CURTIS BANKS

Annual Report and Consolidated Financial Statements

for the year ended 31 December 2015

Contents

Company Information

Strategic Report

2 Financial and operational highlights
3 Our services and history
4 Chairman's statement
6 Chief Executive's review
8 Financial review
9 Principal risks and uncertainties
11 Corporate and social responsibility

Governance

12 Board of Directors
14 Directors' report
15 Statement of Directors' responsibilities
16 Corporate governance
18 Directors' remuneration report

Financial Statements

20 Independent auditors' report
22 Consolidated statement of comprehensive income
23 Consolidated statement of changes in equity
24 Company statement of changes in equity
25 Consolidated statement of financial position
26 Company statement of financial position
27 Statement of cash flows
28 Notes to the financial statements

Company Information

Directors	Christopher Banks – Executive Chairman Rupert Curtis – Chief Executive Officer Paul Tarran – Chief Financial Officer Chris Macdonald – Non Executive Director Bill Rattray – Non Executive Director Jules Hydleman – Non Executive Director
Company Secretary	Paul Tarran
Registered Office	3 Temple Quay Temple Back East Bristol BS1 6DZ
Registered Number	07934492
Nominated Advisor and Broker	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET
Auditor	Saffery Champness 71 Queen Victoria Street London EC4V 4BE
Solicitors	Roxburgh Milkins Merchants House North Wapping Road Bristol BS1 4RW
Registrars	Computershare The Pavilions Bridgwater Road Bristol BS13 8AE

Strategic report

The Directors present their strategic report for the year ended 31 December 2015.

Financial Highlights

Over the twelve month period relative to the corresponding period last year:

- Increase in revenue by 69%
- Increase in operating profit before amortisation and non-recurring costs by 64%
- Increase in Basic EPS on tax adjusted Operating Profit before amortisation and non-recurring costs by 56%

	Year ended 31 December 2015	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Revenue (£'000)	**16,999**	10,081	8,912
Operating Profit (£'000)	**4,198**	3,231	3,154
Operating Profit before amortisation and non-recurring costs (£'000)	**6,125**	3,746	3,551
Profit Margin on Operating Profit before amortisation and non-recurring costs	**36%**	37%	40%
Basic EPS (pence)	**7.12**	5.95	5.80
Basic EPS on tax adjusted Operating Profit before amortisation and non-recurring costs (pence)	**11.46**	7.35	7.47

Operational Highlights

	Year ended 31 December 2015	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Number of SIPPs Administered	**39,236**	22,379	11,743
Number of SSASs Administered	**326**	280	250
Assets under Administration (£ billion)	**9.0**	7.1	4.3
Total New Full SIPPs	**2,386**	2,046	1,785

Strategic report *continued*

OUR SERVICES AND HISTORY

Curtis Banks Group PLC ("Curtis Banks" or "the Group") is one of the United Kingdom's leading administrators of Self-Invested Pension products, principally SIPPs ("Self Invested Personal Pensions") and SSASs ("Small Self-Administered Schemes"). The Group commenced trading in 2009 and has successfully developed, through a combination of organic growth and acquisitions, into one of the largest UK providers of SIPPs.

The Group employs approximately 273 staff in its head office in Bristol and regional offices in Dundee and Market Harborough. Curtis Banks Limited, the Group's principal trading subsidiary, is authorised by the Financial Conduct Authority to provide SIPP products. It currently administers over 39,000 SIPPs and over 325 SSASs.

The Group trades under the names Curtis Banks and Pointon York SIPP Solutions. The Executive Directors have a long involvement in the pensions market and have established a business that focuses on a service-driven proposition for the administration of flexible SIPPs which allow savers to invest in a wide range of investments.

In the seven years since the business was established it has grown to become the third largest dedicated Full SIPP provider in the UK. The majority of Curtis Banks' clients are introduced by regulated advisory firms with whom long standing relationships have been established. High levels of repeat business are experienced from these firms, which Curtis Banks takes as an indicator of good levels of satisfaction with the service that it provides.

On 7 May 2015, the shares of Curtis Banks were admitted and listed on the London Alternative Investment Market ("AIM") and additional funds of £7.5 million (gross) raised to fund the future development of the Group.

A further issue of new shares raising £27 million (gross) took place in January 2016 for an acquisition. The fund raising was well supported by existing and new institutional shareholders to whom the Board express their gratitude for the support for the Group.

Strategic report *continued*

CHAIRMAN'S STATEMENT

Overview

I am pleased to present the first set of annual results for Curtis Banks as a listed company for the year ended 31 December 2015.

The 12 months have been an active period of growth for the Group and one in which we have completed two significant transactions, continued to deliver increasing rates of organic growth and listed the shares of Curtis Banks on the AIM market of the London Stock Exchange.

Revenues for the period increased by 69% from £10.1 million to £17.0 million, compared to the previous year, and operating profit increased from £3.2 million to £4.2 million. These results are all the more impressive given that we have absorbed costs associated with the two transactions, their integration and the flotation. Operating profits before these costs, and amortisation, increased from £3.7 million to £6.1 million when compared to the previous year.

The results for the year do not fully reflect the contribution of our two transactions in the year. The first was the acquisition of a client book from Friends Life PLC (now Aviva PLC). The acquisition completed on 13 March 2015 and hence the operating revenues for the year only include nine months of contribution from this source. The second was our appointment to replace Capita as SIPP administrators to a significant book of Zurich SIPPs in November 2015. This is a 10 year contract with guaranteed revenues of £1.25 million p.a. in the first two years. The full benefit of both of these transactions will be seen in the year ending 31 December 2016 and beyond.

We continue to grow organically and develop our introducer network to extend our reach and to further diversify our introducer relationships. New well established introducers continue to be attracted to our service level proposition reflecting the on-going success of our strategy.

Board

As part of our recent admission to AIM, your Board was enhanced by three key Non-Executive Directors, Chris Macdonald (Chief Executive of Brooks Macdonald), Bill Rattray (Finance Director of Aberdeen Asset Management plc) and Jules Hydleman (former Chairman of Innocent Drinks). All three bring a wealth of relevant experience and expertise to the Board and their agreement to accept positions as Non-Executive Directors expresses their confidence in the future of the Group.

Dividends

Your Board has declared an interim dividend of 3.5p per share that was paid on 26 February 2016. No final dividend will be paid in respect of the year ended 31 December 2015 but it is the expectation that an interim dividend and final dividend will be declared for the current financial year and going forward.

Summary and outlook

The results reflect significant progress over the period under review and this was an important year in the evolution of Curtis Banks. We expect 2016 to likewise be an equally important year. On 15 January 2016 we exchanged contracts with Legal & General Retail Investments (Holdings) Limited to acquire Suffolk Life Group Limited. This is subject to regulatory approval.

Suffolk Life is one of the oldest and most respected brands in the SIPP industry, with an excellent reputation for service and professionalism. We are delighted that Legal & General has chosen us to take ownership of this business and believe this reflects our strong standing and market reputation. Suffolk Life is based in Ipswich with 239 employees. Suffolk Life manages approximately 26,500 SIPPs, with £8.7 billion of assets under administration. Suffolk Life has a strong reputation for SIPP property expertise. The acquisition of Suffolk Life, once completed, will also enhance the earnings for the current year and elevate Curtis Banks to the second largest independent SIPP provider in the UK.

With the increased regulatory environment for SIPP operators and forthcoming changes to capital adequacy rules we are seeing a continuing consolidation in the industry. We are being regularly approached by SIPP operators looking for an exit for a variety of reasons and we are evaluating opportunities as they come to us. Whilst it is one of our objectives to grow the business by acquisition as well as organically we will only consider acquisitions of high quality books of SIPPs that we know can provide at least the level of operating margins we are currently achieving. The recent admission to AIM has provided us with the resources and ability to consider and fund all levels of acquisition as can be demonstrated by the recent exchange of contracts to acquire Suffolk Life Group Limited.

Strategic report *continued*

It is against this backdrop that we consider the environment to be favourable for our current growth strategy. Your Board looks forward with optimism to further growing Curtis Banks both organically and acquisitively for the benefit of its shareholders.

Finally, I would like to thank all the staff in the Group, including my fellow Executive Directors, for their hard work and dedication over a period that has seen so much transition in our business. It is an exciting time for Curtis Banks and we look forward to delivering on the Group's potential.

Christopher Banks
Executive Chairman

14 March 2016

Strategic report *continued*

CHIEF EXECUTIVE'S REVIEW

Operational review

The operational priority for the first part of the year ended 31 December 2015 was to absorb the two acquisitions completed at the end of 2014 and to complete the acquisition of the Friends Life book of schemes, ultimately acquired in March 2015. This resulted in considerable investment in terms of time and staffing in Bristol to integrate these books of SIPPs into Curtis Banks.

In the latter part of the year, the 10 year administration contract of Zurich SIPPs was awarded to Curtis Banks and recruitment of staff at our Market Harborough office took place in order to service this new contract. As with all the acquisitions carried out to date there is an initially high investment of time, both leading up to the acquisition and then integrating the new books acquired with Curtis Banks' systems and processes, before the full benefit of the acquisitions can be realised.

The most recent and substantial development for Curtis Banks has been the exchange of contracts in January 2016 with Legal & General Retail Investments (Holdings) Limited for the acquisition of Suffolk Life Group Limited. We believe that Suffolk Life has a strong heritage, culture and client focus which we share at Curtis Banks. We will retain Suffolk Life's headquarters in Ipswich and believe there will be continuity for clients and exciting opportunities for Suffolk Life's management and employees as part of the enlarged group.

The acquisition of Suffolk Life is conditional on regulatory approval that is expected in the second quarter of 2016 which, once completed, will double the size of Curtis Banks in terms of number of SIPP schemes administered and turnover.

SIPP numbers

New Full SIPP numbers from organic growth in the year were 2,386. Compared to the previous year (2014: 2,046) this shows an impressive growth of 17% and growth of 19% over the forecast for the year. The number of SIPPs administered as at 31 December 2015 totalled 21,423 Full SIPPs, 6,529 eSIPPs and 11,284 SIPPs administered under third party administration contracts. The increased staff numbers, as well as working on books of SIPPs acquired, have been used to support this strong organic growth in Full SIPPs during the year.

The attrition rate for the year has increased from 3.2% to 4.9% as a result of high rates of attrition on books acquired during the year. These rates, that existed at the date of acquisition, have been significantly reduced since that date.

The average revenue per SIPP has fallen to £620 (excluding SIPPs administered under outsourcing contracts) in the year 31 December 2015 from £789 for the year ended 31 December 2014. This is attributable to the effect of the lower revenues from the eSIPP book acquired as part of the Pointon York acquisition in October 2014. eSIPPs have a lower fee structure but are less expensive to administer, hence maintaining margins, as they are on-line products. The full impact of this has been felt in 2015 whilst the results for the year ended 31 December 2014 only included two months of these revenues. In addition, other sources of revenue for the newly acquired books of business have yet to be fully developed.

