by expanding Personal Loans and Other Services both in-store and online we are ideally positioned to capitalise on this changing marketplace.

Our continued investment in stores, people and systems has provided a strong platform to support growth. Current trading is in line with management's expectations for 2016.

I would also like to add my great thanks to those of the Chairman, in recognising all our people whose skills, commitment and enthusiasm continue to drive our success, and who give us confidence in the future.

JOHN G NICHOLS
Chief Executive

Finance Director's review

H&T's continued investment in our people, stores and systems have provided a platform for growth in this rapidly evolving market.

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FINANCIAL RESULTS
For the year ended 31 December 2015 gross profit increased 3.9% from £45.7m to £47.5m driven by the growth in the Personal Loans and Other Services segments.

Total direct and administrative expenses increased by 1.0% from £39.5m to £39.9m principally as a result of investment in staff to support business volumes and new initiatives. The Board considers the continued investment in people and systems to be vital in repositioning the business to take advantage of the current market conditions.

Finance costs were in line at £0.7m (2014: £0.7m).

Profit before tax increased by £1.3m to £6.8m, up 23.6% from £5.5m in 2014.

CASH FLOW
The Group generated positive cash flow from operating activities of £11.2m (2014: £14.4m). Working capital movements produced an inflow of £2.2m (2014: £6.2m) in the year with the £4.5m reduction in inventory being partially offset by the £1.4m growth in the pawnbroking and personal loans loanbooks.

BALANCE SHEET
As at 31 December 2015 the Group had net assets of £94.1m (2014: £90.9m) with period end net debt of £2.1m (2014: £9.7m) delivering a reduction in gearing to 2.2% (2014: 10.6%) (see note 26).

On 12 February 2016 the Group refinanced the existing facility with Lloyds Bank plc allowing for maximum borrowings of £30.0m, subject to covenants, at a margin of between 1.75% and 2.75% above LIBOR. At year end £13.0m was drawn on the facility and the Group was well within the covenants with a net debt to EBITDA ratio of 0.20x and interest to EBITDA ratio of 20.4x. The new facility has a termination date of 30 April 2020.

The combination of low gearing and a secure long term credit facility provides the Group with the ability to make selective investments in the future while maintaining appropriate headroom.

INVESTMENTS
During the year the Group completed the acquisition of three pawnbroking loan books for a total consideration of £0.1m.

IMPAIRMENT
The reduced gold price has impacted the earnings of the Group and of the stores that have been acquired historically. The Group performs an annual review of the expected earnings of each acquired store and considers whether the associated goodwill and other property, plant and equipment are impaired. There was no requirement for impairment during 2015 (2014: £99k).

SHARE PRICE AND EPS
At 31 December 2015 the share price was 197.0p (2014: 160.0p) and market capitalisation was £72.6m (2014: £59.0m). Basic earnings per share was 14.88p (2014: 11.78p), diluted earnings per share was 14.86p (2014: 11.78p) and diluted net assets per share equated to 260p (2014: 247p).

The Group's market capitalisation remained below net asset value during the year as the continued pressure on earnings depressed market confidence. The Board believe that the action taken to stabilise the pledge book, drive alternative earning streams, control costs and de-risk the balance sheet will build confidence.

STEPHEN A FENERTY
Finance Director

Risks and uncertainties

The Board formally reviews the material risks and ensures that these are appropriately managed by the executive management team.

The Board retains ultimate responsibility for the Group's risk management framework, including reviewing its effectiveness. The Board has delegated responsibility for annually reviewing the overall effectiveness of the risk management programme to the Audit Committee. The internal audit function provides assurance to the Audit Committee on the effectiveness of the internal control procedures through completion of the annual internal audit plan, which takes into account current business risks.

The Group's risk management framework is embedded in the Group's management and governance processes and is overseen by the Board. Risks are identified at both a Board and an operational level, they are assessed and, where appropriate, individuals within the business are given responsibility for the management of that risk. The Group has in place formal processes for the identification of new risks or a change to an existing risk. The Risk Committee oversees a formal periodic review of our assessment of individual risks, mitigating activities and associated remedial actions.

The table opposite sets out the principal risks and uncertainties facing the Group and how we mitigate them. This is not an exhaustive analysis of all the risks the Group may face as there may be additional risks and uncertainties that are not currently known to the Board or have not been included in this section on the basis that they are not considered to be material.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a number of financial risks including interest rate risk, credit risk, liquidity risk and price risk. The use of financial derivatives is governed by the Group's policies approved by the Board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

A summary of the principal financial risks is provided below. Further detailed discussion is provided in note 26 to the consolidated financial statements.

INTEREST RATE RISK

The Group's activities expose it primarily to the financial risks of changes in interest rates. Finance costs have reduced as a result of lower interest rates and lower loan balances and at present the Board does not consider it necessary to enter into a hedging arrangement. This position is reviewed by the Board on a regular basis.

CREDIT RISK

The Group's principal financial assets are bank balances and cash, trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables, the most significant of which are the pledge book, the Personal Loan book and Cheque Cashing balances. In all cases, exposure on trade and other receivables is spread over a large number of counterparties and customers.

The risk attributable to the pledge book is further mitigated due to the presence of security (the customer's pledges) which can be easily liquidated in almost all cases fully recovering the amount lent.

The risks attached to the unsecured Personal Loan book are mitigated by the continual monitoring of bad debts and a possible modification of lending criteria. The Group performs an external credit check prior to lending. Similar procedures mitigate the risks associated with Cheque Cashing activities.

The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is considered to be low as funds are held with financial institutions with high credit-ratings assigned by international credit-rating agencies to the Group's bankers as shown below:

MOODY'S CREDIT RATING	
Barclays Bank plc	**A2**
The Royal Bank of Scotland plc	**A3**
Lloyds TSB Bank plc	**A1**

The Group has no significant concentration of credit risk other than on bank balances of £580,917 (2014: £151,000) with Royal Bank of Scotland plc, £880,801 with Barclays Bank plc (2014: £3,728,621) and £3,761,106 (2014: £66,000) with Lloyds Bank plc.

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PRINCIPAL RISKS AND UNCERTAINTIES

AREA	DESCRIPTION OF RISK	EXAMPLES OF MITIGATING ACTIVITIES
REGULATORY RISK	Loss arising from a breach of existing regulation or regulatory changes in the markets within which the Group operates.	• Experienced Board both in Credit and FCA regulated businesses • Dedicated Internal Audit and Compliance functions • Well-developed procedures, training, systems and operational controls • Head of Compliance monitors legislative changes and supports departmental compliance functions as required • Expert third-party legal and / or compliance advice is sought where necessary • Membership of appropriate trade associations who assist with both regulatory awareness and relationships
GOLD PRICE	A significant fall in the gold price impacting the security of pledge and the revenues from scrap operations.	• Ensure sufficient headroom on bank covenants to absorb a reduction in gold price, should it occur, without covenant breach • Monitoring of gold price at Board level • Annual testing of forecasts sensitised for gold price • Maintenance of appropriate margin between pledge value and gold price • Lending on alternative high value items • Review possible use of hedging instruments • Focus on increasing redemption rates to minimise reliance on disposition • Increase retail sales as a disposition hedge
THEFT AND FRAUD	Loss of inventory or pledge.	• High levels of physical security • Insurance for material losses • Systems and procedures to minimise risk
	Internal theft and fraud.	• Ensure staff are highly motivated • Avoid lone working to reduce opportunity • Internal audit team focused on loss prevention and other manipulation for personal gain • Fair, ethical, compliant and competitive incentive schemes and other benefits offered
REPUTATIONAL RISK	An event or circumstance could adversely impact on the Group 's reputation, including adverse publicity from the activities of legislators, pressure groups and the media.	• Consider regulatory and reputational impact of business changes • Maintain focus on competitive advantage of customer service • Ensure staff are highly motivated • Ensure high level of compliance in product and service delivery • Ensure price or short term earnings are not the dominant factor in decision making

Risks and uncertainties (continued)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

LIQUIDITY RISK
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term debt finance. At 31 December 2015, the Group had sufficient headroom on its current borrowings and remains in full compliance with all loan covenants.

Furthermore, the Company will review at the appropriate time, the possibility of raising future equity finance or refinance existing banking facilities to expand activities.

PRICE RISK
With regard to the current balance sheet position, the Group is not exposed to price risk, as the majority of its jewellery and all of its scrap gold is obtained through unredeemed pledges, which have a cost to the Group which is lower than the retail value. The Group is however exposed to adverse movements in the price of gold in its gold scrap activities and the value of the pledge collaterals. Should the price of gold drop significantly, the Group can mitigate that risk by changing its lending policy on pawnbroking pledges or by entering hedging instruments. Currently the Group has no gold hedge in place, although this is reviewed by the Board on a regular basis.

EXCHANGE RATE RISK
While the Group's activities are wholly conducted in the United Kingdom, the Group is impacted by foreign currency exchange rates affecting the gold price exchange from USD to GBP and the revaluation of foreign currency cash holdings in store.

STRATEGIC REPORT APPROVAL
The Strategic Report incorporates the Overview and Key Performance Indicators, the Chairman's Statement, the Chief Executive's Review, the Finance Director's Review and the Risks and Uncertainties.

By order of the Board

STEPHEN A FENERTY
Company Secretary

2 March 2016

Directors, officers and advisers

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EXECUTIVE DIRECTORS

JOHN G NICHOLS
CHIEF EXECUTIVE, 65
After an early career in the RAF, John entered the leisure industry with the Rank Organisation where he held several senior executive positions. John joined H&T as Managing Director in 1997 and subsequently became Chief Executive. He has been instrumental in developing and implementing the business strategy and delivering growth in stores, revenues and profitability.

STEPHEN A FENERTY
FINANCE DIRECTOR, 42
Stephen trained with KPMG's banking and finance team and is a member of the Institute of Chartered Accountants in England and Wales, since then he has pursued a variety of management roles in the alternative credit sector. Stephen joined H&T in March 2005 as Commercial Director before taking on the role as Finance Director in December 2013. Stephen has direct responsibility for finance, IT, unsecured lending, acquisitions, compliance and credit risk.

NON-EXECUTIVE DIRECTORS

PETER D MCNAMARA
CHAIRMAN, 65
Peter spent the majority of his career with Lloyds Bank plc, as chief manager for strategic planning, mergers and acquisitions, and then as the managing director of Personal Banking. He subsequently served as group managing director of the Alliance & Leicester plc and Chief Executive of Wesleyan Assurance Society, a mutual life insurance business. In 2002 he left to become Chairman and subsequently executive Chairman of Moneybox plc, the leading ATM deployer operating in the UK, Germany and the Netherlands, which he led to flotation on AIM.

In 2006 he set up a new ATM business, Notemachine Ltd and is the CEO.

MALCOLM L BERRYMAN
NON-EXECUTIVE DIRECTOR, 61
Malcolm is currently a Non-Executive Director at Southern Health NHS Foundation Trust and runs his own consultancy business primarily involved in life and general insurance. Between 1990 and 2005, he was Chief Executive of two Insurers, Liverpool Victoria and Crown Financial Management. He qualified as an Actuary in 1983.

JAMES F THORNTON
NON-EXECUTIVE DIRECTOR, 58
James Thornton has more than fifteen years of experience in UK financial services organisations, most recently as a Director at Hannam & Partners, from 2009-2015, and previously as Head of Finance at BAT Industries, Group Deputy Finance Director and UK Finance Director at Old Mutual plc and Head of Foreign Exchange at IFX plc. James has also held senior positions with Lord Ashcroft KCMG associated companies – Anne Street Partners and Global Health Partner plc. James is a Fellow of the Institute of Chartered Accountants and has a MBA from Harvard Business School. He is a graduate of Magdalene College, Cambridge University where he obtained a MA (Hons) in Classics and Law.

Directors, officers and advisers (continued)

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INDEPENDENT AUDITOR
Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley
United Kingdom

BANKERS
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66 – 67 Cornhill
London
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Corporate governance

The directors recognise the importance of adopting good corporate governance practices in the best interests of all shareholders. Although the Company is not required to report on compliance with the UK Corporate Governance Code ("the Code") since its shares are traded on the AIM Market, the Company applies the principles of sound Corporate Governance in the following ways:

DIRECTORS

THE BOARD

The Board comprises two Executive Directors and three Non-Executive Directors. Their biographies appear on page 19. A review of these shows a range of experience and expertise sufficient to bring independent judgement on issues of strategy, performance, resources and standards of conduct which is vital to the success of the Group. The three Non-Executive Directors each hold shares as disclosed on page 23. However, because the number of shares held is small, there is no entitlement to share options for Non-Executives, and there are no cross directorships between Executive and Non-Executive Directors, the Non-Executive Directors are considered to be independent.

BOARD MEETINGS

The Board is responsible to the shareholders for the proper management of the Group. A Directors' responsibilities statement in respect of the financial statements is set out in this Annual Report on page 28.

The Board meets 10 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 include the determination of strategy, approval of new stores and acquisitions, approval of budget and major capital expenditure.

At Board meetings, the agenda normally comprises a review of the management financial statements, a CEO review of operations, a review of new store proposals and potential acquisitions and an update on the progress of the Group's other strategic objectives.

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

The following committees deal with the specific aspects of the Group's affairs:

REMUNERATION COMMITTEE

The Remuneration Committee comprises three independent Non-Executive Directors of the Company. The members of the Committee are:

- Malcolm L Berryman (Chairman)
- Peter D McNamara
- James F Thornton

The Committee meets at least twice in each year and at such other times as the Chairman of the Committee sees fit.

The Chairman 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 Chairman, Executive Directors and any employees that the Board delegates to it;
- 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 recognised;
- in determining individual packages and arrangements, give due regard to the comments and recommendations of the Code;
- be told of and be given the chance to advise on any major changes in employee benefit structures in the Company;
- recommend and monitor the level and structure of remuneration for senior managers below Board level as determined;
- agree the policy for authorising claims for expenses from the Chief Executive and from the Chairman of the Board; and
- recommend an annual report for the Board to put to Shareholders on executive remuneration compliant with relevant legal and regulatory provisions.