Our market and products

The changes in pension legislation over the past two budgets have to date had little impact on the business of Curtis Banks other than implicitly driving the growth levels in new SIPPs. The Group has seen no significant increase in withdrawals as a result of the new pension freedom abilities. All products, systems and literature of Curtis Banks have however been updated to reflect the changes and allow clients to fully take advantage of the new rules where allowed.

In addition, a new product has been designed specifically to address Pension Freedom. This is a short term pension drawdown product that allows clients simple on-line access to their funds, held in cash, with no transactional costs each time a withdrawal takes place. The product has been targeted initially to the financial intermediary market.

Systems and personnel

Development continues of the new operating system for the Group that will replace the current number of systems in place. The new system will allow more efficient and robust processing of data and enhance on-line ability for clients and introducers of business as well as delivering a standard system across the whole of Curtis Banks. It is expected that the first stage of the implementation of the new system will take place in the second half of the current year.

Strategic report *continued*

I am pleased to welcome Richard Valentine to the Group. Richard joined mid last year as COO and brings a depth of experience gained with other SIPP Providers to strengthen our management team.

As a result of the exceptional growth of the business over the past year additional staff have been recruited to strengthen the provision of general support services. Staff numbers in Curtis Banks have increased from 181 staff as at 31 December 2014 to 273 as at 31 December 2015, principally in Bristol where all the main support functions are located. This additional staffing will continue as considered necessary to be at a level expected to be adequate to support future projected organic growth and provide the service levels expected.

Rupert Curtis
Chief Executive Officer

14 March 2016

Strategic report *continued*

FINANCIAL REVIEW

Revenues of £17.0 million for the year have increased by 69% over the comparable period (2014: £10.1 million). This is through a combination of strong organic growth and the impact of the last four transactions completed. These were:

- The acquisition of the SIPP business of Pointon York SIPP Solutions Limited on 31 October 2014.
- The acquisition of the SIPP business of Rathbones Pensions and Advisory Services Limited on 31 December 2014.
- The acquisition of a book of self-invested pension products from Friends Life PLC on 13 March 2015.
- The awarding of the Administration contract for Zurich SIPPs on 20 October 2015.

The revenue contribution from the last two of these transactions accounted for £2.8 million of the revenue for the year to 31 December 2015. The full benefit of these transactions will be felt in the current and future financial periods.

Interest income remains under pressure from the low interest rate environment currently being experienced for instant access funds.

Administrative expenses of £10.9 million have increased for the year by 72% compared to the previous year (2014: £6.3 million). This is a reflection of the above transactions and the additional staff resources needed to service these SIPPs. In the case of Pointon York SIPP Solutions, the costs included the costs associated with an additional office at Market Harborough to maintain a high service level for this client bank. The retaining of this office ensured the retention of the highly experienced staff that transferred across to Curtis Banks as part of that acquisition and provided the office space and experienced staff to support the Zurich administration contract taken on in November 2015.

Non-recurring costs for the year included costs of £750,000 relating to the listing of the Company on AIM in May 2015. In addition included in non-recurring costs are the one off costs of establishing the Third Party Administration environment to allow the Group to take on the Zurich contract and potentially future third party administration arrangements. Also the Group incurred reorganisation costs of £103,000 as a consequence of moving the Head Office to new premises in Bristol in February 2015, a necessity given the growth over the past year. Non-recurring costs were also incurred relating to matters arising on books of SIPPs acquired that could not be recovered from the Vendors.

The successful IPO of the Company in May 2015 raised new funds of £6.4 million (net) and helped strengthen the Group balance sheet to net assets of £13.6 million at 31 December 2015 compared to £5.2 million at 31 December 2014. Of the £6.4 million raised, £1.4 million was utilised to repay the preference shares outstanding as at the date of Admission. The remaining funds raised are currently on deposit and will be utilised for future acquisitions and development of the business.

Capital expenditure on property, plant and equipment during the year has been significant at £1.1 million, partly arising from the investment and development in a new operating system and routine upgrades in computer hardware to provide storage and data recovery facilities to ensure adequate operational and data security requirements for the enlarged group.

Costs incurred during the year that relate to the proposed new operating systems and development of new products have been capitalised and will be written off over their useful economic lives when the respective systems are operational and the products launched.

The new capital adequacy requirements for SIPP operators become effective from September 2016. Preliminary calculations have been made by Curtis Banks of the higher levels of capital needed under the new rules and based on these Curtis Banks has calculated that it will have more than sufficient capital in place to satisfy the requirements.

On 14 January 2016 Curtis Banks exchanged contracts with Legal & General Retail Investments (Holdings) Limited to acquire the entire share capital of Suffolk Life Group Limited for a total consideration of £45 million. The net current assets of Suffolk Life Group Limited at completion are expected to be circa £18 million. Completion is conditional on regulatory approval of the Change of Controller of Suffolk Life Group Limited to Curtis Banks.

The Acquisition of Suffolk Life Group Limited is to be funded by the combination of a placing of 8,437,500 new ordinary shares of 0.5p each in Curtis Banks at a placing price of 320 pence per Share to raise £27 million (the "Placing"), and a new debt and revolving credit facility. The Placing was successfully concluded on 20 January 2016 with the new shares issued being admitted to AIM on that date. The debt facilities have been fully approved by the lender and will be drawn down on completion of the transaction.

Paul Tarran
Chief Financial Officer

14 March 2016

Strategic report *continued*

PRINCIPAL RISKS AND UNCERTAINTIES

The risks to the Group have been fully assessed and mitigated to every extent possible and a full risk register is maintained. The principal risks are set out below that would adversely affect the activities of the Group.

1. Dependence on key executives and personnel

The Group's future success may be substantially dependent on the continued services and performance of its Executive Directors and senior management and its ability to continue to attract and retain highly skilled and qualified personnel.

Mitigation

To minimise this risk the Group seeks to recruit and maintain high quality experienced staff by offering market competitive packages. These packages are soon to be enhanced by the addition of share based incentive and reward schemes for all staff. In addition the Group offers structured training for staff and works with staff to ensure that there is a favourable work environment that attracts and retains staff.

2. Risks related to acquisitions

The material risks in relation to past and potential future acquisitions include:

- Unanticipated litigation or claims against the Group.
- Unexpected integration costs and unanticipated diversion of management time and focus and other resources leading to an inability to integrate on a cost-effective and timely basis.

No assurance can be given that any businesses acquired will achieve levels of profitability or earnings that will justify the investment made by the Group.

Mitigation

To minimise this risk the Group carries out thorough due diligence on all potential acquisitions using internal expertise and external resources where considered necessary. In the case of all acquisitions appropriate warranties and indemnities are required from the vendors and where possible consideration is partly deferred to cover any potential issues arising from the acquisition. Where possible insurance cover is arranged to cover past events in businesses being acquired.

3. Regulatory risks

The Group's operations are subject to authorisation from the FCA, and supervision from bodies such as HMRC and The Pensions Regulator. In particular, Curtis Banks is subject to the FCA's regulatory capital requirements. It is possible that the FCA may increase the regulatory capital requirements applicable to SIPP providers and change other regulatory requirements from time to time that may increase the Group's compliance costs. HMRC changes to Pension Scheme legislation could also adversely impact the Group's business.

Mitigation

To minimise this risk Group compliance personnel closely monitor all current and proposed regulations to ensure full compliance and assess the effect of any future changes on the Group. The Group is well funded and holds regulatory capital in excess of current needs. Any changes in Pension Scheme legislation are fully analysed and the Group's product offerings adapted to the new legislative requirements.

4. Interest on client money

The Group makes a margin on client cash by generating interest income in excess of a pre-determined percentage paid to clients. There is a risk that a change in prevailing interest rates may materially reduce the margins earned in respect of client monies held.

From time to time, the Group may lock into fixed rates of interest on client money that appear attractive. To the extent that prevailing interest rates increase following the making of such fixes, the margin to be paid by Curtis Banks to its client's increases and the interest turn received by the Group reduces.

Mitigation

To minimise this risk the Group has a dedicated Treasury function that continually monitors all client deposits and the terms of those deposits to ensure any risks from changing interest rates are minimised. This is partly achieved by varying the maturity dates of term deposits.

Strategic report *continued*

PRINCIPAL RISKS AND UNCERTAINTIES *continued*

5. Reliance on Information Technology systems

The Group requires complex and extensive IT systems to run its business. Delays in any modifications to its systems or a failure of existing systems could lead to business disruption with a resultant material adverse impact on the Group. Significant system enhancements are currently taking place.

Mitigation

To minimise this risk the Group has project teams that continually evaluate and update current systems, and implement new or enhanced systems where considered necessary. A full risk assessment is carried out before significant changes to systems. Business continuity is assured by thorough full back up of data and comprehensive data recovery procedures being in place.

6. Operational Risk and Internal control systems

The Board believe that the Group has in place appropriate regulatory, financial, management and internal controls which are adequate to ensure that the Group meets its regulatory obligations and its contractual commitments to clients and other third parties, as well as appropriate protections against detrimental activities such as fraud, theft, misuse of funds, money laundering or other unauthorised or criminal activities. Nevertheless, such systems may prove inadequate. In the event that such controls fail this may lead to a material adverse effect and lead to claims against the Group.

Mitigation

All staff are fully trained and all processes fully documented to ensure operational risk is at a minimum. The processes are regularly tested by compliance personnel. There is full segregation of duties wherever needed to prevent any detrimental activities.

7. Online security

The Group's software and systems are at risk from computer viruses, and other breaches of cyber security. While the Group takes the security of its computer systems very seriously computer viruses or breaches of cyber security may cause the Group's systems to suffer delays or other service interruptions and result in claims against the Group.

Mitigation

To minimise this risk the Group carries out extensive testing of all computer systems on a regular basis to ensure security is maintained and also makes use of the latest technology and software to ensure there is appropriate cyber security in place.

Strategic report *continued*

CORPORATE AND SOCIAL RESPONSIBILITY

Sponsorships and partnerships with charities and community organisations.

Curtis Banks actively encourage supporting of charities and community organisations. With three regional offices there is adequate scope to carry this out this support. In Bristol Curtis Banks are corporate sponsors of Bristol Museum. All offices regularly hold fund raising events for local charities or charities where staff that have connections or have had need of those charities. As well as organising and funding the events Curtis Banks also makes a contribution to the relevant charity.

Staff initiatives and interaction

Management work closely with staff to determine staff needs. Staff initiatives are implemented where these benefit the majority of employees. A recent project has been set up, the 'Buzz' project, to ascertain the views of staff on day to day operational aspects of the business. These initiatives are designed to ensure the workforce are motivated and happy in their work environment.

Staff Training

Staff are actively encouraged to train and develop through both structured and 'on the job' training. Staff are supported in this both financially and through a dedicated training department. As part of this the Group has an approved list of professional qualifications that staff are sponsored to study and qualify for. Staff are encouraged to move up though the organisation and all vacancies are filled internally whenever possible.

On the behalf of the board

Paul Tarran
Chief Financial Officer

14 March 2016

Governance

BOARD OF DIRECTORS

Christopher Banks, Executive Chairman

Chris is a founding Director of Curtis Banks and has built an extensive network of contacts in the pensions industry and Financial Services sector over the past 30 years. He has a track record of founding and successfully growing several high profile companies including IPS Pensions, which is now part of James Hay. In partnership with the Nationwide Building Society, Chris designed and established the IPS Pension Builder, one of the first and most successful SIPP products in the UK.

Rupert Curtis, Chief Executive Officer

Rupert has over 37 years' experience at a senior level in the SIPP and SSAS industry, making him one of the most experienced executives in the sector. Previously the Managing Director of IPS Pensions and a Director at James Hay, Rupert has overseen the successful development of Curtis Banks from a standing start to one of the major SIPP operators in the UK. Rupert was one of the founders of Curtis Banks and is a Fellow of the Institute of Actuaries.

Paul Tarran, Chief Financial Officer

Paul has over 30 years' experience in the financial services industry having previously held the position of Finance Director with Savoy Asset Management plc, a publicly listed stockbroker, and being a founding Director and finance Director of IPS Pensions. Paul is responsible for the finance function for the Group and brings a wealth of experience in corporate matters, to benefit the strategic development of the Group. Paul was one of the founders of Curtis Banks and is a Fellow of the Institute of Chartered Accountants in England & Wales.

Chris Macdonald, Non-executive Director and Chairman of the Risk and Compliance Committee

Chris is the founder and Chief Executive Officer of Brooks Macdonald Group plc. He is a qualified investment manager, has worked in investment management and financial services since the start of his career in 1982 and has won several investment management awards. Chris is also the non-executive Director of the Invesco AiM VCT and an associate of the Institute of Continuing Professional Development.

Governance *continued*

Bill Rattray, Non-executive Director and Chairman of the Audit Committee

Bill is the Finance Director of Aberdeen Asset Management plc, one of the world's leading asset managers. Bill joined Aberdeen Asset Management in 1985 as Company Secretary and subsequently became group financial controller. He was appointed finance Director of the group on 31 January 1991. Before joining Aberdeen, he trained as a chartered accountant with Ernst & Whinney and qualified in 1982.

Jules Hydleman, Non-executive Director and Chairman of the Remuneration Committee

Jules has over 15 years' experience as a Non-executive Director and Chairman. Currently he holds Chairmanships of Equip Holdings Limited, Gro-group International Limited and Cornwall Farmers Co-operative. Previously Jules was Chairman of Innocent Drinks for 10 years from start up until eventual exit. During that time Innocent won numerous awards for Human Resource Management as well as running the Innocent Foundation that worked directly with farmer/ growers in third world countries to improve working conditions.

Governance *continued*

DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 31 December 2015.

Business review

The principal activity of the Group continued to be that of the provision of pension administration services principally for Self Invested Personal Pension schemes ("SIPPs") and Small Self-Administered Pension Schemes ("SSASs"). The Group is staffed by experienced professionals who all have proven track records in this sector.

The Company was incorporated in England & Wales (registered no. 07934492).

Details of significant events since the statement of financial position date are contained in note 33. An indication of likely future developments in the business of the Group and details of research and development activities are included in the Strategic Report.

Results and dividends

The consolidated statement of comprehensive income for the year is set out on page 22.

An Interim dividend of 1.25p per share totalling £500,000 was proposed and paid on 30 January 2015. A further interim dividend of 3.5p per share totalling £1.8 million was proposed and paid on 26 February 2016.

Substantial Shareholders

At 1st March 2016 the Company had been notified of the following interests (excluding Directors) representing 3% or more of its issued share capital:

	Number of Ordinary shares	Percentage Holding
Hargreave Hale	3,665,360	6.86%
Liontrust Asset Management	2,907,600	5.45%
Kames Capital	1,727,115	3.24%

Directors

The following Directors have held office since 1 January 2015:

Christopher Banks
Rupert Curtis
Paul Tarran
Chris Macdonald (Appointed 14.04.2015)
Bill Rattray (Appointed 29.04.2015)
Jules Hydleman (Appointed 17.04.2015)

Directors' indemnity

The Directors had indemnity cover totalling £5,000,000 during the year ended 31 December 2015.

Related party transactions

Details of related party transactions are given in note 32.

Annual General Meeting

The Annual General Meeting of the Company will be held on 27 June 2016. The Notice of the Meeting is included with this document and contains further information on the business to be proposed at the meeting.

Auditors

Saffery Champness have confirmed their willingness to continue in office as auditor in accordance with section 489 of the Companies Act 2006. The Group is satisfied that Saffery Champness are independent and there are adequate safeguards in place to ensure their objectivity.

Going concern

The Directors have prepared the financial statements on a going concern basis, as in their opinion the Group is able to meet its obligations as they fall due. This opinion is based on detailed forecasting for the following 12 months based on current and expected market conditions together with current performance levels.

Events after the statement of financial position date

Subsequent to the 31 December 2015 Curtis Banks Group PLC exchanged conditional contracts to acquire Suffolk life Group Limited. As part of this event £27 million of new share capital was raised though a placing of new ordinary shares in the Company. These events are further described in note 33.

Governance *continued*

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 prepared the Company and Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law. 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 the Group and the profit or loss of the Company and the Group for that period.

In preparing the financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union 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 Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the Directors are aware, there is no relevant audit information of which the Group's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Group's auditors are aware of that information.

On the behalf of the board

Rupert Curtis
Chief Executive Officer

14 March 2016

Governance *continued*

CORPORATE GOVERNANCE

The Board is committed to achieving high standards of corporate governance, integrity and business ethics. Under the AIM Rules the Group is not required to comply with the provisions of the UK Corporate Governance Code issued by the Financial Reporting Council in September 2014 (the "Code"). The Board has taken into consideration the Guidance for Smaller Quoted Companies in the Code produced by the Quoted Companies Alliance. The Board will in due course be taking steps to apply the principles of the Code in so far as they can be applied practically, given the size of the Group and the nature of its operations.

The Board meets formally every three months and on other occasions where specific transactions or events dictate the need. In addition the Board has committees in order to provide corporate governance and these also meet formally on a quarterly basis. These committees comprise of only the three Non-Executive Directors with Executive Directors in attendance as required. Each of the committees are governed by terms of reference that have been approved by the Board.

Audit Committee

The audit committee is chaired by Bill Rattray with Chris MacDonald and Jules Hydleman as the other members.

The key duties of the Committee are:

(a) to monitor the integrity of the financial statements of the Group, including its annual and half yearly reports, preliminary results' announcements and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain.

(b) to keep under review the adequacy and effectiveness of the Group's internal financial controls and internal control and risk management systems.

(c) to review the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.

(d) meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage to discuss their remit and any issues arising from the audit. In addition the Committee will review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team. The Committee will also agree the level of audit fee.

The Audit Committee has met three times since the flotation of the Company on AIM on 7 May 2015 with the auditors being in attendance at two of those meetings. The audit plan for the year ended 31 December 2015 was reviewed and approved by the Audit Committee.

Risk and Compliance Committee

The Risk and Compliance committee is chaired by Chris MacDonald with Bill Rattray and Jules Hydleman as the other members.

The key duties of the Committee are:

(a) to consider the Group's appetite for risk, in particular review and monitor the process undertaken by the Group to set and adhere to the Group's current risk profile.

(b) to ensure that Group has in place procedures and mechanisms for the identification and control of all fundamental risks including financial, legal, regulatory and operational risks.

(c) In relation to proposed strategic transactions including acquisitions, disposals or joint ventures and significant new business streams, products or business partners, ensure that due diligence of the proposition has been carried out, in particular on the risk aspects and implications for the Group's risk appetite alongside the commercial and legal aspects.

The Risk and Compliance Committee has met three times since the flotation of the Company on AIM and received presentations from the Compliance Officer of the Group.

Internal control and risk management is monitored by the Committee by the review of key risk and control documentation, review of internal compliance reports and discussions with Executive Directors and Compliance staff.

Remuneration Committee

The Remuneration Committee is chaired by Jules Hydleman with Bill Rattray and Chris MacDonald as the other members.

The key duties of the Committee are:

(a) To determine and agree with the board the framework or broad policy for the remuneration of the Group's Chairman and the executive Directors including pension rights and compensation payments.

Governance *continued*

(b) In determining such policy, to take into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of the Corporate Governance Guidelines for Small and Mid-Size Quoted Companies published by the Quoted Companies Alliance (QCA Code) and other relevant guidance.

(c) To review the on-going appropriateness and relevance of the overall remuneration policies in the Group.

(d) To approve the design of, and determine targets for, any performance related pay schemes operated by the Group and approve the total annual payments made under such schemes.

(e) To review the design of all share incentive plans for approval by the board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive Directors, company secretary and other senior executives and the performance targets to be used.

(f) Within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive as appropriate, to determine the total individual remuneration package of the Chairman, each executive Director, the company secretary and other senior executives including bonuses, incentive payments and share options or other share awards.

(g) To obtain reliable, up-to-date information about remuneration in other companies of comparable scale.

It is the policy of the Committee that all appointments in the Group with a remuneration package of in excess of £100,000 be reviewed and approved by the Committee. Any changes to existing employees with such packages are also reviewed and approved by the Committee.

The Remuneration Committee has met three times since the flotation of the Company on AIM. At those meetings the Committee has considered various types of share option schemes which might be introduced by the Group to incentivise employees. The Committee has recommended to the Board the introduction of a Save As You Earn Share option Scheme for all employees of the Group. This recommendation has been approved by the Board and it is expected that this Scheme will be offered to staff in Q2 2016. The committee is also evaluating other incentive based share option schemes for all employees and Directors and intends to make recommendations on this to the Board in the current year.

Governance *continued*

DIRECTORS' REMUNERATION REPORT

Remuneration Policy

It is the policy of the remuneration committee to reward executive Directors with packages that will retain, incentivise and motivate. The packages are designed to be market competitive and are reviewed annually.

Current remuneration packages for Executive Directors comprise:

(a) Basic annual salary.

(b) Pension contributions equivalent to 3% of basic salary.

(c) Benefits in kind comprising principally life assurance and car allowance.

(d) Discretionary annual bonus.

The Remuneration Committee is in the process of reviewing these elements of the Executive Remuneration packages to ensure that appropriate annual and long term incentives are in place and that management's interests are aligned with those of shareholders.