The Committee is authorised by the Board to:

- seek any information it requires from any employee of the Group in order to perform its duties;
- 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; and
- obtain, at the Group's expense, outside legal or other professional advice where necessary in the course of its activities.

AUDIT COMMITTEE

The Audit Committee comprises three independent Non-Executive Directors of the Company. The members of the Committee are:

- James F Thornton (Chairman)
- Malcolm L Berryman
- Peter D McNamara

The Audit Committee reviews each year the arrangements for safeguarding auditor objectivity and independence. The Audit Committee reviews the scope, results and cost-effectiveness of internal and external audit, and 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 on the independence and objectivity of external auditors and the independence of internal auditors. As directed by the Audit Committee, the principal function of the Group's internal audit team is to verify the physical presence and control procedures surrounding the cash, pledge and inventory balances within stores and the Group's Jewellery Centre. The Committee reviews the operation of internal controls and reports to the Board on the annual review of the internal control and risk management.

RISK COMMITTEE

The Risk Committee comprises three independent Non-Executive Directors of the Company. The members of the Committee are:

- Malcolm L Berryman (Chairman)
- Peter D McNamara
- James F Thornton

Corporate governance (continued)

The Risk Committee is responsible for reviewing and reporting to the Board on:

- the Group's risk appetite (the extent and categories of risk which the Board regards as acceptable for the Company to bear);
- the Group's risk management and internal controls framework (it's principles, policies, methodologies, systems, processes, procedures and people); and
- in respect of the processes and procedures, the arrangements for the identification, assessment, monitoring management and oversight of risk.

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

NOMINATION COMMITTEE

The Nomination Committee comprises three independent Non-Executive Directors of the Company. The members of the Committee are:

- Peter D McNamara (Chairman)
- Malcolm L Berryman
- James F Thornton

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.

INTERNAL CONTROL

The Board acknowledges that it is responsible for the Group's system of internal control and for the continuing process of reviewing the effectiveness of the internal controls. Internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The directors confirm that they have reviewed the effectiveness of the systems of internal control that have been in operation during the year. The Group has an internal audit function principally for periodic store visits.

INTERNAL CONTROL: FINANCIAL

The internal control process has been reviewed and its main features are:

- Financial Reporting: there is a comprehensive budgeting system with an annual budget approved by the Board. Monthly trading results are reported against the corresponding figures for the budget and previous year. The Board also reviews re-forecasts on a regular basis.
- Capital Expenditure: there is a comprehensive budgeting system for capital expenditure with an annual budget approved by the Board. The Finance Director authorises individual items of capital expenditure and material items are also authorised by the Board or CEO.
- Cash flow: an annual cash flow forecast is drawn up and approved by the Board and actual cash flow is reviewed monthly against this forecast.
- Organisational Structure: a clear organisational structure with defined responsibilities and clear authority levels has been set.
- Store Audits: a Stores Audit function exists to ensure that Group procedures regarding cash, pledges and stock handling are being adhered to. The store internal audits are performed biannually.

INTERNAL CONTROL: RISK MANAGEMENT

During the year, the Group had in place formalised procedures to identify, evaluate and manage significant risks and to enable management to assess and regularly report to the Board on issues relating to business, operational, financial, regulatory and non-compliance risks.

RELATIONS WITH SHAREHOLDERS

The Board recognises the importance of communications with shareholders. The Chief Executive's Review and the operational review on pages 11 to 14 include 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.

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The main activities of the Group continue to be pawnbroking, gold purchasing, retail of jewellery, cheque cashing, unsecured lending and other related services operated through Harvey & Thompson Limited. The principal activity of the Company is that of a non-trading holding company for Harvey & Thompson Limited and H&T Finance Limited.

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 Chairman's Statement, Chief Executive's Review and Finance Director's Review on pages 2, 11-14 and 15.

DIVIDENDS

The directors propose a final dividend of 4.5p (2014: 2.7p) per share subject to approval at the Annual General Meeting on 28 April 2016. This proposed dividend, in accordance with IAS 10 'Events after the balance sheet date' for the Group, and, FRS 21 'Events after the balance sheet date' for the Company, has not been provided for in the attached financial statements. During the year, the Company paid the final dividend for the year ended 31 December 2014 of 2.7p per share and an interim dividend for the year ended 31 December 2015 of 3.5p per share (2014: 2.1p 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. As disclosed in note 27, during the period no new ordinary shares (2014: no new ordinary shares) of £0.05 each were issued, called up and fully paid as part of the Group's share option and long term incentive plans.

The nominal issued share capital as at 31 December 2015 was £1,842,813 (31 December 2014: £1,842,813).

As at 31 January 2016, the Company has been notified of the following voting rights by major shareholders of the Company:

Name of holder	Percentage of voting rights and issued share capital
Artemis Investment Management	17.7%
Fidelity Worldwide Investment	10.0%
Henderson Global Investors	9.6%
Fidelity Management & Research	8.4%
Close Brothers Asset Management	4.9%
Octopus Investments	3.9%
Directors	3.8%
NBIM	3.5%
Hof Hoomeman Bankiers	2.6%
River and Mercantile Asset Management	2.2%

Details of employee share schemes are set out in note 28. Under these share schemes, there are currently potentially an additional 1,583,152 shares that will be issued to current option holders at the call of the option holder. Under its Articles of Association, the Company has authority to allot under these share schemes, for cash, up to a maximum of 3,685,626 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 10 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 are no other potentially dilutive equity instruments in the Company in issue at 31 December 2015 or 31 December 2014.

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 Acts 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 employees' 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 employees 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

J G Nichols
S A Fenerty

NON-EXECUTIVE

P D McNamara
M L Berryman
J F Thornton

The directors hold the following notifiable beneficial interests in the ordinary share capital of the Company:

Director	Type of Share	At 1 January 2015	Acquired in the year	Disposed of in the year	At 31 December 2015
J G Nichols	Ordinary 5p shares	1,079,530	—	—	1,079,530
S A Fenerty	Ordinary 5p shares	305,933	—	—	305,933
P D McNamara	Ordinary 5p shares	17,351	—	—	17,351
M Berryman	Ordinary 5p shares	2,000	—	—	2,000
J F Thornton	Ordinary 5p shares	5,000	—	—	5,000

Directors' report (continued)

DIRECTORS AND THEIR INTERESTS (CONTINUED)

As a result of the Approved and Unapproved Share Option Schemes operated by the Group, the directors have a beneficial interest in the following options granted over ordinary shares in H&T Group plc:

Director	At start of year No.	Granted during the year No.	Exercised during year No.	Forfeited during the year No.	At end of year No.	Exercise price pence	Market price on date exercised pence	Date from which exercisable	Expiry date
J G Nichols									
– 2006 Scheme	87,397	—	—	—	87,397	182.5p	—	8/9/2009	7/9/2016
– 2007 Scheme	78,390	—	—	—	78,390	217.5p	—	17/5/2010	16/5/2017
– 2008 Scheme	92,293	—	—	—	92,293	175.5p	—	15/5/2011	14/5/2018
– 2009 Scheme	87,628	—	—	—	87,628	194.0p	—	1/5/2012	30/4/2019
– 2010 Scheme	93,686	—	—	—	93,686	245.5p	—	20/4/2013	19/4/2020
	439,394	—	—	—	439,394				
S A Fenerty									
– 2006 Scheme	51,233	—	—	—	51,233	182.5p	—	8/9/2009	7/9/2016
– 2007 Scheme	45,517	—	—	—	45,517	217.5p	—	17/5/2010	16/5/2017
– 2008 Scheme	59,544	—	—	—	59,544	175.5p	—	15/5/2011	14/5/2018
– 2009 Scheme	61,855	—	—	—	61,855	194.0p	—	1/5/2012	30/4/2019
– 2010 Scheme	54,989	—	—	—	54,989	245.5p	—	20/4/2013	19/4/2020
	273,138	—	—	—	273,138				

No share options were granted to any director in 2013, 2014 and 2015.

The following directors have also a beneficial interest in conditional shares granted as part of the Long Term Incentive Plan (further details are provided within note 28):

Director	At start of year No.	Granted during the year No.	Exercised during the year No.	Forfeited during the year No.	At end of year No.	Exercise price pence	Date when conditional grant is achievable
J G Nichols							
– 2012 LTIP	80,778	—	—	(80,778)	—	—	17/4/2015
– 2013 LTIP	82,276	—	—	—	82,276	—	28/3/2016
	163,054	—	—	(80,778)	82,276		
S A Fenerty							
– 2012 LTIP	40,301	—	—	(40,301)	—	—	17/4/2015
– 2013 LTIP	41,048	—	—	—	41,048	—	28/3/2016
	81,349	—	—	(40,301)	41,048		

At 31 December 2015, the market price of H&T Group plc's shares was 197p and the range during the year ended 31 December 2015 was 156p – 208p.

At 31 December 2014, the market price of H&T Group plc's shares was 160p and the range during the year ended 31 December 2014 was 145p – 188.5p.

None of the directors hold any interests in the shares of any other company within the H&T Group plc group.

At the forthcoming annual general meeting of the Company, the following directors will by rotation be offering themselves for re-election:

- M Berryman
- J F Thornton

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 him in defending proceedings which relate to any acts or omissions in his capacity as officer of the Company. In addition, the Company maintains insurance for the benefit of the directors in respect of such matters which it considers to be appropriate. These arrangements were in force throughout the whole of the current and preceding financial years.

AGGREGATE DIRECTORS' REMUNERATION

The total amounts for directors' remuneration were as follows:

	2015 £	2014 £
Emoluments	**597,935**	585,344
Amounts gained under long term incentive schemes	**—**	72,880
Money purchase pension contributions	**42,445**	41,439
	640,380	699,663

DIRECTORS' EMOLUMENTS AND COMPENSATION

Director	Fees/Basic salary £	Benefits in kind £	Annual bonuses £	**2015 Total £**	2014 Total £
Executive					
J G Nichols	244,061	12,055	—	**256,116**	252,266
S A Fenerty	180,393	9,709	—	**190,102**	183,603
Non-Executive					
P D McNamara	70,568	—	—	**70,568**	69,525
M Berryman	41,818	—	—	**41,818**	41,200
J F Thornton	39,331	—	—	**39,331**	38,750
Aggregate emoluments	576,171	21,764	—	**597,935**	585,344

DIRECTORS' BONUS SCHEMES

Remuneration Committee consider 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 the 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.

The 2015 bonus structure was as follows:

- Executive Directors receive a percentage of salary for achieving a minimum target based on Group profit before tax and personal objectives; and
- For each 1% out-performance to the target additional percentages are paid up to a maximum of 35% over the target. No director can receive a bonus of more than 145% of salary.

There were no Bonuses paid to directors in relation to 2015.

The 2016 directors' bonus scheme is the same structure as the 2015 scheme.

In 2015 the Board established a long term bonus plan based on the profit performance of the business over the period to 2020. The 2015 scheme covers the initial period 2015 – 2017 and provides for a payment of no more than 100% of the base salary of the director.

Directors’ report (continued)

DIRECTORS’ PENSION ENTITLEMENTS

Two directors (2014: 2) were members of money purchase schemes during the year. Contributions paid by the Company in respect of such directors were as follows:

	2015 £	2014 £
J G Nichols	**24,406**	24,045
S A Fenerty	**18,039**	17,394
	42,445	41,439

PERSONNEL

Details of the number of employees and related costs can be found in note 9 to the consolidated financial statements. All employees have contracts of employment with Harvey & Thompson Limited, the trading subsidiary in the H&T Group plc group.

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

All employees are incentivised through different bonus schemes. Store managers and management also qualify for the approved share option scheme (ASOS) while directors and senior management also qualify for the unapproved share option scheme (USOS). The Executive Directors also qualify for the Long Term Incentive Plan (LTIP). Further details on share option plans are provided in note 28.

EMPLOYEE CONSULTATION

Consultation with employees 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 employees 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, weekly information bulletins, employee surveys, a quarterly newsletter and every year through a store managers’ conference.

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 employees who have become disabled whilst in the Group’s employment.

SUPPLIER PAYMENT POLICY

The Group’s policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade payables of the Group at 31 December 2015 were equivalent to 30 (2014: 29) days’ purchases, based on the average daily amount invoiced by suppliers during the year.

CHARITABLE AND POLITICAL CONTRIBUTIONS

During the year the Company and Group made donations to registered local and national charities of £6,200 (2014: £5,500). No political contributions were made during the year (2014: £nil).

GOING CONCERN

The Group delivered profit after tax of £5.4m for the year ended 31 December 2015 (2014: £4.3m). The Group has also increased its net assets to £94.1m (2014: £90.9m). The Group's net debt balance decreased by £7.6m during 2015 highlighting the Group's ability to manage its working capital use and generate strong cash flows.

The Board has approved a detailed budget for 2016, which indicates surplus cash generated from operations after accounting for the Group's forecast levels of capital expenditure. On 12 February 2016 the Group refinanced the existing facility with Lloyds Bank plc allowing for maximum borrowings of £30.0m, subject to covenants, which is not due to expire until April 2020. At year end £13.0m was drawn on the facility. 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 2016. The Board is also confident of meeting all covenant tests during the year.

In considering the going concern basis of preparation longer term forecasts are also reviewed by the Board, with the 'base case' financial forecasts revealing no inability to meet financial covenants or repay liabilities. Sensitivity analysis under less favourable scenarios designed to test the point at which the Group will either have insufficient headroom or breach financial covenants have also been prepared and reviewed. The Board considers the selected scenarios as remote, and is comfortable that mitigating strategies are available to the Group to offset liquidity constraints.

We believe that the current economic climate should have no significant negative impact to our business model. The Group offering is principally through secured lending against pledges. The Group 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 and precious stones. The Group has no reason to believe that the value will not be maintained in the near future. Further details are provided in note 26.

Based on the above considerations and after reviewing in detail 2016 and Q1 2017 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.

INDEPENDENT AUDITOR AND STATEMENT OF PROVISION OF INFORMATION TO THE INDEPENDENT AUDITOR

Deloitte 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 he ought to have taken as a director in order to make himself 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 of directors and signed on behalf of the Board

J G NICHOLS
Chief Executive

2 March 2016

Directors' responsibilities statement

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 have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have elected to prepare the 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 financial statements 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 judgments 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 are 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 and enable them 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.