Notice periods for Executive Directors

Service Agreements for Executive Directors are terminable by either party on six months written notice, with the Group having the option to place the Executive on garden leave or to make a payment in lieu of notice.

The Service Agreements include restrictive covenants following the termination of employment for the period of six months as regards non-competition and solicitation of staff, and twelve months for the solicitation of clients.

Non-Executive Directors

The Executive Directors are responsible for determining the fees of the non-executive Directors who do not receive pension or other benefits from the Group. Service Agreements for Non-Executive Directors are terminable by either party on three months written notice.

Directors' remuneration

				Total emoluments	
Director	**Basic salary and fees**	**Pension contributions**	**Benefits**	**2015 £**	**2014 £**
Christopher Banks	130,000	–	8,000	138,000	103,500
Rupert Curtis	190,000	5,700	6,000	201,700	154,500
Paul Tarran	150,000	4,500	7,500	162,000	101,505
Chris Macdonald	35,835	–	–	35,835	–
Bill Rattray	16,857	–	–	16,857	–
Jules Hydleman	17,705	–	–	17,705	–
Total	540,397	10,200	21,500	**572,097**	359,505

Governance *continued*

Directors' shareholdings

As at 31 December 2015, the interest of the Directors in the issued shares of the Company, as shown in its register maintained under section 809 (2) and (3) of the Companies Act 2006 were:

	2015		2014	
Director	**Number**	**%**	**Number**	**%**
Christopher Banks	20,436,843	45.46	25,700,000	64.25
Rupert Curtis	7,321,053	16.29	7,900,000	19.75
Paul Tarran	3,777,127	8.40	4,066,600	10.16
Chris Macdonald	7,894	0.02	–	–
Bill Rattray	7,894	0.02	–	–
Jules Hydleman	39,473	0.09	–	–

Jules Hydleman
Chairman of the Remuneration Committee

14 March 2016

Auditors Report

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements of Curtis Banks Group PLC for the year ended 31 December 2015 consisting of the consolidated statement of comprehensive income, consolidated and company statements of changes in equity, the consolidated and company statements of financial position, the consolidated and company statement of cash flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2006.

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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the 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 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 and 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 and consolidated financial statements 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 financial statements give a true and fair view of the state of affairs of the Group and the parent Company as at 31 December 2015 and of the Group's profit for the year then ended; and
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the parent Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 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

Auditors Report *continued*

- 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.

Donna Caira
(Senior Statutory Auditor)
for and on behalf of Saffery Champness

Chartered Accountants
Statutory Auditors

14 March 2016

Saffery Champness
71 Queen Victoria Street
London
EC4V 4BE

Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 December 2015 £'000	 2014 £'000
Revenue			
Continuing operations		15,364	9,545
Acquisitions		1,635	536
		16,999	10,081
Administrative expenses		(10,874)	(6,335)
Operating profit before amortisation and non-recurring costs		6,125	3,746
Non-recurring costs	7	(1,194)	(106)
Amortisation		(733)	(409)
Operating profit		4,198	3,231
Finance income	10	40	14
Finance costs	9	(158)	(141)
Profit before tax		4,080	3,104
Tax	11	(983)	(665)
Profit for the year	6	3,097	2,439
Other comprehensive income for the year		–	–
Total comprehensive income for the year		**3,097**	2,439
Attributable to:			
Equity holders of the Company		3,072	2,380
Non-controlling interests		25	59
		3,097	2,439
Earnings per ordinary share:			
Basic (pence)	12	7.12p	5.95p
Diluted (pence)	12	6.96p	5.91p
Earnings per ordinary share on tax adjusted operating profit before amortisation and non-recurring costs:			
Basic (pence)		11.46p	7.35p
Diluted (pence)		11.20p	7.31p

The consolidated statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 28 to 55 form part of these financial statements.

Financial Statements *continued*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Issued capital £'000	Share premium £'000	Equity share based payments £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
At 1 January 2014	200	–	–	1,211	1,411	1,402	2,813
Total comprehensive income for the year	–	–	–	2,380	2,380	59	2,439
Share based payments	–	–	32	–	32	–	32
Preference dividends declared	–	–	–	–	–	(56)	(56)
At 31 December 2014	200	–	32	3,591	3,823	1,405	5,228
Total comprehensive income for the year	–	–	–	3,072	3,072	25	3,097
Share based payments	–	–	65	–	65	–	65
Ordinary shares issued	25	7,146	–	–	7,171	–	7,171
Ordinary dividends declared	–	–	–	(500)	(500)	–	(500)
Preference dividends declared	–	–	–	–	–	(21)	(21)
Preference shares redeemed	–	–	–	–	–	(1,400)	(1,400)
At 31 December 2015	**225**	**7,146**	**97**	**6,163**	**13,631**	**9**	**13,640**

The notes on pages 28 to 55 form part of these financial statements.

Financial Statements *continued*

COMPANY STATEMENT OF CHANGES IN EQUITY

Company	Issued capital £'000	Share premium £'000	Equity share based payments £'000	Retained earnings £'000	Total £'000
At 1 January 2014	200	–	–	3	203
Total comprehensive income for the year	–	–	–	12	12
Share based payments	–	–	32	–	32
At 31 December 2014	200	–	32	15	247
Total comprehensive income for the year	–	–	–	2,513	2,513
Share based payments	–	–	65	–	65
Ordinary shares issued	25	7,146	–	–	7,171
Ordinary dividends declared	–	–	–	(500)	(500)
At 31 December 2015	**225**	**7,146**	**97**	**2,028**	**9,496**

The notes on pages 28 to 55 form part of these financial statements.

Financial Statements *continued*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Group	Notes	As at 31 December 2015 £'000	 2014 £'000
ASSETS			
Non-current assets			
Intangible assets	13	13,379	11,235
Property, plant and equipment	14	1,519	694
Investments	15	1	1
		14,899	11,930
Current assets			
Trade and other receivables	17	4,049	1,868
Cash and cash equivalents	18	7,630	2,699
		11,679	4,567
Total assets		**26,578**	16,497
LIABILITIES			
Current liabilities			
Trade and other payables	19	1,951	1,081
Deferred income		4,649	3,587
Borrowings	20	1,195	1,218
Deferred consideration		1,242	1,760
Current tax liability		434	375
		9,471	8,021
Non-current liabilities			
Borrowings	20	2,036	3,168
Deferred consideration		1,219	–
Deferred tax liability	21	212	80
		3,467	3,248
Total liabilities		**12,938**	11,269
Net assets		**13,640**	5,228
Equity attributable to owners of the parent			
Issued capital	22	225	200
Share premium	23	7,146	–
Equity share based payments	23	97	32
Retained earnings	23	6,163	3,591
		13,631	3,823
Non-controlling interest		9	1,405
Total equity		**13,640**	5,228

The notes on pages 28 to 55 form part of these financial statements.

Financial Statements *continued*

COMPANY STATEMENT OF FINANCIAL POSITION

Company	Notes	As at 31 December 2015 £'000	 2014 £'000
ASSETS			
Non-current assets			
Investments	15	7,382	5,917
Current assets			
Trade and other receivables	17	560	–
Cash and cash equivalents	18	4,832	–
		5,392	–
Total assets		**12,774**	5,917
LIABILITIES			
Current liabilities			
Trade and other payables	19	47	1,307
Borrowings	20	1,195	1,195
		1,242	2,502
Non-current liabilities			
Borrowings	20	2,036	3,168
Total liabilities		**3,278**	5,670
Net assets		**9,496**	247
Equity attributable to owners of the parent			
Issued capital	22	225	200
Share premium	23	7,146	–
Equity share based payments	23	97	32
Retained earnings	23	2,028	15
Total equity		**9,496**	247

Approved by the Board and authorised for issue on 14 March 2016

Rupert Curtis
Chief Executive Officer

Company Registration No. 07934492

The notes on pages 28 to 55 form part of these financial statements.

Financial Statements *continued*

STATEMENT OF CASH FLOWS

	Notes	Group Year ended 31 December 2015 £'000	Group Year ended 31 December 2014 £'000	Company Year ended 31 December 2015 £'000	Company Year ended 31 December 2014 £'000
Cash flows from operating activities					
Profit before tax		4,080	3,104	2,513	12
Adjustments for:					
Depreciation		267	178	–	–
Amortisation		733	409	–	–
Loss on disposal of property, plant and equipment		–	1	–	–
Interest expense		158	142	151	135
Share based payment expense		19	–	–	–
Changes in working capital:					
Increase in trade and other receivables		(2,055)	(750)	(515)	–
Increase/(decrease) in trade and other payables		1,113	671	(1,230)	812
Taxes paid		(794)	(918)	–	–
Net cash flows from operating activities		3,521	2,837	919	959
Cash flows from investing activities					
Purchase of intangible assets	13	(220)	–	–	–
Purchase of property, plant and equipment	14	(1,092)	(384)	–	–
Receipts from sale of property, plant and equipment		–	4	–	–
Consideration paid on business acquisitions (including deferred)	16	(1,128)	(3,424)	–	(2,450)
Net cash flow from investing activities		(2,440)	(3,804)	–	(2,450)
Cash flows from financing activities					
Capital element of finance lease contracts		(20)	(38)	–	–
Equity dividends paid		(535)	(179)	(500)	–
Net proceeds from issue of ordinary shares		7,171	–	7,171	–
Redemption of preference shares		(1,400)	–	(1,400)	–
Proceeds from borrowings		–	2,450	–	1,620
Repayment of borrowings		(1,195)	(940)	(1,195)	–
Interest element of finance lease rentals		(4)	(4)	–	–
Interest paid		(167)	(167)	(163)	(129)
Net cash received from financing activities		3,850	1,122	3,913	1,491
Net increase in cash and cash equivalents		4,931	155	4,832	–
Cash and cash equivalents at the beginning of the year		2,699	2,544	–	–
Cash and cash equivalents at the end of the year	18	**7,630**	2,699	**4,832**	–

The notes on pages 28 to 55 form part of these financial statements.

Notes to the Financial Statements

1. Corporate information

Curtis Banks Group PLC (the "Company") is a public limited company incorporated and domiciled in England and Wales, whose shares are publicly traded on the AIM market of the London Stock Exchange PLC. The financial statements have been prepared on a historical cost basis and are presented in pounds sterling, with all values rounded to the nearest thousand pounds except when otherwise indicated. The financial statements were authorised for issue in accordance with a resolution of the Directors on 14 March 2016.

The financial statements comprise the financial statements of the Company and its subsidiaries (the "Group") as at 31 December each year. The nature of the Group's operations and its principal activities are set out in the Chief Executive's Review.

2. Significant accounting policies

The following principal accounting policies have been used consistently in the preparation of consolidated financial statements.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and in accordance with the IFRS Interpretations Committee ("IFRIC") interpretations.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings up to 31 December 2015.