RESPONSIBILITY 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 responsibility statement was approved by the Board of directors on 2 March 2016 and is signed on its behalf by.

By order of the Board

J G NICHOLS
Chief Executive

2 March 2016

S A FENERTY
Finance Director

2 March 2016

Independent Auditor's report

to the members of H&T Group plc

We have audited the Group financial statements of H&T Group plc for the year ended 31 December 2015 which comprise the Group statement of comprehensive Income, the Group statement of changes in equity, the Group balance sheet, the Group cash flow statement and the related notes 1 to 33. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the Group financial statements are prepared is consistent with the Group financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- 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.

OTHER MATTER

We have reported separately on the Parent Company financial statements of H&T Group plc for the year ended 31 December 2015.

ROBERT KNIGHT (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley, United Kingdom

2 March 2016

Group statement of comprehensive income

For the year ended 31 December 2015

Continuing operations	Note	2015 £'000	2014 £'000
Revenue	5,6	**89,244**	87,696
Cost of sales		**(41,782)**	(42,019)
Gross profit	6	**47,462**	45,677
Other direct expenses		**(31,968)**	(31,627)
Administrative expenses		**(7,976)**	(7,833)
Operating profit		**7,518**	6,217
Investment revenues	5,10	**1**	1
Finance costs	11	**(679)**	(708)
Profit before taxation	7	**6,840**	5,510
Tax charge on profit	12	**(1,462)**	(1,255)
Profit for the financial year and total comprehensive income		**5,378**	4,255

Earnings per share		2015 Pence	2014 Pence
Basic	13	**14.88**	11.78
Diluted	13	**14.86**	11.78

Group statement of changes in equity

For the year ended 31 December 2015

	Note	Share capital £'000	Share premium account £'000	Employee Benefit Trust shares reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2014		1,843	25,409	(38)	60,914	88,128
Profit for the financial year		—	—	—	4,255	4,255
Total income for the financial year		—	—	—	4,255	4,255
Share option movement	28	—	—	—	246	246
Dividends paid	14	—	—	—	(1,769)	(1,769)
Employee benefit trust shares	28	—	—	3	—	3
At 1 January 2015		**1,843**	**25,409**	**(35)**	**63,646**	**90,863**
Profit for the financial year		**—**	**—**	**—**	**5,378**	**5,378**
Total income for the financial year		**—**	**—**	**—**	**5,378**	**5,378**
Share option movement	28	**—**	**—**	**—**	**104**	**104**
Dividends paid	14	**—**	**—**	**—**	**(2,285)**	**(2,285)**
At 31 December 2015		**1,843**	**25,409**	**(35)**	**66,843**	**94,060**

Group balance sheet

As at 31 December 2015

	Note	**31 December 2015 £'000**	31 December 2014 £'000
Non-current assets			
Goodwill	15	**17,707**	17,707
Other intangible assets	16	**752**	1,056
Property, plant and equipment	17	**8,138**	9,954
Deferred tax assets	24	**542**	527
		27,139	29,244
Current assets			
Inventories	19	**24,802**	29,271
Trade and other receivables	20	**50,893**	49,423
Other current assets	20	**646**	229
Cash and cash equivalents	21	**10,923**	8,250
		87,264	87,173
Total assets		**114,403**	116,417
Current liabilities			
Borrowings	23	**—**	(1,925)
Trade and other payables	22	**(5,482)**	(6,053)
Current tax liabilities	22	**(645)**	(328)
		(6,127)	(8,306)
Net current assets		**81,137**	78,867
Non-current liabilities			
Borrowings	23	**(12,911)**	(15,758)
Provisions	25	**(1,305)**	(1,490)
		(14,216)	(17,248)
Total liabilities		**(20,343)**	(25,554)
Net assets		**94,060**	90,863
Equity			
Share capital	27	**1,843**	1,843
Share premium account		**25,409**	25,409
Employee Benefit Trust shares reserve	27	**(35)**	(35)
Retained earnings		**66,843**	63,646
Total equity attributable to equity holders		**94,060**	90,863

The financial statements of H&T Group plc, registered number 05188117, were approved by the Board of directors and authorised for issue on 2 March 2016.

They were signed on its behalf by:

J G NICHOLS
Chief Executive

Group cash flow statement

For the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Net cash generated from operating activities	30	**11,209**	14,373
Investing activities			
Interest received		**1**	1
Proceeds on disposal of property, plant and equipment		**—**	52
Purchases of property, plant and equipment		**(1,207)**	(1,117)
Acquisition of trade and assets of businesses		**(120)**	(469)
Net cash used in investing activities		**(1,326)**	(1,533)
Financing activities			
Dividends paid	14	**(2,285)**	(1,769)
Decrease in borrowings		**(3,000)**	(10,000)
Decrease in Bank overdraft		**(1,925)**	(1,075)
Loan to the Employee Benefit Trust for acquisition of own shares		**—**	3
Net cash used in financing activities		**(7,210)**	(12,841)
Net increase in cash and cash equivalents		**2,673**	(1)
Cash and cash equivalents at beginning of the year		**8,250**	8,251
Cash and cash equivalents at end of the year		**10,923**	8,250

Notes to the consolidated financial statements

For the year ended 31 December 2015

1. GENERAL INFORMATION

H&T Group plc is a company incorporated in the United Kingdom under the Companies Acts. The address of the registered office is given on page 20. The nature of the Group's operations and its principal activities are set out in note 6 and in the Chairman's Statement, Chief Executive Officer's Review, the Finance Director'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

ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the following new and revised standard and interpretations have been adopted:

Amendments to IAS 19	Employee benefits

None of the new or revised standards that have been adopted affected the amounts reported in the financial statements.

STANDARDS NOT AFFECTING THE REPORTED RESULTS AND FINANCIAL POSITION

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

IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants
Amendments to IAS 27	Equity Method in Separate Financial Statements
Amendments to IFRS 10, IFRS 12 and IAS 28	Sale or Contribution of Assets between, Disclosure of Interests in Other Entities and Investor and its Associate or Joint Venture
Amendments to IAS 1	Disclosure initiative
Annual Improvements to IFRSs: 2010-2012	Amendments to: IFRS 2 Share-based Payment, IFRS 3 Business Combinations, IFRS 8 Operating Statements, IFRS 13 Fair Value Measurement, IAS 16 Property, Plant and Equipment, IAS 24 Related Party Disclosures and IAS 38 Intangible Assets
Annual Improvements to IFRSs: 2011-2013	Amendments to: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 3 Business Combinations, IFRS 13 Fair Value Measurement and IAS 40 Investment Property
Annual Improvements to IFRSs: 2012-2014	Amendments to: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures, IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. Beyond the information above it is not practicable to provide a reasonable estimate of the impact of IFRS 9 and IFRS 15 until a detailed review has been completed.

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

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

Upon lease commencement a lessee recognises a right-of-use asset and a lease liability.

The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate.

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

3. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the European Union and therefore the Group financial statements comply with The AIM Rules.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

The principal 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.

GOING CONCERN
The directors have, at the time of approving the financial statements, 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.

GOODWILL
Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, or trade and assets previously operated through either sole partnership in limited companies with no audited financial statements at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the Consolidated Statement of comprehensive income and is not subsequently reversed.

CGU's 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. Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment annually as described above.

INTANGIBLE ASSETS
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 arising in business combinations, or meet the recognition criteria of IAS 38, "Intangible Assets", being principally computer software assets.

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 (6 to 8 years).

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:

SHORT LEASEHOLD PREMISES	
– Leasehold improvements	Shorter of 7 years or life of lease
COMPUTER EQUIPMENT	
– Computer hardware	3 to 5 years
FIXTURES AND FITTINGS	10 years
MOTOR VEHICLES	4 years

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

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

Notes to the consolidated financial statements

For the year ended 31 December 2015 (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 amount originally loaned, plus overheads directly related to bringing inventory to its present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Where necessary provision is made for obsolete, slow moving and damaged inventories.

FINANCIAL ASSETS

In accordance with IAS 39, 'Financial Instruments: Recognition and Measurement' the Group has classified its financial assets as 'loans and receivables' and financial assets at 'fair value through profit and loss'.

LOANS AND RECEIVABLES

The principal financial assets included in this measurement category are:

Trade receivables

Trade receivables represent amounts due from customers in the normal course of business. Trade receivables include certain amounts, namely pledge receivables and Personal Loan debtors which are interest bearing. The accrued interest arising on these interest bearing assets is included in prepayments and accrued income using the effective interest method. All other amounts which are not interest bearing are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts, which are charged to the Consolidated Statement of Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents include cash at hand and deposits held with banks with original maturities of three months or less.

FINANCIAL ASSETS AT FVTPL

Only the Group's derivative financial instruments are recorded as financial assets at FVTPL. Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been reduced.

Objective evidence of impairment could include:

- significant financial difficulty of the counterparty; or
- default on payments; or
- it becoming probable that the counterparty will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are immediately recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Consolidated Statement of Comprehensive Income to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

FINANCIAL LIABILITIES AND EQUITY

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

EQUITY INSTRUMENTS

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL LIABILITIES AND EQUITY (CONTINUED)

FINANCIAL LIABILITIES

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Only the Group's derivative financial instruments are recorded as financial liabilities at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. All other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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 Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates 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.

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. Deferred tax is charged or credited in the Consolidated Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax 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.

LEASES

Leases taken by the Group are assessed individually as to whether they are finance leases or operating leases. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease rental payments are recognised as an expense in the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term. The benefit of lease incentives is spread over the term of the lease.

The Group currently has no finance leases.

PROVISIONS

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

All the Group's premises are leased under operating leases. The majority of the leases include end of lease rectification clauses which impose certain requirements on the Group to complete repairs and maintenance, or re-decoration 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 it 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.

Notes to the consolidated financial statements

For the year ended 31 December 2015 (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EMPLOYEE BENEFIT TRUST SHARES

Under the terms of the Group Long Term Incentive Plan ('LTIP') for the directors, the Parent Company issued certain shares to an Employee Benefit Trust, paid for through the issuance of a loan to the Trust from the Group. The award of shares under the LTIP is conditional upon certain vesting criteria, as outlined in note 28. The fair value of the awards made is measured under the policy disclosed below for Share Options.

The Group presents the conditional shares as an adjustment to own equity at the balance sheet date through the Employee Benefit Trust shares reserve, until the point that the shares are awarded, and cease to be conditional awards of shares.

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 the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- Pawnbroking, or Pawn Service Charge (PSC), comprises interest on pledge book loans, plus auction profit and loss, less any auction commissions payable and less surplus payable to the customer. Interest receivable on loans is recognised as interest accrues by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount;
- Retail comprises revenue from retail jewellery sales, with inventory sourced from unredeemed pawn loans, newly purchased inventory and inventory refurbished from the Group's gold purchasing operation. All revenue is recognised at the point of sale;
- Pawnbroking Scrap and Gold Purchasing comprises proceeds from gold scrap sales and is recognised on full receipt of sale proceeds;
- Personal Loans comprises income from the Group's unsecured lending products. Interest receivable on unsecured loans is recognised as interest accrues by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount; and
- Other financial services comprise revenues from third party cheque cashing, foreign exchange income, Buyback, prepaid card and other income. The commission receivable on cheque cashing is recognised at the time of the transaction. Buyback revenue is recognised at the point of sale of the item back to the customer. Foreign exchange income represents the commission when selling or buying foreign currencies and is recognised at the point of sale. Any other revenues are recognised on an accruals basis.

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.

The Group recognises revenue and bad debt expenses (both impairments and movements on allowance accounts) on pawnbroking, cheque cashing and other financial services on a portfolio approach. The Group considers that the bad debts arising on the loans and receivables balances are a function of the revenue earned due to the nature of the activities, and accordingly records the net amount of interest or commissions due and bad debt expenses within revenue.

GROSS PROFIT

Gross profit is stated after charging bad debt expenses and the direct costs of inventory items sold or scrapped in the year.

OTHER DIRECT EXPENSES

Other direct 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.

OPERATING PROFIT

Operating profit is stated before investment income, finance costs, other gains and movement in the fair value of interest rate swaps.

EBITDA

EBITDA is defined as Earnings Before Interest, Taxation, Depreciation and Amortisation. It is calculated by adding back depreciation and amortisation to the operating profit as follows:

	2015 £'000	2014 £'000
Operating profit	**7,518**	6,217
Depreciation and amortisation	**3,218**	3,470
Impairment	**—**	99
EBITDA	**10,736**	9,786

The Board considers EBITDA as a key measure of the Group's financial performance.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RETIREMENT BENEFIT COSTS

The Group operates a defined contribution pension scheme which is contracted into the State Scheme. The amount charged to the Consolidated 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.

EMPLOYEE SHARE INCENTIVE PLANS

The Group issues equity-settled share-based payments to certain employees (including directors). These payments are measured at fair value at the date of grant by use of a Black-Scholes model or a Stochastic model 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, 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. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

REVENUE RECOGNITION

Interest receivable on pawnbroking loans is recognised as interest accrues by reference to the percentage of the pawn loans that are estimated to be redeemed and the effective interest rate applicable. The effective interest rate is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The estimated future cash receipts are based on the historical cash receipts experience (the "Pledge Redemption") of the business which vary from month to month. The Group monitors the Pledge Redemption on a monthly basis.

The critical judgement is that the Group does not recognise interest income on the pawn loans that are not expected to be redeemed. The Group recognises income on these loans when the related collateral that supports the loan is disposed of, through either the scrap or retail operations of the Group. The Group is of the opinion that the revenue earned on the unredeemed pledges is only realised from the Group perspective at the point at which the inventory, or scrap item that the Group obtains from the pledge collateral is disposed of. In arriving at this treatment, the Group also considers that the transfer value from pawn loans to inventory of the unredeemed pledge collateral cannot exceed the cost to the Group of the inventory item which is represented by the underlying loan amount provided on the unredeemed pledge item.

INVENTORIES

The majority of the inventory balance is obtained as a result of default by pawn loan customers. The inventory is stated at cost to the Group, being the amount initially lent on the pawn loan, plus overheads directly related to bringing the inventory to its present location and condition.