The profits and losses of the Company and its subsidiaries are consolidated from the date of acquisition using the acquisition method of accounting.

The trading subsidiaries of Curtis Banks Group PLC as at 31 December 2015 were Curtis Banks Limited and Curtis Banks Investment Management Limited.

The trading subsidiaries of Curtis Banks Group PLC as at 31 December 2014 were Curtis Banks Limited, Curtis Banks Investment Management Limited and Bridgewater Pension Trustees Limited. On 1 January 2015, the trade of Bridgewater Pension Trustees Limited was transferred up to Curtis Banks Limited, and consequently Bridgewater Pension Trustees Limited became non-trading.

Curtis Banks Limited holds the entire issued share capital of Colston Trustees Limited, Montpelier Pension Trustees Limited, Tower Pension Trustees Limited, Tower Pension Trustees (S-B) Limited, SPS Trustees Limited, Crescent Trustees Limited, Final Pursuit Limited, and Temple Quay Pension Trustees Limited. The accounts of these companies have not been consolidated into the Group accounts as they would be immaterial to the Group's position. All of these companies have been dormant since incorporation and are expected to remain dormant.

Going concern

The Group is required to assess whether it has sufficient resources to continue its operations and to meet its commitments for the foreseeable future. The Directors have prepared the financial statements on a going concern basis, as in their opinion the Group is able to meet its obligations as they fall due. This opinion is based on detailed forecasting for the following 12 months based on current and expected market conditions together with current performance levels.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights currently exercisable are taken into account. The financial statements of trading subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Notes to the Financial Statements *continued*

2. Significant accounting policies *continued*

Business combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The cost of the business combination is measured as 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 of control of the acquiree, plus any costs directly attributable to the business combination. Any deferred consideration is included as part of the initial fair value, with a corresponding liability being recognised. The acquiree's identifiable assets, liabilities and contingent liabilities that meet conditions for recognition under IFRS 3 Business Combinations are recognised at their fair value at the acquisition date.

Segment reporting

IFRS 8 Operating Segments requires segments to be identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker ("CODM").

All results are viewed as one by the CODM for the purposes of management decisions. This is because all operations are conducted within the UK and all material operations are of the same nature and share the same economic characteristics including a similar customer base and nature of product and services (ie pensions administration). As a result, the Group only has one reportable segment being pensions administration, the results of which are included within the financial statements.

Foreign currencies

The consolidated financial statements are presented in Pound Sterling which is the Group's functional and presentational currency. No foreign currency transactions occurred during the year.

Pensions

The Group contributes to defined contribution schemes for the benefit of its employees. Contributions payable are charged to the statement of comprehensive income in the year they are payable.

Research and development

Research expenditure is written off to the consolidated statement of comprehensive income in the year in which it is incurred. Development expenditure is written off in the same way unless the Directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over a four year period during which the Group is expected to benefit.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activity. Revenue is shown net of value added tax ("VAT"), returns, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of the revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for the Group's activity as described below.

- Set up, and initial transaction fees, as well as ad hoc transaction fees charged in relation to pension schemes are recognised as incurred, net of VAT.
- Annual renewal fees are spread, net of VAT, evenly over the year to which they relate, and held as deferred income at the year end where the annual fee period spans multiple accounting periods.
- Any interest received in excess of that payable to clients is retained by the Group and is included within revenue. Interest income receivable by the Group is recognised as it accrues.

Notes to the Financial Statements *continued*

2. Significant accounting policies *continued*

Intangible assets – Client Portfolios

Client portfolios are included in the statement of financial position at cost to the Group less accumulated amortisation and provisions for impairment.

The carrying value of client portfolios is reviewed for impairment if events or circumstances change and indicate that the carrying values may not be recoverable. In this event the values are written down to the recoverable amount. The carrying value of client portfolios is also reviewed for impairment annually at each reporting date.

Client portfolios are amortised on a straight line basis over their estimated useful life of 20 years.

Intangible assets – Computer Software

Computer software is included in the statement of financial position at cost to the Group less accumulated amortisation and provisions for impairment.

The carrying value of computer software is reviewed for impairment if events or circumstances change and indicate that the carrying values may not be recoverable. In this event the values are written down to the recoverable amount. The carrying value of computer software is also reviewed for impairment annually at each reporting date.

Computer software is amortised on a straight line basis over its estimated useful life of four years.

Property, plant and equipment

Property, plant and equipment are included in the statement of financial position at cost to the Group less accumulated depreciation and provisions for impairment.

The carrying value of property, plant and equipment is reviewed for impairment if events or circumstances change and indicate that the carrying values may not be recoverable. In this event the values are written down to the recoverable amount.

Property, plant and equipment is depreciated on a straight line basis at rates sufficient to write off the cost less estimated residual values of individual assets over their estimated useful lives. The depreciation rates for the principal categories of assets are as follows:

Leasehold improvements	25% straight line
Computer equipment	25% straight line
Plant and equipment	25% straight line
Motor vehicles	25% straight line

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

Notes to the Financial Statements *continued*

2. Significant accounting policies *continued*

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Investments

Non-current asset investments are stated at cost less provision for diminution in value.

Financial assets

The Group classifies its financial assets in the category of loans and receivables. The classification depends on the purposes for which these assets were acquired. Management takes decisions concerning the classification of its financial assets at initial recognition and reviews such classification for reliability at each reporting date. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. The Group's financial assets comprise "trade and other receivables" and cash and cash equivalents in the statement of financial position.

Trade receivables

Trade receivables, defined as loans and receivables in accordance with IAS 39 'Financial Instruments: Recognition and Measurement', are recorded initially at fair value and are subsequently measured at amortised cost. A provision for impairment of trade receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the present value of future cash flows discounted at the effective interest rate. The movement in the provision is recognised in the consolidated statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Financial liabilities – Trade and other payables

Trade and other payables are recognised and initially measured at cost, due to their short term nature. All of the Group's trade payables are non-interest bearing.

Financial liabilities - Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less attributable transaction costs. After initial recognition interest bearing loans and borrowings are subsequently measured at cost using the effective interest method.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the Financial Statements *continued*

2. Significant accounting policies *continued*

Current and deferred income tax

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 statements of comprehensive income, because it excludes items of income or expense that are taxable or tax deductible in other years and it further excludes items that are never taxable or tax deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount 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 statement of financial position liability method. Deferred tax liabilities are 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 which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled. Deferred tax is charged or credited in the profit or loss, except when it relates to items credited or charged in other comprehensive income directly to equity, in which case the deferred tax is also dealt with in other comprehensive income.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at an appropriate pre-tax discount rate.

Leases

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership to the Group are classified as finance leases. Finance leases are classified as a financial liability and measured at amortised cost. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments and depreciated over the term of the lease. The resulting lease obligations are included in liabilities. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

All other leases are classified as operating leases. Rentals payable under operating leases, net of lease incentives, are charged to the consolidated statement of comprehensive income on a straight-line basis over the year of the lease. Where property lease contracts contain guaranteed minimum incremental rental payments, the total committed cost is determined and is amortised on a straight-line basis over the life of the lease.

Share based payments

Curtis Banks Group PLC operates an EMI scheme, under which certain employees of Curtis Banks Limited, a subsidiary company, receive part of their remuneration for the financial year in the form of options to purchase shares in Curtis Banks Group PLC, the ultimate parent Company.

Curtis Banks Group PLC has also provided share based payments to third parties, in the form of options to purchase its own shares, in connection with the acquisition of Client Portfolios by Curtis Banks Limited, a subsidiary company.

These schemes are accounted for as equity-settled share-based payment transactions in accordance with IFRS 2.

Notes to the Financial Statements *continued*

2. Significant accounting policies *continued*

The share options granted become exercisable at varying future dates. If certain conditions are met, following the vesting period, employees and third parties will be eligible to exercise their option at an exercise price determined on the date the share options are granted.

The fair value of Curtis Banks Group PLC's share options is determined at the date of grant. This fair value of share options is calculated by applying the Black Scholes model. This model utilises inputs for the risk free rate, expected volatility in share price, dividend yield and the current share price at fair value, which are factors determined on the date the share options are granted.

The share based payment charge to the consolidated statement of comprehensive income is calculated based on the Group's estimate of the options that will eventually vest.

The resulting staff costs under the EMI scheme are recognised pro rata in the consolidated statement of comprehensive income to reflect the services rendered as consideration during the vesting period.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards, interpretations and amendments to existing standards have been published by the IASB but are yet to be endorsed by the EU or are not effective for the period presented in the financial statements and the Group has decided not to early adopt them.

Standard		**Effective date, annual period beginning on or after**
IFRS 5	Non-current assets Held for Sale and Discontinued Operations	1 January 2016
IFRS 7	Financial Instruments: Disclosures – Annual Improvements 2012-2014 cycle	1 January 2016
IFRS 9	Financial instruments: Classification and Measurement	1 January 2018
IAS 27	Consolidated and Separate Financial Statements	1 January 2016
IFRS 11	Accounting for acquisitions of interests in joint operations (amendments)	1 January 2016
IAS 34	Interim Financial Reporting – Annual Improvements 2012-2014 cycle	1 January 2016
IFRS 14	Regulatory Deferral accounts	1 January 2016
IFRS 15	Revenue from contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019
IAS 1	Presentation of Financial Statements – Disclosure initiative	1 January 2016
IAS 16	Property, Plant & Equipment and IAS 38 – Intangible assets (amendments)	1 January 2016
IAS 16	Property, Plant & Equipment and IAS 41 – Bearer Plants (amendments)	1 January 2016
IAS 19	Employee Benefits – Annual Improvements 2012-2014 cycle	1 January 2016
Annual Improvements to IFRSs 2011-2013 Cycle		1 January 2015
Annual Improvements to IFRSs 2010-2012 Cycle		1 February 2015
IAS 19	Employee Benefits – Defined Benefit Plans: Employee Contributions (amendments)	1 February 2015
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the consolidation exception		1 January 2016

Except for IFRS 15 and IFRS 16, the Directors anticipate that the adoption of these Standards and Interpretations and Amendments in future periods will have no material impact on the financial statements of the Group. The potential impact of both IFRS 15 and IFRS 16 is still being evaluated.

Notes to the Financial Statements *continued*

3. Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing the financial statements the Group has selected and applied various accounting policies which are described in the notes to the financial statements. In order to apply these accounting policies the Group has made estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Key areas of judgement and estimation uncertainty are disclosed below:

Client portfolios

Client portfolios are amortised over their estimated useful economic life (UEL) of 20 years. This UEL is based upon Management's historical experience of similar portfolios.

Additionally, the Group reviews whether acquired client portfolios are impaired at least on an annual basis. This comprises an estimation of future cash flows expected to arise from each client portfolio, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset, together with an estimated rate of attrition for each portfolio.