The critical judgement is that the Group does not allocate any interest that would have been earned on the pawn loans to the cost of inventory. Accordingly, the profit that arises on the subsequent disposal of the inventory, through either retail or scrap, includes an element which relates to the appropriation by the Group of collaterals supporting pawn loans that have a higher market value, than the pawn loan amount.

DILAPIDATIONS PROVISION

All the Group's premises are leased under operating leases. The majority of the leases include end of lease rectification clauses which impose certain requirements on the Group to complete repairs and maintenance, or re-decoration 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 it becomes aware of any significant amounts that will be required. The Group does not provide for amounts where the potential exposure cannot be reliably measured and accordingly does not anticipate potential repairs and maintenance on the portfolio of stores. Additionally, the Group maintains the stores to a high standard and completes any necessary repairs and maintenance on a timely basis, addressing any events that require expenditure throughout the lease period as and when required. Such costs are expensed as incurred.

Notes to the consolidated financial statements

For the year ended 31 December 2015 (continued)

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

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 LOANS INTEREST ACCRUAL ESTIMATION

The Group recognises interest on pawnbroking loans as disclosed in the Critical judgements in applying the Group's accounting policies section above. The pawn loans interest accrual ('pledge accrual') is material to the financial statements and is dependent on the estimate that the Group makes of the expected level of redeemed pawn loans. The Group estimates the expected redemptions based on the historical redemption rates achieved. There is a risk that the actual redemption rate may vary significantly from the historical rate used to estimate the pledge accrual at the balance sheet date. The Directors assess the pledge accrual estimate made at the prior balance sheet date annually to determine if the actual redemption differs significantly to the previous estimate. No significant differences were noted for 2015 or 2014. The sensitivity of the pledge accrual to reasonable changes in the redemption rate is shown in note 26.

IMPAIRMENT OF GOODWILL AND OTHER INTANGIBLES

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The review is conducted annually, in the final quarter of the year. The impairment review is conducted at the level of each cash generating unit, which for acquisitions represents the specific store or stores acquired.

There was no impairment loss recorded in the current year (2014: £99,000). The principal assumptions applied by management in arriving at the value in use of each cash generating unit are as follows:

1. The Group prepares cash flow forecasts over a five year period for each cash generating unit, as disclosed in note 15. The year one cash flows are derived from the most recent financial budget, the revenue was reduced by 5% in year 1 and a forecast growth rate applied for years 2 to 5. A constant gold price of £730 per troy ounce is assumed. A perpetuity is then calculated for periods thereafter.
2. The Group has discounted the cash flows at a pre-tax, risk adjusted rate of 10.26%.

While the impairment review has been conducted based on the best available estimates at the impairment review date, the Group notes that actual events may vary from management expectation.

FAIR VALUE OF DERIVATIVES

The directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. This requires estimation of the future interest rates, and also the appropriate discount rate.

TRADE RECEIVABLES PROVISIONING

Trade and other receivables are stated at their nominal amount less expected impairment losses.

The impairment losses on the pledge book only relate to pledges seized by the police, shrinkage and our estimate of losses on pledges where the loan value exceeds the current market value. Trade and other receivables are stated at their nominal amount less expected impairment losses. The pledge book items seized by the police are impaired on an item by item basis since the Group tracks the status of each pledge individually. The shrinkage provision is based on an estimate of the pledge book missing at the reporting date using historical shrinkage experience. The provision for pledges where loan value exceeds the current market value is calculated on an item by item basis with an estimate used for the proportion of those items which will ultimately be disposed of through pawnbroking scrap.

No other impairment losses are provided on the pledge book since the value of the collaterals is greater than the pledge book nominal value.

The impairment of a Personal Loan is based on historical loss experience depending on the level of arrears on an individual account. For arrears of 0.5 months up to one month a third of the remaining balance is impaired, for arrears of up to two months two-third of the remaining balance is impaired and for arrears of over two months, or where the loan is outstanding beyond the contractual due date, the whole remaining balance is impaired.

With respect to all provisions that are based on estimates, there is a risk that actual losses incurred will vary significantly from management expectation at the balance sheet date, if historical loss rates are not a good indicator of the actual credit risk profile of the year end receivables.

For further details on the provisions and impairment losses, refer to note 26, which show the amounts recorded in the period and the sensitivity at the balance sheet date to changes in the key assumptions with respect to impairment losses.

INVENTORIES PROVISIONING

Where necessary provision is made for obsolete, slow moving and damaged inventory or inventory shrinkage. The provision for obsolete, slow moving and damaged inventory represents the difference between the cost of the inventory and its market value. The inventory shrinkage provision is based on an estimate of the inventory missing at the reporting date using historical shrinkage experience. For further details on the provisions for inventory, refer to note 7.

5. REVENUE

AN ANALYSIS OF THE GROUP'S REVENUE IS AS FOLLOWS:

	2015 £'000	2014 £'000
Sales of goods		
Gold purchasing, retail, pawnbroking scrap	**54,521**	54,839
Interest/commission earned		
Pawnbroking, cheque cashing and other financial services	**34,723**	32,857
Group revenue	**89,244**	87,696
Investment revenues	**1**	1
Total Group revenue	**89,245**	87,697

Further analysis of revenue by segment is shown in note 6.

INCLUDED IN THE ABOVE REVENUES ARE THE FOLLOWING ITEMS OF INCOME AND GAINS:

	2015 £'000	2014 £'000
Income		
Interest earned on financial assets not designated at fair value	**33,868**	32,838
Fees earned on financial assets not designated at fair value	**4,686**	3,415

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

BUSINESS SEGMENTS

For reporting purposes, the Group is currently organised into six segments – Pawnbroking, Gold Purchasing, Retail, Pawnbroking Scrap, Personal Loans and Other services.

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 over 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 9.99%. The contract is governed by the terms of the Consumer Credit Act 2008 (previously the Consumer Credit Act 2002). 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.

GOLD PURCHASING:

Jewellery is bought direct from customers through all of the Group's stores. The transaction is simple with the store or unit 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 and jewellery 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.

PAWNBROKING SCRAP:

Pawnbroking Scrap comprises all other proceeds from gold scrap sales other than those reported within Gold Purchasing. The items are either damaged beyond repair, are slow moving or surplus to the Group's requirements, and are smelted and sold at the current gold spot price less a small commission.

PERSONAL LOANS:

Personal Loans comprises income from the Group's unsecured lending activities. Interest receivable on unsecured loans is recognised in turnover on an accruals basis less provision for loans not expected to be repaid. Personal Loans are subject to bad debt risk which is reflected in the interest rate applied.

Notes to the consolidated financial statements

For the year ended 31 December 2015 (continued)

6. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)
BUSINESS SEGMENTS (CONTINUED)
OTHER SERVICES:
This segment comprises:

- 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.
- Buyback which is a service where items are purchased from customers, typically high end electronics, and may be bought back up to 31 days later for a fee.
- The Foreign Exchange currency service where the Group earns a commission when selling or buying foreign currencies.
- Western Union commission earned on the Group's money transfer service.
- The Prepaid debit card product where the Group earns a commission when selling the card or when the customer is topping up their card.

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 11 to 14.

Segment information about these businesses is presented below:

2015	**Pawnbroking £'000**	**Gold Purchasing £'000**	**Retail £'000**	**Pawnbroking Scrap £'000**	**Personal Loans £'000**	**Other Services £'000**	**Consolidated For the year ended 2015 £'000**
Revenue							
External sales	28,437	15,260	29,543	9,718	2,389	3,897	89,244
Total revenue	28,437	15,260	29,543	9,718	2,389	3,897	89,244
Segment result – gross profit	28,437	2,297	10,326	116	2,389	3,897	47,462
Other direct expenses							(31,968)
Administrative expenses							(7,976)
Operating profit							7,518
Investment revenues							1
Finance costs							(679)
Profit before taxation							6,840
Tax charge on profit							(1,462)
Profit for the financial year and total comprehensive income							5,378

2014	Pawnbroking £'000	Gold Purchasing £'000	Retail £'000	Pawnbroking Scrap £'000	Personal Loans £'000	Other Services £'000	Consolidated For the year ended 2014 £'000
Revenue							
External sales	28,393	13,325	30,894	10,620	1,780	2,684	87,696
Total revenue	28,393	13,325	30,894	10,620	1,780	2,684	87,696
Segment result – gross profit	28,393	2,387	10,677	(244)	1,780	2,684	45,677
Other direct expenses							(31,627)
Administrative expenses							(7,833)
Operating profit							6,217
Investment revenues							1
Finance costs							(708)
Profit before taxation							5,510
Tax charge on profit							(1,255)
Profit for the financial year and total comprehensive income							4,255

6. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)
BUSINESS SEGMENTS (CONTINUED)

As disclosed in note 3, Gross profit is stated after charging bad debt expenses and the direct costs of inventory items sold or scrapped in the period. Other operating expenses of the stores are included in other direct expenses. The Group is unable to meaningfully allocate the other direct expenses of operating the stores between segments as the activities are conducted from the same stores, utilising the same assets and staff. The Group is also unable to meaningfully allocate Group administrative expenses, or financing costs or income between the segments. Accordingly, the Group is unable to meaningfully disclose an allocation of items included in the Consolidated Statement of Comprehensive Income below Gross profit, which represents the reported segment results.

The Group does not apply any inter-segment charges when items are transferred between the pawnbroking activity and the retail or scrap activities.

2015	**Pawn-broking 2015 £'000**	**Gold Purchasing 2015 £'000**	**Retail 2015 £'000**	**Pawn-broking Scrap 2015 £'000**	**Personal Loans 2015 £'000**	**Other Services 2015 £'000**	**Unallocated assets/ (liabilities) 2015 £'000**	**Consolidated For the year ended 2015 £'000**
Other information								
Capital additions (*)							1,173	1,173
Depreciation and amortisation (*)							3,218	3,218
Balance sheet								
Assets								
Segment assets	44,548	406	24,811	231	4,152	—		74,148
Unallocated corporate assets							35,864	35,864
Consolidated total assets								114,403
Liabilities								
Segment liabilities	—	—	(634)	—	—	(215)		(849)
Unallocated corporate liabilities							(19,494)	(19,494)
Consolidated total liabilities								(20,343)

2014	Pawn-broking 2014 £'000	Gold Purchasing 2014 £'000	Retail 2014 £'000	Pawn-broking Scrap 2014 £'000	Personal Loans 2014 £'000	Other Services 2014 £'000	Unallocated assets/ (liabilities) 2014 £'000	Consolidated For the year ended 2014 £'000
Other information								
Capital additions (*)							1,007	1,007
Depreciation and impairment (*)							3,569	3,569
Balance sheet								
Assets								
Segment assets	43,888	473	28,749	278	3,129	—		76,517
Unallocated corporate assets							35,324	35,324
Consolidated total assets								116,417
Liabilities								
Segment liabilities	—	—	(640)	—	—	(212)		(852)
Unallocated corporate liabilities							(24,702)	(24,702)
Consolidated total liabilities								(25,554)

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

Notes to the consolidated financial statements

For the year ended 31 December 2015 (continued)

6. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

GEOGRAPHICAL SEGMENTS

The Group's operations are located entirely in the United Kingdom and all sales are within the United Kingdom. Accordingly, no further geographical segments analysis is presented.

MAJOR CUSTOMERS

Included in revenues arising from Gold Purchasing and Pawnbroking Scrap segments are revenues from the Group's largest customer of £21,214,000 (2014: £21,740,000) and from its second largest customer of £1,863,000 (2014: £1,314,000), which makes more that 10% of the total revenue. These customers are bullion houses involved in the processing of the Group's scrap gold.

7. PROFIT BEFORE TAXATION

	2015 £'000	2014 £'000
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment reported within:		
– Other direct expenses	**2,799**	3,012
– Administrative expenses	**98**	75
Amortisation of intangible assets (reported within Other direct expenses)	**321**	383
Impairment	**—**	99
Loss on disposal of property, plant and equipment	**75**	181
Cost of inventories recognised as expense	**41,102**	41,299
Write downs of inventories recognised as an expense	**680**	720
Staff costs (see note 9)	**20,922**	19,883
Impairment loss recognised /(released) on pawnbroking financial assets (*)	**138**	(61)
Provision recognised/(released) on pawnbroking financial assets (*)	**8**	(305)
Impairment loss recognised on personal loans financial assets (*)	**3,429**	2,250
Provision recognised on personal loans financial assets (*)	**342**	376
Impairment loss recognised on other services financial assets (*)	**292**	206
Provision released on other services financial assets (*)	**(10)**	(7)

(*) As discussed in note 3, due to the portfolio approach adopted for recognising revenue, these amounts are recorded against revenue from the related segment to present net revenues as shown in notes 5 and 6.

Although the Group has written off, or provided for some of the financial assets in the current and previous periods, the Group continues to seek recovery of these assets. For further analysis on the movements in allowances, and amounts written off, see note 26.

8. AUDITOR'S REMUNERATION

The analysis of auditor's remuneration, exclusive of VAT, is as follows:

	2015 £'000	2014 £'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**45**	42
Fees payable to the Company's auditor for other services to the Group		
– The audit of the Company's subsidiaries pursuant to legislation	**45**	45
Total audit fees	**90**	87
– Tax services	**13**	13
– Other services	**17**	—
Total non-audit fees	**30**	13

The Company and Group audit fees are borne by a subsidiary undertaking, Harvey & Thompson Limited.

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

There were no fees payable to the Company's auditor and its associates in respect of associated pension schemes.

9. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

NON-EXECUTIVE DIRECTORS' EMOLUMENTS

3 (2014: 3) Non-Executive Directors receive payments for services rendered to the H&T Group plc group. Their emoluments are included in the analysis below.

	2015 £'000	2014 £'000
Directors' emoluments		
Aggregate emoluments	**598**	585
Amounts gained under long term incentive scheme	**—**	73
Company pension contributions to money purchase schemes	**42**	41
	640	699

All Executive Directors during the year (2014: all) participated in Harvey & Thompson Limited's money purchase pension scheme. In addition, £54,000 (2014: £149,000) was charged to the Consolidated Statement of Comprehensive Income in respect of the fair value of the share options and conditional shares granted to the directors under the different schemes. None (2014: None) of the directors exercised options over shares in the Company in the year, None (2014: Two) of the directors were granted shares under the long term incentive scheme.