The carrying value of client portfolios at 31 December 2015 was £13,163,302 (31 December 2014: £11,210,518) as disclosed in note 13 to the financial statements.

Computer software

In capitalising the costs of computer software as intangible assets management judge these costs to have an economic value that will extend into the future and meet the recognition criteria under IAS 38. Computer software costs are then amortised over an estimated UEL on a project by project basis.

Additionally, the Group determines whether computer software is impaired at least on an annual basis. This requires an estimation of the value in use. In assessing value in use the estimated future cash flows expected to arise from the software are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset.

The carrying value of computer software capitalised as intangible fixed assets at 31 December 2015 was £63,978 (31 December 2014: £24,050) as disclosed in note 13 to the financial statements.

In capitalising the operating software as computer equipment under Property, plant and equipment management judge these costs to be necessary for the computer hardware to operate in the manner intended and consequently these costs have been recognised in accordance with the criteria in IAS 16. The amount included in computer equipment at 31 December 2015 is £847,218 (31 December 2014: £224,387) as disclosed in note 14 to the financial statements.

4. Financial risk management

Financial risk factors

The Group's activities are only exposed to one significant type of financial risk: interest rate risk i.e. the effect on interest rates on the amount of interest ("interest turn") the Group receives on client funds. The amount of interest received by clients on their funds is set out in the terms and conditions relevant to the SIPP product they hold. In most cases these rates are linked to base rate and will move in line with base rate. The rate of interest received by the Group should also move in line with base rates protecting the level on interest turn received by the Group, however, there is the risk such equivalent movement of rates will not occur and there is a reduced interest rate turn.

This risk is managed by active treasury management to ensure maximum rates are being received for client deposits though use of more than one bank, where client funds are held on a pooled basis, and close relationship with the underlying banks where client funds are held in individual Trustee accounts.

Notes to the Financial Statements *continued*

4. Financial risk management *continued*

Capital management

Capital requirements of the Group are governed by internal requirements and regulatory requirements.

Calculations are carried out at the end of each month to ensure there is sufficient regulatory capital within the Group. Current requirements for the Group are based on a percentage of the level of overheads of the regulated operating company and are approximately £2.5 million. The regulatory rules on capital requirements for SIPP operators are to change from September 2016 from which date requirements will be based on the value of assets under administration within the SIPPs administered by the Group.

Internal working capital requirements are low and the only need to retain capital is for known IT projects and prospective acquisitions.

5. Revenue

Revenue is wholly derived from activities undertaken within the United Kingdom.

6. Profit for the year

Profit for the year is arrived at after:

	Year ended 31 December	
	2015 £'000	**2014 £'000**
Charging:		
Amortisation of intangible assets	733	409
Depreciation of property, plant and equipment	267	178
Operating lease rentals for land and buildings	321	124
Other operating lease rentals	326	257
Auditors remuneration:		
– audit of the annual accounts of the Group	55	28
– regulatory and tax audits	18	18
– corporation tax services	8	6
– professional fees in respect of listing	130	–

7. Non-recurring costs

Non-recurring costs include the following significant items:

	Year ended 31 December	
	2015 £'000	**2014 £'000**
IPO of the Company and listing on AIM	750	–
Set up costs associated with the take on of SIPPs under third party administration agreements	243	–
Bristol head office move	103	–
Exceptional legal fees	68	–
Redundancy & restructuring costs following acquisitions	30	106
	1,194	106

Notes to the Financial Statements *continued*

7. Non-recurring costs *continued*

IPO of the Company and listing on AIM

The Company listed on the Alternative Investment Market ("AIM") on 7 May 2015. The initial public offering ("IPO") consisted of 3,947,369 new ordinary shares issued, and 7,273,681 existing shares offered. All costs directly attributable to the issue of the new ordinary shares have been offset against share premium created in the year in accordance with IAS 32 Financial Instruments: Presentation. All remaining costs attributable to the listing itself, and existing shares offered, have been recognised above as non-recurring costs.

8. Directors and employees

	Year ended 31 December	
	2015 £'000	**2014 £'000**
Wages and salaries	6,720	3,884
Social security costs	731	397
Other pension costs	230	143
	7,681	4,424

The charge to the consolidated statement of comprehensive income for wages and salaries for the year ended 31 December 2015 includes £18,913 (2014: £1,211) relating to an EMI share option scheme. See note 24 for further details.

The average number of employees during the year was:

	2015	**2014**
Directors	5	5
Administration	230	128
	235	133

Details of emoluments paid to the Directors and key management personnel are as follows:

	Year ended 31 December	
	2015 £'000	**2014 £'000**
Total emoluments paid to:		
Directors		
salaries and fees	562	518
pension costs	10	12
Key management personnel (excluding Directors)		
wages and salaries	906	466
pension costs	30	3
	1,508	999
Emoluments of highest paid director	202	155

The charge to the consolidated statement of comprehensive income for wages and salaries for Directors and key management personnel for the year ended 31 December 2015 includes £3,752 (2014: £390) relating to an EMI share option scheme. See note 24 for further details.

Notes to the Financial Statements *continued*

9. Finance costs

	Year ended 31 December	
	2015 £'000	**2014 £'000**
Interest payable on bank loans	154	135
Interest payable on shareholder loans	–	3
Lease finance charges	4	4
	158	142

10. Finance income

	Year ended 31 December	
	2015 £'000	**2014 £'000**
Interest income	**40**	14

11. Taxation

	Year ended 31 December	
	2015 £'000	**2014 £'000**
Domestic current period tax		
UK Corporation tax	851	638
Deferred tax		
Origination and reversal of temporary differences	132	27
	983	665
Factors affecting the tax charge for the period		
Profit before tax	4,080	3,104
Profit before tax multiplied by standard rate of UK Corporation tax of 20.25% (2014: 21.50%)	826	667
Effects of:		
Non-deductible expenses	165	14
Depreciation	201	38
Capital allowances	(311)	(89)
Other tax adjustments	(30)	8
	25	(29)
Current tax charge	**851**	638

Notes to the Financial Statements *continued*

12. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Changes in income or expense that would result from the conversion of the dilutive potential ordinary shares are deemed to be trivial, and therefore no separate diluted net profit is presented.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2015 £'000	2014 £'000
Net profit and diluted net profit available to equity holders of the Group	3,072	2,380
Operating profit and diluted operating profit before amortisation (note 13) and non-recurring costs (note 7) available to equity holders of the Group	6,125	3,746

	2015 Number	2014 Number
Weighted average number of ordinary shares:		
Issued ordinary shares at start of period	200,000	200,000
Subdivision of shares by factor of 200	39,800,000	39,800,000
Effect of shares issued in current period	3,147,923	–
Basic weighted average number of shares	43,147,923	40,000,000
Effect of options exercisable at the reporting date	195,604	–
Effect of options not yet exercisable at the reporting date	806,009	249,616
Diluted weighted average number of shares	44,149,536	40,249,616

	2015 Pence	2014 Pence
Earnings per share:		
Basic	7.12	5.95
Diluted	6.96	5.91
Earnings per share on tax adjusted operating profit before amortisation and non-recurring costs:		
Basic	11.46	7.35
Diluted	11.20	7.31

The ordinary share capital of the Company was subdivided by a factor of 200 on 28 April 2015. The weighted average number of ordinary shares in issue has been restated for the year ended 31 December 2014 as if the subdivision of shares had existed at that date.

Notes to the Financial Statements *continued*

13. Intangible assets

Group	Development Costs £'000	Client Portfolios £'000	Computer Software £'000	Total £'000
Cost				
At 1 January 2015	–	11,984	123	12,107
Arising on acquisitions	–	2,609	–	2,609
Additions	151	48	69	268
At 31 December 2015	**151**	**14,641**	**192**	**14,984**
Amortisation				
At 1 January 2015	–	773	99	872
Charge for the year	–	704	29	733
At 31 December 2015	**–**	**1,477**	**128**	**1,605**
Net book value				
At 31 December 2014	–	11,211	24	11,235
At 31 December 2015	**151**	**13,164**	**64**	**13,379**

Development Costs

Development costs represent costs incurred for the development of new SIPP products, with a carrying value as at 31 December 2015 of £151,402. No amortisation has been provided in the year to 31 December 2015 as products have yet to be released to the market and are consequently not yet available for sale.

Computer Software

Computer software represents a banking system to improve the efficiency of treasurer facilities within the Group and generate higher levels of interest, with a carrying value as at 31 December 2014 and 2015 of £24,050 and £63,978 respectively. This is being amortised over its useful economic life of four years on a straight line basis.

Client Portfolios

Client portfolios represent individual client portfolios acquired through business combinations.

The brought forward balance relates to the purchase of the trade and assets of Montpelier Pension Administration Services Limited on 13 May 2011, the full SIPP business of Alliance Trust Savings Limited on 18 January 2013, the full SIPP business and certain assets of Pointon York SIPP Solutions Limited on 31 October 2014, and the full SIPP business of Rathbones Pension & Advisory Services Limited on 31 December 2014. On 13 March 2015 a book of full SIPPs was acquired from Friends Life plc (now Aviva plc).

These acquisitions have been accounted for under the acquisition method of accounting.

The Directors have considered the carrying value of the client portfolios and have concluded that no impairment is required. The client portfolios are being amortised over a period of 20 years and have an average remaining expected useful economic life as at 31 December 2015 of 18 years.

Notes to the Financial Statements *continued*

14. Property, plant and equipment

Group	Leasehold Improvements £'000	Computer equipment £'000	Plant & equipment £'000	Total £'000
Cost				
At 1 January 2015	54	948	94	1,096
Additions	–	1,048	44	1,092
At 31 December 2015	**54**	**1,996**	**138**	**2,188**
Depreciation				
At 1 January 2015	1	349	52	402
Charge for the year	14	227	26	267
At 31 December 2015	**15**	**576**	**78**	**669**
Carrying value				
At 31 December 2014	53	599	42	694
At 31 December 2015	**39**	**1,420**	**60**	**1,519**

Included in the carrying values above are assets held under finance leases and hire purchase contracts for £29,645 (2014: £58,139). Depreciation has been charged in relation to these assets of £28,494 (2014: £28,494).

Computer equipment includes costs for a software package for SIPP administration, with a carrying value of £847,218 (2014: £224,387). As at 31 December 2015 this was still under construction and therefore is not yet being depreciated.