	2015 £'000	2014 £'000
Highest paid director		
Aggregate emoluments	**256**	252
Company pension contributions to money purchase scheme	**24**	24

In addition, £27,000 (2014: £75,000) was charged to the Consolidated Statement of Comprehensive Income in respect of the fair value of the share options and conditional shares granted under the different schemes.

	2015 No.	2014 No.
Monthly average number of persons employed (including directors)		
Branches	**953**	907
Administration	**100**	94
	1,053	1,001

	2015 £'000	2014 £'000
Staff costs during the year (including directors)		
Wages and salaries	**18,860**	17,831
Share option expense (note 28)	**104**	249
Social security costs	**1,620**	1,479
Other pension costs	**338**	324
	20,922	19,883

All directors and employees are remunerated through a subsidiary Group company. The directors of Harvey & Thompson Limited, the trading subsidiary, are the key management personnel of the Group, none are female.

Notes to the consolidated financial statements

For the year ended 31 December 2015 (continued)

10. INVESTMENT REVENUES

	2015 £'000	2014 £'000
Interest revenue:		
Bank deposits	**1**	1

Investment revenues earned on financial assets (analysed by category of asset) is as follows:

	2015 £'000	2014 £'000
Loans and receivables (including cash and bank balances)	**1**	1

Interest revenue recognised on pawnbroking and other financial services is reported within turnover for the reasons discussed in note 3.

11. FINANCE COSTS

	2015 £'000	2014 £'000
Interest on bank loans	**524**	554
Other interest	**2**	1
Amortisation of debt issue costs	**153**	153
Total interest expense	**679**	708

12. TAX CHARGE ON PROFIT

(A) TAX ON PROFIT ON ORDINARY ACTIVITIES

	2015 £'000	2014 £'000
Current tax		
United Kingdom corporation tax charge at 20.3% (2014: 21.5%) based on the profit for the year	**1,549**	1,070
Adjustments in respect of prior years	**(72)**	(12)
Total current tax	**1,477**	1,058
Deferred tax		
Timing differences, origination and reversal	**21**	88
Adjustments in respect of prior years	**(36)**	83
Effects of change in tax rate	**—**	26
Total deferred tax (note 24)	**(15)**	197
Tax charge on profit	**1,462**	1,255

12. TAX CHARGE ON PROFIT (CONTINUED)

(B) FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than that resulting from applying a blended standard rate of corporation tax in the UK of 20.3% (2014: 21.5%). The differences are explained below:

	2015 £'000	2014 £'000
Profit before taxation	**6,840**	5,510
Tax charge on profit at standard rate	**1,389**	1,185
Effects of:		
Disallowed expenses and non-taxable income	**(49)**	(63)
Non-qualifying depreciation	**117**	100
Effect of change in tax rate	**—**	26
Movement in short term timing differences	**113**	(64)
Adjustments to tax charge in respect of previous periods	**(108)**	71
Total actual amount of tax charge	**1,462**	1,255

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. This amounted to a charge to equity in the current period of £nil (2014: £nil).

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 employees 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 2015			Year ended 31 December 2014		
	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	**5,379**	**36,154,799**	**14.88**	4,255	36,124,298	11.78
Effect of dilutive securities Options and conditional shares	**—**	**34,805**	**(0.02)**	—	—	—
Earnings per share diluted	**5,379**	**36,189,604**	**14.86**	4,255	36,124,298	11.78

14. DIVIDENDS

	2015 £'000	2014 £'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 December 2014 of 2.7 pence (2013 – 2.7p) per share	**995**	995
Interim dividend for the year ended 31 December 2015 of 3.5 pence (2014 – 2.1p) per share	**1,290**	774
	2,285	1,769
Amounts proposed and not recognised:		
Proposed final dividend for the year ended 31 December 2015 of 4.5p (2014 –2.7p) per share	**1,659**	995

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.

Notes to the consolidated financial statements

For the year ended 31 December 2015 (continued)

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 1 January 2014	14,133	3,605	17,738
Impairment	—	(31)	(31)
At 1 January 2015	14,133	3,574	17,707
At 31 December 2015	14,133	3,574	17,707

There are no recognised impairment losses at 31 December 2015.

Goodwill acquired in business combinations is allocated as follows:

	2015 £'000	2014 £'000
Harvey & Thompson Limited	**14,133**	14,133
Stores acquired in 2005	**213**	213
Stores acquired in 2006	**553**	553
Stores acquired in 2007	**1,516**	1,516
Stores acquired in 2008	**391**	391
Stores acquired in 2010	**19**	19
Stores acquired in 2011	**48**	48
Stores acquired in 2012	**679**	679
Stores acquired in 2013	**155**	155
Stores acquired in 2014	**—**	—
Stores acquired in 2015	**—**	—
	17,707	17,707

The Group considers that the CGUs have indefinite useful lives as the Group is a significant operator in a well-established business together with the proven and long term demand for the Group's services.

The Harvey & Thompson Ltd CGU 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, tests this for impairment at the subsidiary entity level. All assets acquired after September 2004 are reviewed for impairment at the related store 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 historic performance of an individual store is linked to its acquisition date. This approach is reflected in the way management has presented the above CGUs.

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 4.

16. OTHER INTANGIBLE ASSETS

	Software £'000	Customer relationships £'000	Total £'000
Cost			
At 1 January 2014	1,675	2,446	4,121
Additions	—	18	18
At 1 January 2015	1,675	2,464	4,139
Additions	—	17	17
At 31 December 2015	1,675	2,481	4,156
Amortisation			
At 1 January 2014	1,410	1,311	2,721
Charge for the year	67	316	383
Impairment	—	9	9
Impairment reversal	—	(30)	(30)
At 1 January 2015	1,477	1,606	3,083
Charge for the year	67	254	321
At 31 December 2015	1,544	1,860	3,404
Carrying amount			
At 31 December 2015	131	621	752
At 31 December 2014	198	858	1,056

The customer relationships intangible assets arise from the acquisition of trade and assets of sole partnerships or limited companies with no audited financial statements and reflect the repeat business associated with the pawnbroking and pay day advance industry from existing customers at the acquisition date of the relevant assets.

The amortisation period for customer relationship intangible assets is between 6 and 8 years and the amortisation period for software intangible assets is 7 years. These amortisation periods reflect the directors' best estimate of the estimated useful economic lives of these intangible assets.

Notes to the consolidated financial statements

For the year ended 31 December 2015 (continued)

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 2014	23,289	211	9	3,897	4,466	31,872
Additions	727	—	13	115	134	989
Disposals	(396)	—	—	(20)	(36)	(452)
At 1 January 2015	23,620	211	22	3,992	4,564	32,409
Additions	490	—	—	463	203	1,156
Disposals	(370)	—	—	(35)	(23)	(428)
At 31 December 2015	23,740	211	22	4,420	4,744	33,137
Accumulated depreciation and impairment						
At 1 January 2014	13,374	66	1	3,369	2,740	19,550
Charge for the year	2,476	25	5	230	351	3,087
Disposals	(237)	—	—	(18)	(16)	(271)
Impairment	89	—	—	—	—	89
At 1 January 2015	15,702	91	6	3,581	3,075	22,455
Charge for the year	2,340	26	5	201	325	2,897
Disposals	(300)	—	—	(35)	(18)	(353)
At 31 December 2015	17,742	117	11	3,747	3,382	24,999
Carrying amount						
At 31 December 2015	5,998	94	11	673	1,362	8,138
At 31 December 2014	7,918	120	16	411	1,489	9,954

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 given in note C to the Company's separate financial statements.

19. INVENTORIES

	2015 £'000	2014 £'000
Retail and scrap inventory	**24,802**	29,271

Of the retail and scrap inventory, approximately 97.22% represents gold, jewellery and watch items. The remaining balance is miscellaneous items (mostly electrical goods and art pieces) which were previously held as pledge collaterals and subsequently forfeited.

20. TRADE AND OTHER RECEIVABLES

	2015 £'000	2014 £'000
Trade receivables	**42,525**	40,970
Other receivables	**250**	217
Pledge accrued income	**6,255**	6,067
Prepayments and other accrued income	**1,863**	2,169
	50,893	49,423

Trade and other receivables are disclosed net of impairment.

OTHER CURRENT ASSETS

	2015 £'000	2014 £'000
Other current assets	**646**	229

Other current assets represent Buyback inventory, where the Company holds items for 31 days in order for customers to re-purchase their items.

21. CASH AND CASH EQUIVALENTS

	2015 £'000	2014 £'000
Cash and cash equivalents	**10,923**	8,250

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

Further details on financial instruments, including the associated risks to the Group and allowances for bad and doubtful debts and fair values, is provided in note 26.

22. TRADE AND OTHER PAYABLES

	2015 £'000	2014 £'000
Trade payables	**1,420**	1,505
Other taxation and social security costs	**500**	533
Accruals and deferred income	**3,562**	4,015
	5,482	6,053

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days (2014: 29 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.

	2015 £'000	2014 £'000
Current tax liabilities	**645**	328

Notes to the consolidated financial statements

For the year ended 31 December 2015 (continued)

23. BORROWINGS

	2015 £'000	2014 £'000
Secured borrowing at amortised cost		
Bank loans and overdrafts	—	1,925
Unamortised issue costs	—	—
Total borrowings due for settlement within one year	—	1,925
Long term portion of bank loan	**13,000**	16,000
Unamortised issue costs	**(89)**	(242)
Amount due for settlement after more than one year	**12,911**	15,758

The Group's borrowings throughout 2015 were provided by Lloyds Bank plc under a four year Credit Agreement signed on 30 January 2013. This facility allowed for maximum borrowings of £50m, with a margin of between 1.25% and 2.25% dependent on leverage ratios.

This facility was due to expire on 30 January 2017. To remove any near term financing risk the Group has, post year-end, refinanced the facility with Lloyds Bank plc.

The key terms of the new facility are:

KEY TERM	DESCRIPTION
Total Facility Size	£30m
Termination Date	30 April 2020
Utilisation	The facility is available to be drawn down to the full £30m so long as the Company remains compliant with leverage and interest cover ratios as stipulated in the Credit Agreement.
Margin	The facility has an interest calculation of LIBOR plus a margin of between 1.75% and 2.75%, dependent on ratios as stipulated in the Credit Agreement.
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.
Fixed Repayments	No capital repayments prior to termination date.

DEFERRED DEBT ISSUE COSTS

There were £153,000 of deferred debt issue costs written off in the period to P&L (2014: £153,000).

SECURITY

The facility is secured by a fixed and floating charge over various assets of the Group.

UNDRAWN BORROWING FACILITIES

At 31 December 2015, the Company had available £37,000,000 (2014: £32,075,000) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. The refinancing has reduced the available headroom by £20,000,000 at the point of the refinancing.

24. DEFERRED TAX
The following are the major deferred tax assets recognised by the Group and movements thereon during the current and prior year.

	Property, Plant and Equipment differences £'000	Hold over capital gain £'000	Short term timing differences £'000	Share based payment £'000	Derivative financial instruments £'000	Total £'000
At 1 January 2014	30	(142)	703	133	—	724
Debit to income	(83)	—	—	—	—	(83)
Debit/(Credit) to equity	200	12	(397)	71	—	(114)
At 1 January 2015	147	(130)	306	204	—	527
Prior year adjustment	36	—	—	—	—	36
Debit/(Credit) to income	83	4	(13)	(95)	—	(21)
As 31 December 2015	266	(126)	293	109	—	542

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 Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

The closing deferred tax asset as at 31 December 2015 has been calculated at 19% reflecting the tax rate at which the deferred tax asset is expected to be utilised in future periods.

We estimate that the future rate change to 18% would further reduce our UK deferred tax asset recognised at 31 December 2015 from £542,000 to £513,000. The actual impact will be dependent on our deferred tax position at that time.

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 dilapidation and onerous leases £'000
At 1 January 2014	1,158
Additional provision	592
Provision utilised in the year	(260)
At 1 January 2015	1,490
Released provision	(18)
Provision utilised in the year	(167)
At 31 December 2015	1,305

The dilapidation provision represents management's best estimate of the Company's liability to repair and maintain certain of the properties contracted under operating lease agreements and settled at the individual lease end dates. At the reporting date no demand to enforce the dilapidation contractual obligations has been made by the related property landlords.

Provisions for onerous leases are recognised when the Company believes that the unavoidable costs of meeting the lease obligations exceed the economic benefits expected to be received under the lease.

Notes to the consolidated financial statements

For the year ended 31 December 2015 (continued)

26. FINANCIAL INSTRUMENTS

The Group's financial assets and liabilities, as defined under IAS 39, and their estimated fair values are as follows:

At 31 December 2015	Fair value through profit or loss £'000	Loans and receivables £'000	Financial liabilities at amortised cost £'000	Book value total £'000	Fair value total £'000
Financial assets					
Pawnbroking trade receivables	—	44,548	—	44,548	45,954
Cheque cashing trade receivables	—	—	—	—	—
Other financial services trade receivables	—	4,152	—	4,152	4,152
Other assets	—	363	—	363	363
Cash and cash equivalents	—	10,923	—	10,923	10,923
Financial liabilities					
Trade and other payables	—	—	(5,233)	(5,233)	(5,233)
Borrowings due within one year	—	—	—	—	—
Borrowings due more than one year	—	—	(12,911)	(12,911)	(12,911)
Net financial assets/(liabilities)	—	59,986	(18,144)	41,842	43,248

At 31 December 2014	Fair value through profit or loss £'000	Loans and receivables £'000	Financial liabilities at amortised cost £'000	Book value total £'000	Fair value total £'000
Financial assets					
Pawnbroking trade receivables	—	43,888	—	43,888	45,698
Cheque cashing trade receivables	—	—	—	—	—
Other financial services trade receivables	—	3,129	—	3,129	3,129
Other assets	—	256	—	256	256
Cash and cash equivalents	—	8,250	—	8,250	8,250
Financial liabilities					
Trade and other payables	—	—	(6,130)	(6,130)	(6,130)
Borrowings due more than one year	—	—	(1,925)	(1,925)	(1,925)
Borrowings due more than one year	—	—	(15,758)	(15,758)	(15,758)
Net financial assets/(liabilities)	—	55,523	(23,813)	31,710	33,520

FAIR VALUE

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

(i) For trade receivables relating to Pawnbroking, the fair value has been calculated by adding:

- The principal outstanding on pawn loans;
- The interest receivable accrued using the effective interest rate method based on assumed redemption; and
- Assumed scrap profits on the proportion of the Group's pledge book that is not expected to be redeemed, i.e. those loans upon which the Group does not recognise interest due to the uncertainty of recovery.