15. Non-current asset investments

	Group £'000	Company £'000
Cost		
At 1 January 2015	1	5,917
Additions	–	1,465
At 31 December 2015	**1**	**7,382**
Net book value		
At 31 December 2014	1	5,917
At 31 December 2015	**1**	**7,382**

Notes to the Financial Statements *continued*

15. Non-current asset investments *continued*

The Directors are satisfied that no impairment has occurred in the carrying value of the non-current asset investments at 31 December 2015. Details of the investments are as follows:

Name of entity	Principal activity	Country of Incorporation	% of Ordinary Shares held by parent Company	% of Ordinary Shares held by Group
Curtis Banks Limited	Provision of pension administration services	England and Wales	100.00	100.00
Curtis Banks Investment Management Limited	Provision of financial advice	England and Wales	–	90.00
Colston Trustees Limited	Dormant	England and Wales	–	100.00
Montpelier Pension Trustees Limited	Dormant	England and Wales	–	100.00
Tower Pension Trustees Limited	Dormant	England and Wales	–	100.00
SPS Trustees Limited	Dormant	England and Wales	–	100.00
Crescent Trustees Limited	Dormant	England and Wales	–	100.00
Final Pursuit Limited	Dormant	England and Wales	–	100.00
Tower Pension (S-B) Trustees Limited	Dormant	Scotland	–	100.00
Bridgewater Pension Trustees Limited	Non-trading	England and Wales	–	100.00
Temple Quay Pension Trustees Limited	Dormant	England and Wales	–	100.00

Notes to the Financial Statements *continued*

15. Non-current asset investments *continued*

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activity	Capital and reserves 2015 £	Profit for the year 2015 £
Curtis Banks Limited	Provision of pension administration services	11,415,992	4,128,014
Curtis Banks Investment Management Limited	Provision of financial advice	89,897	38,361
Colston Trustees Limited	Dormant	100	–
Montpelier Pension Trustees Limited	Dormant	1	–
Tower Pension Trustees Limited	Dormant	400	–
SPS Trustees Limited	Dormant	2	–
Crescent Trustees Limited	Dormant	1	–
Final Pursuit Limited	Dormant	1	–
Tower Pension (S-B) Trustees Limited	Dormant	1	–
Bridgewater Pension Trustees Limited	Non-trading	108,628	–
Temple Quay Pension Trustees Limited	Dormant	1	–

In the opinion of the Directors, the aggregate value of the Group's investment in subsidiary undertakings is not less than the amount included in the statement of financial position.

All subsidiaries, other than Curtis Banks Limited, are exempt from audit under the requirements of s479 of the Companies Act 2006.

Notes to the Financial Statements *continued*

16. Business combinations

Acquisition of SIPPs from Friends Life Limited

On 13 March 2015, Curtis Banks Limited acquired a book of circa 2,300 SIPPs from Friends Life Limited, and certain associated assets and liabilities, as part of the Group's overall strategy to grow both organically and acquisitively. Consideration was agreed in the form of payment to Friends Life Limited of a share of the fees received from the book of SIPPs for a five year period from 13 March 2015. The acquisition has been accounted for using the acquisition method.

The fair value of the book of SIPPs, and identifiable assets and liabilities of the business acquired as at the date of acquisition were as follows:

	Fair value recognised on acquisition £'000
Fair value of consideration	2,345
Debtors	(81)
Deferred income	863
Cash receivable in respect of deferred income	(518)
Fair value of net assets acquired	**2,609**
Goodwill arising on acquisition	–
Total acquisition costs	**2,609**
Acquisition costs are analysed as follows:	
Fair value of deferred consideration payable	1,978
Deferred income liability acquired	863
Cash received in respect of deferred income	(518)
Debtors acquired	(81)
Client asset re-registration costs	367
Total acquisition costs	**2,609**

The deferred consideration has been accounted for at fair value, and is split between creditors due within one year and creditors due in more than one year. The amount of deferred consideration payable is linked to a share of the fees received on the book of SIPPs over a five year period from the date of acquisition. As the deferred consideration is intrinsically linked to revenue receivable, the deferred consideration has not been discounted to present value as any discount factor recognised would offset against future revenue receivable.

The Directors have not determined the post-acquisition operating results of the acquisition for the period ended 31 December 2015, as many of the support and general overhead costs for the book of SIPPs are carried out by existing staff of the Group.

Revenue of £1,634,749 has been recognised in relation to the book of SIPPs acquired during the year ended 31 December 2015. The revenue as though the acquired business had been held for the full year ended 31 December 2015 is estimated to be £2,065,000.

Notes to the Financial Statements *continued*

16. Business combinations *continued*

The net cash outflow arising from this acquisition was as follows:

	£'000
Deferred consideration paid during the year	278
Cash received to offset two thirds of deferred income liability acquired	(518)
Client asset re-registration costs	367
Net cash outflow in the year ended 31 December 2015	127
Expected undiscounted deferred consideration payable:	
Year ended 31 December 2016	482
Year ended 31 December 2017	419
Year ended 31 December 2018	357
Year ended 31 December 2019	303
Year ended 31 December 2020	139
Total expected undiscounted deferred consideration payable	1,700
Total net cash outflow	**1,827**

17. Trade and other receivables

	Group As at 31 December		**Company As at 31 December**	
	2015 £'000	**2014 £'000**	**2015 £'000**	**2014 £'000**
Trade receivables	2,350	1,018	–	–
Other receivables	962	481	49	–
Amounts owed by group undertakings	–	–	511	–
Prepayments and accrued income	737	369	–	–
	4,049	1,868	**560**	–

All of the trade receivables were non-interest bearing and receivable under normal commercial terms. The Directors consider that the carrying value of trade and other receivables approximates to their fair value. All trade receivables are fees due from SIPPs and SSASs. Fees are taken from the assets of the respective schemes of which the Group has control. If there are no assets in the scheme, payment of the fees is the responsibility of the member who set the scheme up. As such, all debts should be recoverable over time. There are instances of Schemes not proceeded with and fees are credited when this is identified.

Notes to the Financial Statements *continued*

17. Trade and other receivables *continued*

The nominal value of provisions relating to trade receivables were as follows:

	Year ended 31 December	
	2015 £'000	**2014 £'000**
Brought forward	35	35
Charged in year	40	–
Released in year	–	–
Carried forward	**75**	35

The ageing profile of the non-related party trade receivables that were not impaired were as follows:

	Total £'000	**< 30 days £'000**	**30 – 60 days £'000**	**60 – 90 days £'000**	**> 90 days £'000**
As at 31 December 2014	1,018	436	141	101	340
As at 31 December 2015	**2,350**	**1,063**	**246**	**147**	**894**

18. Cash and cash equivalents

As at 31 December 2015 and 2014 cash and cash equivalents were as follows:

	Group As at 31 December		Company As at 31 December	
	2015 £'000	**2014 £'000**	**2015 £'000**	**2014 £'000**
Cash at bank and in hand	**7,630**	2,699	**4,832**	–

All cash at bank is held on overnight deposit.

19. Trade and other payables (current)

	Group As at 31 December		Company As at 31 December	
	2015 £'000	**2014 £'000**	**2015 £'000**	**2014 £'000**
Trade payables	347	270	–	–
Amounts owed to group undertakings	–	–	–	1,279
Taxes and social security costs	659	518	–	–
Other payables	429	66	–	–
Accruals	516	213	47	28
Declared dividends	–	14	–	–
	1,951	1,081	**47**	1,307

The fair value of trade and other payables approximates to book value at 31 December 2015.

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

Notes to the Financial Statements *continued*

20. Borrowings

	Group As at 31 December 2015 £'000	Group As at 31 December 2014 £'000	Company As at 31 December 2015 £'000	Company As at 31 December 2014 £'000
Current				
Bank loans	1,195	1,195	1,195	1,195
Finance lease liabilities	–	23	–	–
	1,195	1,218	1,195	1,195
Non-current				
Bank loans	2,036	3,168	2,036	3,168
Finance lease liabilities	–	–	–	–
	2,036	3,168	2,036	3,168
Total borrowings	**3,231**	4,386	**3,231**	4,363

Bank borrowings

The bank loan is secured on the shares of Curtis Banks Limited. Finance leases and hire purchase agreements are secured on the assets funded by the specific funding agreements.

The net obligations under finance leases and hire purchase agreements are fully repayable within five years.

The Group and Company bank borrowings are repayable as follows:

	As at 31 December 2015 £'000	As at 31 December 2014 £'000
Within 1 year	1,195	1,195
Between 1 year and 2 years	1,195	1,195
Between 2 years and 5 years	841	1,973
	3,231	4,363

Bank borrowings mature between December 2017 and December 2019 and bear average coupons of 3.5% plus LIBOR per annum. Total borrowings include secured liabilities of £3,231,250 (2014: £4,363,292). The Directors consider that the carrying amounts and fair value of the non-current borrowings closely equate to each other at the levels shown above.

Finance leases

The finance lease liabilities are for computer equipment and were fully repaid in 2015. As per note 14, these assets had a total net book value as at 31 December 2015 of £29,645 (2014: £58,139). The Directors consider that the total minimum lease payments approximate to the present value at the balance sheet dates.

Notes to the Financial Statements *continued*

21. Provisions for liabilities

Deferred taxation

As a result of the taxation position set out in note 11, a deferred tax provision has arisen as follows:

	Group As at 31 December	
	2015 £'000	**2014 £'000**
Brought forward	80	52
Tax losses utilised	–	7
Net increase in temporary differences on plant and equipment	132	21
Carried forward	**212**	80

The deferred tax provision with respect to temporary differences is analysed as follows:

	Group As at 31 December	
	2015 £'000	**2014 £'000**
Temporary differences on plant and equipment	**212**	80

The deferred tax provision assumes a future corporation tax rate of 20% will be applicable to the Group.

22. Share capital

	Group & Company As at 31 December	
	2015 £'000	**2014 £'000**
Allotted, called up and fully paid		
Ordinary shares of 0.5p each	225	200
	225	200

	Group & Company As at 31 December	
	2015 Number	**2014 Number**
Number of Ordinary shares		
Brought forward	200,000	200,000
Subdivision of shares by a factor of 200	39,800,000	–
Issued during the year	4,954,769	–
Carried forward	**44,954,769**	200,000

Ordinary shares are classified as equity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Notes to the Financial Statements *continued*

22. Share capital *continued*

The ordinary shares rank equally for voting purposes. On a show of hands each member shall have one vote and on a poll each member shall have one vote per share held. Each ordinary share ranks equally for any dividend declared and rank equally for any distribution made on a winding up.

On 28 April 2015, each ordinary share of £1.00 in the capital of the Company was sub-divided into 200 Ordinary shares, worth 0.5p each.

On 30 April 2015, 800,000 Ordinary shares were issued at par for cash upon exercise of options over such shares which were granted by the Company to third parties.

On admission to trading on the Alternative Investment Market ("AIM"), 3,947,369 Ordinary shares were issued at par and placed at £1.90 per share.

On 11 November 2015, 207,400 Ordinary shares were issued at par for cash upon exercise of options over such shares which were granted by the Company to employees in connection with an EMI scheme.

There are no ordinary shares reserved for issue under options.