(ii) Other trade receivables and other assets are considered to have fair values which are the same as their book values due to the short period over which they will be recovered. Book values for both cheque cashing and financial services trade receivables are calculated net of provisions, and hence represent the Group's best estimate of recovery values based upon recent debt collections experience.

(iii) Cash and cash equivalents are all held on interest bearing bank accounts are considered to have a fair value the same as their book value.

(iv) For borrowings and trade and other payables, the book value approximates to fair value because of their short maturities and interest rates where applicable. None of the trade or other payables are interest bearing. The borrowings are all held at floating interest rates which approximate market rates, and accordingly, the book value and fair value are the same.

The fair value of the pawnbroking trade receivables is determined using a model where the inputs are derived from historical trends monitored by the Group. This valuation therefore falls within level 3 of the fair value hierarchy in IAS 39. The fair value of all other financial instruments is equivalent to their book value due to their short maturities.

26. FINANCIAL INSTRUMENTS (CONTINUED)

FINANCIAL RISKS

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

CREDIT RISK

PAWNBROKING TRADE RECEIVABLES

The Group is exposed to credit risk through customers defaulting on their loans. The key mitigant to this risk is the requirement for the borrower to provide security (the pledge) in entering a pawnbroking contract. The security acts to minimise credit risk as 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:

i) 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 items is in excess of the pawn loan.

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

ii) Seeking to improve redemption ratios:

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

A 1% increase/(decrease) in the Group's redemption ratio is estimated to impact the pre-tax profit by £53,000/(£74,000). This does not account for lost repeat business however, and as such the Group sees more value in retaining a high redemption ratio.

Additionally, the Group is exposed to risk in recovery of the loan amounts, which is considered to be similar to credit risk, due to:

(i) assets being pledged as security against loans, which are subsequently seized by the police; and

(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.

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 provision for bad and doubtful debts associated with 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
Balance at 1 January 2014	993
Net Consolidated Statement of Comprehensive Income charge	(366)
Written off	61
Balance at 31 December 2014	688
Net Consolidated Statement of Comprehensive Income charge	146
Written off	(138)
Balance at 31 December 2015	696

Notes to the consolidated financial statements

For the year ended 31 December 2015 (continued)

26. FINANCIAL INSTRUMENTS (CONTINUED)

CREDIT RISK (CONTINUED)

PAWNBROKING TRADE RECEIVABLES (CONTINUED)

The ageing of past due but not impaired receivables is as follows:

	2015 £'000	2014 £'000
0 – 90 days	**6,295**	5,949
Over 90 days	**2,195**	1,773
Total	**8,490**	7,722

The Group has not provided for the £8,490,000 (2014: £7,722,000) contractually overdue receivables (i.e. loans where the pawn agreement has terminated but the customer has not redeemed the assets) at the reporting date since the realisable value of the security held is greater than the carrying value of the pledge loan as disclosed above. The Group does not start the disposition process of the unredeemed pledges until three months after the end of the credit agreement since it is commercial practice to allow additional time for the customers to redeem their pledged items, for an additional fee.

The maximum exposure to credit risk would be £44,548,000 (2014: £43,888,000), being the gross carrying amount net of any amounts offset and any impairment losses.

OTHER TRADE RECEIVABLES

This class represents amounts recoverable by the Group through receivables arising from the other financial services activities it engages in, and is exposed to credit risk through default on the loan amounts for Personal Loans, or default from the drawer for Third Party Cheque Encashment. On each product the Group employs appropriate policies to mitigate the credit risk including credit checks, obtaining legal security provided and appropriate staff 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. In the event of default by the customer, the Group has also developed a debt collection department to recover any outstanding debt.

Personal Loans and Other Services receivables are disclosed net of provisions for bad and doubtful debts, an analysis of which is as follows:

	Personal Loans £'000	**Other services £'000**	**Total £'000**
Balance at 1 January 2014	651	34	685
Net Consolidated Statement of Comprehensive Income charge	2,626	(1,358)	1,268
Written off	(2,250)	1,351	(899)
Balance at 31 December 2014	1,027	27	1,054
Net Consolidated Statement of Comprehensive Income charge	3,771	(2,534)	1,237
Written off	(3,429)	2,524	(905)
Balance at 31 December 2015	1,369	17	1,386

Trade receivables not overdue are provided for based on estimated irrecoverable amounts determined by reference to past default experience.

CASH AND CASH EQUIVALENTS

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

The concentration of net bank balances by counterparty financial institution is as follows:

	Credit rating	**2015 £'000**	2014 £'000
Barclays Bank plc	A2	**881**	3,729
Lloyds Bank plc	A1	**3,761**	66
The Royal Bank of Scotland plc	A3	**581**	151
Cash at stores	—	**5,700**	4,304
		10,923	8,250

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 99% (2014:99%) 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. The Group considers this risk to be limited for a number of reasons. First of all, the Group applies conservative lending policies in pawnbroking pledges reflected in the 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 Group is also protected due to the short term value of the pawn contract (6 months). In the event of a significant drop in the price of gold, the Group could mitigate this risk by reducing its lending policy on pawnbroking pledges, by increasing the proportion of gold sold through retail sales or by entering gold hedging instruments. Management monitors the gold price on a constant basis.

Considering areas outside of those financial assets defined under IAS 39, the Group is subject to higher degrees of pricing risk. The price of gold will affect future Group profitability in three key ways:

i) A lower gold price will adversely affect the scrap disposition margins on existing inventory, whether generated by pledge book forfeits or 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 disposition margins, absolute disposition profits would decrease as lending and purchasing rates decrease.

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

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

LIQUIDITY RISK

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 uses a mixture of short-term and long-term debt finance with banking institutions with high credit-ratings assigned by international credit-rating agencies. The current borrowings are disclosed in detail in note 23, which shows that the Group has arrangements in place for funding until 2020. At 31 December 2015, the Group also has available £37,000,000 (2014: £32,100,000) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. The refinancing has reduced the available headroom by £20,000,000 post year-end. This level of headroom is considered sufficient to finance operations at the current level, and as described in note 23, the Group currently has a £30m facility which is available to draw upon. Furthermore, as shown in note 30, the business generates a positive cash flow from operating activities and 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**	**3-5 years £'000**	**Total £'000**
At 31 December 2015								
Floating rate borrowings	40	40	138	201	397	397	13,529	14,742
Trade and other payables	1,420	3,813	—	—	—	—	—	5,233
Total	1,460	3,853	138	201	397	397	13,529	19,975

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	Restated Total £'000
At 31 December 2014							
Floating rate borrowings	43	43	172	266	525	16,525	17,574
Trade and other payables	1,505	4,625	—	—	—	—	6,130
Total	1,548	4,668	172	266	525	16,525	23,704

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 LIBOR yield curve derived from quoted interest rates. The above amounts are contractual, undiscounted cash flows.

Notes to the consolidated financial statements

For the year ended 31 December 2015 (continued)

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 floating rates based on LIBOR. Accordingly the Group is exposed to cash flow risk through changes in the LIBOR rate impacting cash flows.

Analysis is shown below to demonstrate the sensitivity on profitability of a 1% change in LIBOR, subject to LIBOR being a minimum of 0%. The analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. 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.

	1.0% decrease in interest rates £'000	1.0% increase in interest rates £'000
At 31 December 2015		
Finance costs: gain/(loss)	**66**	**(130)**
Total pre tax impact on profit from gain/(loss)	**66**	**(130)**
Post tax impact on equity gain/(loss)	**53**	**(104)**
At 31 December 2014		
Finance costs: gain/(loss)	81	(160)
Total pre tax impact on profit from gain/(loss)	81	(160)
Post tax impact on equity gain/(loss)	63	(126)

FINANCIAL ASSETS

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

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

27. SHARE CAPITAL

	2015 £'000	2014 £'000
Issued and fully paid		
36,856,264 (2014: 36,856,264) ordinary shares of £0.05 each	**1,843**	1,843

The Company has one class of ordinary shares which carry no right to fixed income.

In 2015 and 2014 there were no issue of shares.

Options over shares of the Company are disclosed in note 28. Under these share option arrangements, there are 1,583,978 (2014: 1,585,477) open options over shares.

EMPLOYEE BENEFIT TRUST SHARES RESERVE

The Group presents these conditional shares as an adjustment to own equity at the balance sheet date through the Employee Benefit Trust shares reserve, until the point that the shares are awarded, and cease to be conditional awards of shares. The award of shares under the LTIP is conditional upon certain vesting criteria, as outlined in note 28.

Movements in this reserve are shown in the Consolidated Statement of Changes in Equity.

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	2015 £'000	2014 £'000
Debt	13,000	17,925
Cash and cash equivalents	(10,923)	(8,250)
Net debt	2,077	9,675
Equity	94,060	90,863
Net debt to equity ratio	2.2%	10.6%

Debt is defined as long and short-term borrowings, as detailed in note 23, before unamortised issue costs.

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 2015, the Company operated three share award schemes. The charge for the year in respect of all schemes was:

	2015 £'000	2014 £'000
A. Approved Share Option Scheme	37	68
B. Unapproved Share Option Scheme	3	3
C. Long-term Incentive Plan	64	178
	104	249

Awards that can be granted under the three schemes total a maximum of 3,685,626 shares (2014: 3,685,626 shares).

A. APPROVED SHARE OPTION SCHEME ('ASOS')

The Approved Share Option Scheme is a share option scheme approved by HMRC where favourable tax treatment is received on exercise by the employee. The options may be granted to all management from Shop Manager to Executive Director level. The Remuneration Committee of the ultimate Parent Company, H&T Group plc, sets the performance conditions.

The performance conditions applicable to the options granted in 2006, 2007, 2008, 2009 and 2010 have already been met. The performance conditions applicable to grants in subsequent years are as follows:

- Options granted in 2011, 2012 and 2013 become exercisable subject to continued employment within the Group as at the exercise date.

Early exercise of the options is permitted if an option holder ceases to be employed by reason of death, injury, disability, retirement or sale of his employing company.

The options outstanding at the year end were as follows:

	Grant date	Exercise price pence	Number of shares	Earliest date of exercise	Expiry date
ASOS 2006	September 2006	182.5	26,564	7/09/2009	6/09/2016
ASOS 2007	May 2007	217.5	26,940	16/05/2010	15/05/2017
ASOS 2008	May 2008	175.5	40,351	15/05/2011	14/05/2018
ASOS 2009	April 2009	194.0	57,211	30/04/2012	29/04/2019
ASOS 2010	April 2010	245.5	119,234	19/04/2013	18/04/2020
ASOS 2011	April 2011	298.5	138,776	18/04/2014	17/04/2021
ASOS 2012	March 2012	297.0	169,395	29/03/2015	28/03/2022
ASOS 2013	March 2013	292.25	194,539	28/03/2016	27/03/2023

Notes to the consolidated financial statements

For the year ended 31 December 2015 (continued)

28. SHARE BASED PAYMENTS (CONTINUED)

A. APPROVED SHARE OPTION SCHEME ('ASOS') (CONTINUED)

The Group did not issue any share options during 2014 and 2015.

A reconciliation of option movements for the ASOS is set out below:

	Number of share options	**2015 Weighted average exercise price (in pence)**	Number of share options	2014 Weighted average exercise price (in pence)
Outstanding at beginning of the year	**774,479**	**267.5**	814,564	268.1
Granted during the year	**—**	**—**	—	—
Forfeited during the year	**(1,469)**	**294.6**	(40,085)	278.5
Exercised during the year	**—**	**—**	—	—
Outstanding at the end of the year	**773,010**	**267.5**	774,479	267.6
Exercisable at the end of the year	**578,471**	**259.12**	409,076	243.44

B. UNAPPROVED SHARE OPTION SCHEME ('USOS')

The Unapproved Share Option Scheme is a discretionary option scheme under which the Remuneration Committee of H&T Group plc may grant options to all Executive Directors and Senior Management of the Company. The Remuneration Committee of H&T Group plc sets the performance conditions.

Exercise of an option is subject to continued employment over a three year period from the date of the grant. Early exercise of the options is permitted if an option holder ceases to be employed by reason of death, injury, disability, retirement or sale of his employing company.

The options outstanding at the year end were as follows:

	Grant date	**Exercise price pence**	**Number of shares**	**Earliest date of exercise**	**Expiry date**
USOS 2006	September 2006	182.5	126,027	7/09/2009	6/09/2016
USOS 2007	May 2007	217.5	112,643	16/05/2010	15/05/2017
USOS 2008	May 2008	175.5	146,424	15/05/2011	14/05/2018
USOS 2009	April 2009	194.0	152,215	30/04/2012	29/04/2019
USOS 2010	April 2010	245.5	226,740	19/04/2013	18/04/2020
USOS 2011	April 2011	298.5	8,730	18/04/2014	17/04/2021
USOS 2012	March 2012	297.0	10,434	29/03/2015	28/03/2022
USOS 2013	March 2013	292.25	26,929	28/03/2016	27/03/2023

The Group did not issue any share options during 2014 and 2015.

A reconciliation of option movements for the USOS is set out below:

	Number of share options	**2015 Weighted average exercise price (in pence)**	Number of share options	2014 Weighted average exercise price (in pence)
Outstanding at beginning of the year	**810,968**	**212.4**	833,920	214.7
Granted during the year	**—**	**—**	—	—
Forfeited during the year	**(826)**	**297.0**	(22,952)	298.5
Exercised during the year	**—**	**—**	—	—
Outstanding at the end of the year	**810,142**	**212.3**	810,968	212.3
Exercisable at the end of the year	**783,213**	**209.5**	772,779	208.3

28. SHARE BASED PAYMENTS (CONTINUED)

C. LONG-TERM INCENTIVE PLAN ('LTIP')

The LTIP is a discretionary share incentive scheme under which the Remuneration Committee of H&T Group plc can grant ordinary shares at no cost to Executive Directors and other senior management.

The LTIP operates as conditional shares awarded over a defined year performance period and subject to continued employment over a three year period from the date of the grant. Early exercise of the conditional shares is permitted if a share award holder ceases to be employed by reason of death, injury, disability, retirement or sale of his employing company.

The performance condition applicable to the 2013 grant is as follows:

- The performance period is from 1 January 2013 to 31 December 2015.
- The award cannot be exercised unless the percentage growth in the Group's Profit Before Tax over the performance period is greater than 22.35% ("the Lower Limit").
- If the percentage growth in the Group's Profit Before Tax over the Performance Period is equal to or greater than 52% ("the Upper Target"), the Award may be exercised as to 100% of the Shares subject to the Award.
- If the growth in the Group's Profit Before Tax is between the Lower Limit and the Upper Target then the Award may only be exercised over such percentage between 0% and 100% of the Shares subject to the Award (rounded down to the nearest whole number of Shares) as relates to the amount by which, on a straight line basis, the Lower Target has been exceeded.

The conditional shares outstanding at the year end were as follows:

	Grant date	Number of shares	Earliest date of exercise
LTIP 2013	Mar 2013	198,513	28/03/2016

The Group did not issue any conditional shares during 2014 and 2015.

A reconciliation of conditional share movements for the LTIP is set out below:

	Number of conditional shares	**2015 Weighted average exercise price (in pence)**	Number of conditional shares	2014 Weighted average exercise price (in pence)
Outstanding at beginning of the year	**389,010**	**—**	556,858	—
Granted during the year	**—**	**—**	—	—
Forfeited during the year	**(190,497)**	**—**	(103,866)	—
Exercised during the year	**—**	**—**	(63,982)	—
Outstanding at the end of the year	**198,513**	**—**	389,010	—

Notes to the consolidated financial statements

For the year ended 31 December 2015 (continued)

29. OPERATING LEASE ARRANGEMENTS

THE GROUP AS LESSEE

	2015 £'000	2014 £'000
Minimum lease payments under operating leases recognised as an expense in the year	**6,693**	6,643

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

	Land and buildings		Other	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Within one year	**6,098**	6,293	**76**	115
In the second to fifth years inclusive	**16,562**	17,569	**39**	175
After five years	**10,474**	12,359	**—**	—
	33,134	36,221	**115**	290

Significant operating lease payments represent rentals payable by the Group for rental of store premises. Leases are normally negotiated for an average term of 10 years at the then prevailing market rate, with a break option after 5 years.

The Group also sublets some of the premises above the stores, the outstanding receipts from which are immaterial.

30. NOTES TO THE CASH FLOW STATEMENT

	2015 £'000	2014 £'000
Profit for the financial year	**5,378**	4,255
Adjustments for:		
Investment revenues	**(1)**	(1)
Finance costs	**679**	708
Movement in provisions	**(216)**	332
Tax expense – Group Statement of Comprehensive Income	**1,462**	1,255
Depreciation of property, plant and equipment	**2,897**	3,087
Amortisation of intangible assets	**321**	383
Impairment	**—**	99
Share-based payment expense	**104**	246
Loss on disposal of property, plant and equipment	**75**	181
Operating cash flows before movements in working capital	**10,699**	10,545
Decrease in inventories	**4,469**	530
Increase in other current assets	**(417)**	(125)
(Increase)/decrease in receivables	**(1,367)**	4,941
(Decrease)/increase in payables	**(507)**	846
Cash generated from operations	**12,877**	16,737
Income taxes paid	**(1,160)**	(1,806)
Interest paid	**(508)**	(558)
Net cash generated from operating activities	**11,209**	14,373

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.

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 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':

	2015 £'000	2014 £'000
Short-term employee benefits	**842**	867
Pension contributions	**57**	56
Share-based payments	**—**	95
	899	1,018

32. CAPITAL COMMITMENTS

There is no significant capital expenditure authorised and contracted for but not provided in the accounts (2014: £nil).

33. EVENTS AFTER THE BALANCE SHEET DATE

The directors have proposed a final dividend for the year ended 31 December 2015 of 4.5p (2014: 2.7p) (note 14).

On 12 February 2016 the Group refinanced its credit facility with Lloyds Bank plc, further details can be found in note 23.

Independent Auditor's report

to the members of H&T Group plc

We have audited the Parent Company financial statements of H&T Group plc for the year ended 31 December 2015 which comprise the Parent Company balance sheet, the Parent Company combined reconciliation of movements in shareholders' funds and statement of movement on reserves and the related notes A to G. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the Parent Company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Parent Company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the Parent Company financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion 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 Parent Company financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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.

OTHER MATTERS

We have reported separately on the Group financial statements of H&T Group plc for the year ended 31 December 2015.

ROBERT KNIGHT (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley, United Kingdom

2 March 2016

Parent Company balance sheet
As at 31 December 2015

	Note	**2015 £'000**	2014 £'000
Non-current assets			
Investments	C	**1,479**	1,375
		1,479	1,375
Current assets			
Receivables	D	**61,587**	61,587
Cash at bank and in hand		**46**	46
		61,633	61,633
Liabilities: amounts falling due within one year	E	**(18,707)**	(16,306)
Net current assets		**42,926**	45,327
Total assets less current liabilities		**44,405**	46,702
Net assets		**44,405**	46,702
Capital and reserves			
Called up share capital	F	**1,843**	1,843
Share premium account		**25,409**	25,409
Employee Benefit Trust shares reserve		**(35)**	(35)
Share option reserve		**1,479**	1,375
Profit and loss account		**15,709**	18,110
Total shareholders' funds		**44,405**	46,702

The financial statements of H&T Group plc, registered number 05188117, were approved by the Board of directors and authorised for issue on 2 March 2016.

Signed on behalf of the Board of directors by:

J G NICHOLS
Chief Executive

Parent Company combined reconciliation of movements in shareholders' funds and statement of movements on reserves.

For the year ended 31 December 2015

2015 Company	Note	**Called up share capital £'000**	**Share premium account £'000**	**Employee benefit trust shares reserve £'000**	**Share option reserves £'000**	**Profit and loss account £'000**	**2015 Total £'000**
At 1 January		1,843	25,409	(35)	1,375	18,110	46,702
Loss for the financial year		—	—	—	—	(116)	(116)
Dividend paid		—	—	—	—	(2,285)	(2,285)
Issue of share capital	F	—	—	—	—	—	—
Employee Benefit Trust shares		—	—	—	104	—	104
Share option credit taken directly to equity		—	—	—	—	—	—
At 31 December		1,843	25,409	(35)	1,479	15,709	44,405

2014 Company	Note	Called up share capital £'000	Share premium account £'000	Employee benefit trust shares reserve £'000	Share option reserves £'000	Profit and loss account £'000	2014 Total £'000
At 1 January		1,843	25,409	(38)	1,129	20,055	48,398
Loss for the financial year		—	—	—	—	(176)	(176)
Dividend paid		—	—	—	—	(1,769)	(1,769)
Issue of share capital	F	—	—	—	—	—	—
Employee Benefit Trust shares		—	—	3	—	—	3
Share option credit taken directly to equity		—	—	—	246	—	246
At 31 December		1,843	25,409	(35)	1,375	18,110	46,702

Notes to the Company financial statements

For the year ended 31 December 2015

A. ACCOUNTING POLICIES

BASIS OF PREPARATION

H&T Group plc is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 20. The nature of the Company's operations and its principal activities are set out in the business review on pages 4 and 5.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the Company has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

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 payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the Group financial statements of 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 party 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.

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 OPTIONS

The Company's trading subsidiary, Harvey & Thompson Limited issues share options to employees 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 by use of a Black-Scholes model or a Stochastic model 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.

Notes to the Company financial statements

For the year ended 31 December 2015 (continued)

B. COMPANY PROFIT AND LOSS ACCOUNT

No profit and loss account is presented for the Parent Company pursuant to section 408 of Companies Act 2006.

The Company made a loss after taxation of £116,000 in 2015 (2014: loss of £176,000).

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 (2014: £nil). Other than the directors, the Company has no employees in either financial year.

C. INVESTMENTS

Shares in subsidiary undertakings	Total £'000
Cost	
At 1 January 2014	1,129
Additions	246
At 1 January 2015	1,375
Additions	104
At 31 December 2015	1,479

Within the cost at 1 January 2015 includes cost of shares in subsidiary undertakings of £1.

Additions in the year represent capital contributions in relation to share options issued to employees. Please refer to note 28 on page 59.

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:	Indirectly:	Principal activity
H&T Finance Limited	Great Britain	100%	—	Management of finance
Harvey & Thompson Limited	Great Britain	—	100%	Pawnbroking, jewellery sales, gold purchasing, unsecured lending, cheque cashing and related services

The Company owns directly or indirectly 100% of the voting rights in all subsidiary undertakings. H&T Group plc is also incorporated in Great Britain.

D. RECEIVABLES

	2015 £'000	2014 £'000
Amounts owed by subsidiary companies	**61,565**	61,565
Prepayments and accrued income	**22**	22
	61,587	61,587

E. LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Amounts owed to subsidiary companies	**18,479**	16,121
Accruals and deferred income	**228**	185
	18,707	**16,306**

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 (notes 14 and 33).

G. EXPLANATION OF TRANSITION TO FRS 101

This is the first year that the Company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The last financial statements under a previous GAAP (UK GAAP) were for the year ended 31 December 2014 and the date of transition to FRS 101 was therefore 1 January 2014. There were no adjustments to be made on transition to FRS 101.

Store directory

ACTON
158 High Street, W3 6QZ
Tel: 020 8993 2586

AYR
114 High Street, KA7 1PQ
Tel: 01292 619 867

BARKING
27 East Street, IG11 8ER
Tel: 020 8594 6100

BASILDON
1a Market Pavement, SS14 1DD
Tel: 01268 281 223

BEDMINSTER
84 East Street, Bedminster, Bristol,
BS3 4EY
Tel: 01179 666 321

BEXLEYHEATH
109 The Broadway Centre, DA6 7JH
Tel: 020 8303 9403

BIRKENHEAD
The Grange Shopping Centre
26 Borough Pavement, CH41 2XX
Tel: 0151 647 5053

BIRMINGHAM
102 Bull Street, B4 7AA
Tel: 0121 236 3082

BIRMINGHAM
10 Ethel Street, B2 4BG
Tel: 0121 632 5166

BLACKBURN
Unit 2, 3 Ainsworth Street, BB1 6AS
Tel: 01254 260 040

BLACKPOOL
97-99 Central Drive, FY1 5EE
Tel: 01253 622 039

BOLTON
13 Newport Street, BL1 1NE
Tel: 01204 385 530

BOOTLE
Unit 115, Strand Shopping Centre,
L20 4SU
Tel: 0151 933 7438

BOOTLE
156 Parkside
Strand Shopping Centre
L20 4XX
Tel: 0151 922 0978

BOW
575 Roman Road, E3 5EL
Tel: 020 8983 9553

BRADFORD
26 James Street, BD1 3PZ
Tel: 01274 390 675

BRECK ROAD
305-307 Breck Road
Liverpool
L5 6PU
Tel: 0151 263 4699

BRIGHTON
4 Castle Square, BN1 1EG
Tel: 01273 326 061

BRIXTON
Arch 9, Atlantic Road, SW9 8HX
Tel: 020 7733 8457

BROMLEY
78 High Street, BR1 1EY
Tel: 020 8460 2986

BURNT OAK
75 Burnt Oak Broadway, HA8 5EP
Tel: 020 8952 2523

CAMBERWELL
72 Denmark Hill, SE5 8RZ
Tel: 020 7738 7927

CATFORD
58 Rushey Green, SE6 4JD
Tel: 020 8690 3549

CHALK FARM
36 Chalk Farm Road, NW1 8AJ
Tel: 020 7485 2668

CHATHAM
321 High Street, ME4 4BN
Tel: 01634 811 811

CHEETHAM HILL
Unit 5 Cheetham Hill Shopping Centre,
M8 5EL
Tel: 0161 740 6556

CHELMSFORD
25 High Chelmer, CM1 1XR
Tel: 01245 259 004

CLAPHAM
9 Northcote Road, SW11 1NG
Tel: 020 7228 3807

CLAPTON
157 Clapton Common, E5 9AE
Tel: 020 8809 1488

CLYDEBANK
25 Sylvania Way South, G81 1EA
Tel: 0141 952 6396

COLCHESTER
10 Short Wyre Street, CO1 1LN
Tel: 01206 765 433

CORBY
19 Corporation Street, NN17 1NG
Tel: 01536 402 886

COSHAM
32 High Street, PO6 3BZ
Tel: 02392 389 940

COUNTY ROAD
66 County Road, Walton,
Liverpool, L4 3QL
Tel: 0151 523 0085

COVENTRY
10 Hales Street, CV1 1JD
Tel: 02476 256 220

COVENTRY
Unit 1, Shelton Square, CV1 1DG
Tel: 02476 223 623

CRAWLEY
11 Broadwalk, Northgate, RH10 1HJ
Tel: 01293 618 270

CREWE
21 Victoria Street, CW1 2HF
Tel: 01270 254 888

CROYDON EAST
16 George Street, CR0 1PA
Tel: 020 8680 1470

CROYDON WEST
12 London Road, CR0 2TA
Tel: 020 8680 4738

CROYDON WHITGIFT
Unit 145A Whitgift Centre, CR0 1UT
Tel: 020 8680 4443

DAGENHAM
299 Heathway, RM9 5AQ
Tel: 020 8592 8848

DALSTON
52 Kingsland High St., E8 2JP
Tel: 020 7254 1788

DARLINGTON
23 Skinnergate, DL3 7NW
Tel: 01325 361 781

DARTFORD
Unit 33, The Orchards Shopping Centre,
DA1 1DN
Tel: 01322 224 918

DEPTFORD
72 Deptford High Street, SE8 4RT
Tel: 020 8692 3092

DERBY
33 Victoria Street, DE1 1ES
Tel: 01332 291 623

DONCASTER
23 High Street, DN1 1DW
Tel: 01302 812 099

DOWNHAM
438 Bromley Road, BR1 4PP
Tel: 020 8697 6212

DUDLEY
215 Wolverhampton St., DY1 1EF
Tel: 01384 238 577

DUKE STREET
487 Duke Street, Glasgow, G31 1DL
Tel: 0141 554 9332

DUNDEE
116 Seagate, DD1 2ET
Tel: 01382 205 213

DURHAM
69 North Road, DH1 4SQ
Tel: 0191 374 1813

EAST HAM
47 High Street North, E6 1HS
Tel: 020 8586 6775

EAST KILBRIDE
10 Princes Mall, G74 1LB
Tel: 01355 232 520

EASTERHOUSE
Unit 19, Shandwick Square Shopping Centre
Bogbain Rd, G34 9DT
Tel: 0141 771 8796

EASTLEIGH
43-45 Market Street, SO50 5RF
Tel: 02380 615 552

EDINBURGH
106 Lauriston Place, EH3 9HX
Tel: 0131 229 4448

EDINBURGH
78a Nicolson Street, EH8 9EW
Tel: 0131 667 2022

EDMONTON
16 South Mall, Edmonton Green Shopping
Centre, N9 0TN
Tel: 020 8807 8302

ELEPHANT AND CASTLE
212 E&C Shopping Centre, SE1 6TE
Tel: 020 7252 4602

ELLESMERE PORT
43 Marina Drive, Port Arcades Shopping Centre,
CH65 0AN
Tel: 0151 357 3176

ELTHAM
89 Eltham High Street, SE9 1TD
Tel: 020 8850 6963

FAREHAM
119a West Street, PO16 0DY
Tel: 01329 288 838

FINSBURY
259-261 Seven Sisters Road, N4 2DD
Tel: 020 7272 9249

FORE STREET
169-171 Fore Street, Edmonton,
N18 2XB
Tel: 020 8887 8910

FOREST GATE
29 Woodgrange Road, E7 8BA
Tel: 020 8555 5120

FULHAM
224 Northend Road, W14 9NU
Tel: 020 7385 3188

GATESHEAD
Unit 5, Jackson Street, NE8 1EE
Tel: 0191 478 4107

GILLINGHAM
169 High Street, ME7 1AQ
Tel: 01634 855 053

GLASGOW
9-11 Bath Street, G2 1HY
Tel: 0141 332 5637

GOVAN
595 Govan Road, G51 2AS
Tel: 0141 445 1567

GRAVESEND
21 King Street, DA12 2EB
Tel: 01474 363 611

GREAT BRIDGE
51 Great Bridge, DY4 7HF
Tel: 0121 557 1413

GREAT WESTERN
156 Great Western Road, G4 9AE
Tel: 0141 332 0878

GREEN STREET
342 Green Street, Upton Park, London,
E13 9AP
Tel: 020 8471 1335

GREENOCK
Unit 3 Hamilton Gate,
Oakmall Shopping Centre, PA15 1JW
Tel: 01475 726 616

GRIMSBY
6 Victoria Street, DN31 1DP
Tel: 01472 355 489

HACKNEY
384 Mare Street, E8 1HR
Tel: 020 8533 5663

HAMMERSMITH
134 King Street, W6 0QU
Tel: 020 8563 8585

HARLESDEN
72 High Street, NW10 4SJ
Tel: 020 8838 5122

HARLOW
23 Broad Walk, CM20 1JF
Tel: 01279 417 128

HARROW
324b Station Road, HA1 2DX
Tel: 020 8861 1534

HARROW
14 St Anns Road, HA1 1LG
Tel: 020 8863 0069

HASTINGS
18 Queens Road, Hastings, TN34 1QY
Tel: 01424 430 190

HAYES
46 Station Road, UB3 4DD
Tel: 020 8589 0805

HOLLOWAY
9 Seven Sisters Road, N7 6AJ
Tel: 020 7281 8559

HOUNSLOW
30 High Street, TW3 1NW
Tel: 020 8570 4626

HOUNSLOW
253 High Street, TW3 1EA
Tel: 020 8577 0084

HULL
37 Prospect Centre, HU2 8PP
Tel: 01482 228 946

HYDE
Unit 5, The Mall, Clarendon Square Shopping
Centre, SK14 2QT
Tel: 0161 351 7812

ILFORD
91-93 Cranbrook Road, IG1 4PG
Tel: 020 8514 3334

ILFORD
211 High Road, IG1 1LX
Tel: 020 8514 6372

IRVINE
1/3 Bridgegate, KA12 8BJ
Tel: 01294 273 823

KILBURN
139 Kilburn High Road, NW6 7HR
Tel: 020 7624 3367

Store directory (continued)

KILMARNOCK
25 King Street, KA1 1PT
Tel: 01563 527 748

KINGSTON UPON THAMES
26 Castle Street, KT1 1SS
Tel: 020 8546 8365

KIRKBY
Unit 11b, St Chads Way, Kirkby, L32 8RD
Tel: 0151 546 6622

KIRKCALDY
85 High Street, Kirkcaldy, Fife, KY1 1LN
Tel: 01592 262 554

KNIGHTSWOOD
746 Anniesland Road, Glasgow, G14 0YU
Tel: 0141 959 3694

LEEDS
8 New Market Street, LS1 6DG
Tel: 01132 449 352

LEICESTER
69 Market Place, LE1 5EL
Tel: 0116 262 4566

LEIGH
53 Bradshawgate, WN7 4NB
Tel: 01942 673 012

LEITH
Unit 6, Newkirkgate Shopping Centre,
EH6 6AA
Tel: 0131 555 3298

LEWISHAM
121 Lewisham High Street, SE13 6AT
Tel: 020 8852 9961

LEYTON
281 High Road, E10 5QN
Tel: 020 8539 8332

LIVERPOOL
Unit 6, 42-46 Whitechapel, L1 6DZ
Tel: 0151 709 2151

LIVINGSTON
Unit 22, Almondvale Shopping Centre,
EH54 6HR
Tel: 01506 431 779

LUTON
174 The Arndale Centre, LU1 2TL
Tel: 01582 486 711

MACCLESFIELD
23 Chestergate, SK11 6BX
Tel: 01625 430 699

MARGATE
72 High Street, Margate, CT9 1DT
Tel: 01843 292 189

MIDDLESBROUGH
45 Dundas Street, TS1 1HR
Tel: 01642 223 849

NEW ADDINGTON
14 Central Parade, CR0 0JB
Tel: 01689 847 388

NEWCASTLE
117 Grainger Street, NE1 5AE
Tel: 0191 232 1924

NEWCASTLE
16 Newgate Shopping Centre, NE1 5RB
Tel: 0191 232 6908

NORTHAMPTON
Unit 3, 71B Abington Street, NN1 2BH
Tel: 01604 239 085

NOTTINGHAM
22-24 Upper Parliament Street, NG1 2AD
Tel: 0115 947 6560

OLDHAM
Unit 34, Town Square Shopping Centre,
Town Centre, OL1 1HD
Tel: 0161 627 5904

OLDHAM
Unit 24, Town Square,
Spindles Shopping Centre, OL1 1XF
Tel: 0161 628 9303

ORPINGTON
221 High Street, BR6 0NZ
Tel: 01689 870 280

PADDINGTON
63 Praed Street, W2 1NS
Tel: 020 7723 5736

PARTICK
333 Dumbarton Road, G11 6AL
Tel: 0141 334 1258

PECKHAM
51 High Street, SE15 5EB
Tel: 020 7703 4547

PENGE
136 High Street, SE20 7EU
Tel: 020 8676 8220

PETERBOROUGH
1 Westgate, PE1 1PX
Tel: 01733 310 794

POPLAR
22 Market Way, E14 6AH
Tel: 020 7987 1596

PORTSMOUTH
186 Kingston Road, PO2 7LP
Tel: 02393 691 751

PRESTON
11 Friargate, PR1 2AU
Tel: 01772 563 495

READING
31 Oxford Road, Broad Street Mall,
RG1 7QG
Tel: 0118 959 9946

ROCHDALE
92 Yorkshire Street, OL16 1JX
Tel: 01706 525 709

ROMFORD
Unit 30, Liberty 2, Mercury Gardens
RM1 3EE
Tel: 01708 755 420

ROTHERHAM
2 Effingham Street, S65 1AJ
Tel: 01709 363 686

RUGBY
1 Church Street, CV21 3PH
Tel: 01788 577 110

RUNCORN
Unit 119, Halton Lea Shopping Centre,
WA7 2BX
Tel: 01928 796 318

RUTHERGLEN
Unit 3, Mitchell Arcade,
Rutherglen Shopping Centre, G73 2LS
Tel: 0141 647 6040

SALFORD
70 Fitzgerald Way, Salford Shopping Centre,
M6 5HW
Tel: 0161 745 7949

SCUNTHORPE
114 High Street, DN15 6HB
Tel: 01724 843 817

SHEFFIELD
The Kiosk, 1-13 Angel Street, S3 8LN
Tel: 0114 276 9281

SHEPHERDS BUSH
220 Uxbridge Road, W12 7JD
Tel: 020 8811 2665

SIDCUP
76 High Street, DA14 6DS
Tel: 020 8300 6242

SLOUGH
64 High Street, SL1 1EL
Tel: 01753 693 303

SOHO ROAD
224 Soho Road, Birmingham, B21 9LR
Tel: 0121 507 0185

SOUTHALL
1A The Broadway, UB1 1JR
Tel: 020 8843 4920

SOUTHALL
10 King Street, UB2 4DA
Tel: 020 8843 9027

SOUTHAMPTON
113a East Street, SO14 3HD
Tel: 02380 639 945

SOUTHAMPTON
Unit 19, Marlands Shopping Centre,
SO14 7SJ
Tel: 02380 225 336

SOUTHEND-ON-SEA
95 Southchurch Road, SS1 2NL
Tel: 01702 469 977

SPRINGBURN
Unit 13, Springburn Shopping Centre,
Springburn Way, G21 1TS
Tel: 0141 558 7569

ST. HELENS
4 Ormskirk Street, WA10 1BH
Tel: 01744 610 331

STEVENAGE
24 Westgate Centre, SG1 1QR
Tel: 01438 365 153

STIRLING
33-35 Murray Place, FK8 1DQ
Tel: 01786 478 945

STOCKPORT
109 Princes Street, SK1 1RW
Tel: 0161 476 5860

STOCKTON
107-108 High Street, TS18 1BB
Tel: 01642 616 005

STOKE ON TRENT
49-51 Stafford Street, ST1 1SA
Tel: 01782 268 144

STRATFORD
Unit 27, The Mall, Stratford Centre,
E15 1XD
Tel: 020 8519 7770

STREATHAM
254 Streatham High Rd, SW16 1HT
Tel: 020 8677 4508

STRETFORD
Unit 44, Ground Floor Brody Street Mall,
Streford Mall Shopping Centre, M32 9BB
Tel: 0161 865 4930

SUNDERLAND
26 Blandford Street, SR1 3JH
Tel: 0191 565 0008

SURREY QUAYS
196 Lower Road, SE16 2UN
Tel: 020 7231 6177

SUTTON
232 High Street, SM1 1NT
Tel: 020 8643 9994

SUTTON IN ASHFIELD
Unit 44, Idlewells Shopping Centre,
NG17 1BJ
Tel: 01623 559 596

SWINDON
46 Bridge Street, SN1 1BL
Tel: 01793 491 731

SYDENHAM
37 Sydenham Road, SE26 5EX
Tel: 020 8778 4964

TOOTING
63 Mitcham Road, SW17 9PB
Tel: 020 8672 5127

TOOTING JUNCTION
20-22 London Road, SW17 9HW
Tel: 020 8640 7575

TOTTENHAM
518 High Road, N17 9SX
Tel: 020 8808 0600

TUEBROOK
549 West Derby Road, L13 8AD
Tel: 0151 228 9298

UXBRIDGE
Unit 11 Chequers Square, The Mall, UB8 1LN
Tel: 01895 230 503

WALLSEND
28 High Street East, NE28 8PQ
Tel: 0191 234 5769

WALSALL
8 The Bridge, WS1 1LR
Tel: 01922 638 501

WALTHAMSTOW
234 High Street, E17 7JH
Tel: 020 8521 8156

WALTON VALE
27 Walton Vale, Liverpool, L9 4RE
Tel: 0151 525 5182

WALWORTH
389 Walworth Road, SE17 2AW
Tel: 020 7703 2946

WALWORTH
241 Walworth Road, SE17 1RL
Tel: 020 7277 4809

WATERLOO
111 Lower Marsh, SE1 7AE
Tel: 020 7928 0382

WATFORD
114 High Street, WD17 2GW
Tel: 01923 247 740

WELLING
3 Bellegrove Road, DA16 3PA
Tel: 020 8303 3645

WEMBLEY
544 High Road, HA0 2AA
Tel: 020 8795 5811

WEST BROMWICH
64 Kings Square (High Street),
Sandwell Centre, B70 7NW
Tel: 0121 553 2728

WEST EALING
102 The Broadway, W13 0SY
Tel: 020 8567 2016

WIGAN
21 Hope Street, Galleries Shopping Centre,
WN1 1QF
Tel: 01942 237 518

WILLESDEN
70 High Road, NW10 2PU
Tel: 020 8459 3527

WOLVERHAMPTON
10a Cleveland Street, WV1 3HH
Tel: 01902 425 648

WOLVERHAMPTON
15-16 Queen Street, WV1 3JW
Tel: 01902 424 908

WOOD GREEN
12 Cheapside, N22 6HH
Tel: 020 8889 9484

WOOLWICH
4 Powis Street, SE18 6LF
Tel: 020 8317 9265

WORCESTER PARK
148 Central Road, KT4 8HH
Tel: 020 8337 7307

WORKSOP
27-29 Bridge Street, S80 1DA
Tel: 01909 488 584

WYTHENSHAWE
Unit 1D, Hale Top, Civic Centre, M22 5RN
Tel: 0161 498 8431

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