23. Reserves

Group	Share premium £'000	Equity share based payments £'000	Retained earnings £'000	Total £'000
At 1 January 2014	–	–	1,211	1,211
Profit for the year	–	–	2,380	2,380
Share based payments	–	32	–	32
At 1 January 2015	–	32	3,591	3,623
Profit for the year	–	–	3,072	3,072
Share based payments	–	65	–	65
Share premium created	7,146	–	–	7,146
Ordinary dividends declared	–	–	(500)	(500)
At 31 December 2015	**7,146**	**97**	**6,163**	**13,406**

Company	Share premium £'000	Equity share based payments £'000	Retained earnings £'000	Total £'000
At 1 January 2014	–	–	3	3
Profit for the year	–	–	12	12
Share based payments	–	32	–	32
At 1 January 2015	–	32	15	47
Profit for the year	–	–	2,513	2,513
Share based payments	–	65	–	65
Share premium created	7,146	–	–	7,146
Ordinary dividends declared	–	–	(500)	(500)
At 31 December 2015	**7,146**	**97**	**2,028**	**9,271**

Notes to the Financial Statements *continued*

23. Reserves *continued*

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements.

Share premium

This reserve was created on admission to trading on the Alternative Investment Market ("AIM"), where 3,947,369 Ordinary shares were issued at par and placed at £1.90 share. The reserve arises on the difference between the placing price and the par value of the share. Expenses directly relating to the issue of new shares in the Company onto the AIM market have been deducted from the share premium account.

Equity share based payments

This reserve arises from share options granted by the Group to certain employees of Curtis Banks Limited, a subsidiary company. Further details are disclosed in note 24.

Retained earnings

Retained earnings comprise the cumulative realised gains and losses of the Group from each of the individual combined entities.

24. Share options

The ordinary share capital of Curtis Banks Group PLC was subdivided by a factor of 200 on 28 April 2015. Consequently, all shares under option and associated exercise prices were also subdivided by a factor of 200. The opening numbers of shares under option as at 31 December 2014 have been restated as if the subdivision of share capital had always been in place.

EMI share option scheme

The Group set up an EMI scheme during the year ended 31 December 2014 by which certain employees and key management personnel of Curtis Banks Limited are able to subscribe to ordinary shares in the Company. As at the year-end, 26 employees (including key management personnel) of Curtis Banks Limited held options as follows:

Date of grant	Number of shares under option at 31 December 2014	Granted/ (Exercised) during the year	Number of shares under option at 31 December 2015	Exercise price	Expiry date
24 October 2014	622,200	(207,400)	414,800	10.11p	24 October 2024
8 April 2015	–	800,000	800,000	62.54p	8 July 2025
	622,200	**592,600**	**1,214,800**		

No share options were exercisable during the year ended 31 December 2014. Of the remaining 1,214,800 shares under option, 414,800 will vest in halves on both 24 October 2016 and 24 October 2017 at an exercise price of 10.11p, and 800,000 options will vest in thirds with 266,667 already becoming exercisable during the year, and the remaining two thirds becoming exercisable on 1 July 2016, and 1 July 2017 at an exercise price of 62.54p.

The weighted average share price on EMI share options at the date of exercise was £3.20.

Notes to the Financial Statements *continued*

24. Share options *continued*

Third party share options

In addition, options were granted during 2014 to third parties as follows:

Date of grant	Number of shares under option at 31 December 2014	Granted/ (Exercised) during the year	Number of shares under option at 31 December 2015	Exercise price	Expiry date
31 October 2014	80,000	(80,000)	–	0.5p	30 September 2024
31 October 2014	720,000	(720,000)	–	0.5p	30 September 2024
	800,000	(800,000)	–		

All third party share options were exercised on 30 April 2015.

It was not possible to reliably measure the fair value of the goods received from third parties for these options, they have been measured indirectly at the fair value of the instruments granted.

The Directors have not determined the weighted average share price on third party share options exercised during the year as the Company was unlisted on the date of exercise.

The weighted average exercise price for all outstanding options at 31 December 2015 was 44.64p.

Share based payments expenses

The ordinary share capital of the Company was subdivided by a factor of 200 on 28 April 2015, and the exercise price and numbers of shares under all existing options granted were also subdivided by a factor of 200.

The fair values of the options at the date of grant were determined by using the Black Scholes model. The model inputs were a risk free rate of 0.5%, expected volatility of 24%, zero dividend yield, and a share price at 24 October 2014 and 31 October 2014 of 10.11p, and at 8 April 2015 of 62.54p. Expected volatility was based upon historical information from similar entities. The model includes separate vesting periods for each proportion of options based on their exercise dates.

Date of grant	Exercise price	Latest exercise date	Number of shares under option at 31 December 2015	Estimated fair value per option
Employee options				
24 October 2014	10.11p	24 October 2024	414,800	2.13p
8 April 2015	62.54p	8 April 2025	800,000	5.64p
			1,214,800	

The total charge to the consolidated statement of comprehensive income arising from equity-settled share-based payment transactions for the year ended 31 December 2015 was £18,913 (2014: £1,211). The total increase in equity arising from equity-settled share-based payment transactions for the year ended 31 December 2014 was £65,065 (2014: £31,979) as reflected in note 23. The difference of £46,152 (2014: £30,768) is included within intangible assets as an addition to Client Portfolios.

The weighted average remaining contractual life of all unexercised share options as at 31 December 2015 was nine years and three months.

Notes to the Financial Statements *continued*

25. Non-controlling interests

The non-controlling interests reflect the relevant amounts of the trading results and net assets or liabilities attributable to the non-controlling shareholders in Curtis Banks Investment Management Limited (see note 15) and Curtis Banks Limited (see note 15).

	As at 31 December 2015 £'000	2014 £'000
Share of net assets/(liabilities) brought forward	1,405	1,402
Movement in the year – share of profits	25	59
Preference shares redeemed	(1,400)	–
Preference dividends declared	(21)	(56)
Share of net assets	**9**	1,405

Curtis Banks Limited has allotted, called up and fully paid £nil (2014: £7,085,000) 4% non-cumulative, non-redeemable preference shares of £1 each. Curtis Banks Group PLC held £nil (2014: £5,685,000) of this preference share capital at the year end. Non-controlling interests in the year ended 31 December 2014 included £1,400,000 of non-redeemable preference shares held by certain individual shareholders of Curtis Banks Group PLC. The preference shares do not hold any voting rights in the Group and were fully redeemed during the year ended 31 December 2015. The large majority of the Group's assets relate to the assets and liabilities of Curtis Banks Limited. All of the preference share capital also related to Curtis Banks Limited.

26. Financial commitments

The operating lease expenditure charged to the statement of comprehensive income during the year is disclosed in note 6. The amount of other operating lease payments is subject to renegotiation on an annual basis.

At the end of each of the lease terms, the lessee has the option to renew the lease agreements. To exercise the renewal option, the lessee is required to give notice to the lessor of such renewal not later than 30 days before the end of the lease term.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at 31 December 2015 £'000	2014 £'000
Land and buildings		
Within 1 year	123	128
Within 2 – 5 years	1,447	1,198
In more than 5 years	89	–
	1,659	1,326
Other		
Within 1 year	–	326
	1,659	1,652

Notes to the Financial Statements *continued*

27. Pension costs – defined contribution

	Year to 31 December 2015 £'000	2014 £'000
Contributions payable by the Group for the year	**228**	143

28. Dividends

	Year to 31 December 2015 £'000	2014 £'000
Ordinary interim declared and paid	**500**	–

The ordinary share dividend declared and paid in the year equated to 1.25p per ordinary share held after taking into account the sub division of the nominal value of the ordinary shares in the Group by a factor of 200 on 28 April 2015.

During the year ended 31 December 2015, £20,905 worth of preference share dividends were paid in relation to non-controlling interests.

During the year ended 31 December 2014, £42,000 worth of preference share dividends were paid in relation to non-controlling interests. A further £14,000 worth of preference share dividends were proposed and remain unpaid at that date.

29. Financial risk management

Financial assets principally comprise trade and other receivables, cash and short-term deposits, which arise directly from its operations. Financial liabilities principally comprise trade and other payables, deferred consideration and borrowings.

The main risks arising from financial instruments are interest rate risk, credit risk, and liquidity risk. Each of these risks is discussed in detail below.

The Group monitors financial risks on a consolidated basis, with its financial risk management based upon sound economic objectives and good corporate practice. No hedging transactions have taken place during the years presented.

Interest rate risk

Interest rate risk is the risk that the Group will sustain losses from adverse movements in interest bearing assets. There is an exposure to interest rates on banking deposits held in the ordinary course of business. The value of financial instruments on the Group's consolidated statement of financial position exposed to interest rate risk was £7.63 million (2014: £2.70 million) comprising cash and short-term deposits. This exposure is monitored to ensure that the Group is maximising its interest earning potential within accepted liquidity and credit constraints. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are also made for varying periods of between one day and 12 months depending on the immediate cash requirements of the Group and earn interest at the respective term deposit rates.

The Group had external borrowings at the year end of £3.23 million (2014: £4.36 million). The interest rates attached to borrowings held include a floating rate based on the London Interbank Offered Rate ("LIBOR"). There is an exposure on external borrowings therefore to interest rate risk.

Notes to the Financial Statements *continued*

29. Financial risk management *continued*

The following table demonstrates the sensitivity to a 100bps (1%) change in interest rates on actual borrowings, with all other variables held constant, on the Group's profit before tax.

	Increase/decrease in basis points	Effect on profit before tax £'000
2015		
£ Sterling	+100	(38)
£ Sterling	−100	38
2014		
£ Sterling	+100	(34)
£ Sterling	−100	34

In addition, a source of revenue is based on the value of client cash under administration. The Group has an indirect exposure to interest rate risk on these cash balances held for clients. These balances are not included on the Group or Company statements of financial position.

Credit risk

The Group trades only with third parties it recognises as being creditworthy. In addition, receivable balances are monitored continually.

Credit risk from other financial assets of the Group, which comprise cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Given the nature of the Group's operations, it does not have significant concentration of credit risk in respect of trade receivables, with exposure spread over a large number of customers. An allowance for impairment of trade receivables 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. Detailed of trade receivables and the associated provision for impairment are disclosed in note 17.

The Directors continue to monitor the strength of the banks used by the Group.

All of the banks currently used by the Group have long-term credit ratings of at least A (Fitch). This results in the Group retaining the ability to further mitigate the counterparty risk on its own behalf and that of its customers.

Liquidity risk

This is the risk that the Group may be unable to meet its liabilities as and when they fall due. The Group monitors its risk to a shortage of funds by considering the maturity of its financial assets (e.g. trade receivables, other financial assets) and projected cash flows from operations. As part of these projections, the Group also monitors anticipated capital expenditure and the expected timing of settlement of financial liabilities. The Group is a highly cash generative business and maintains sufficient cash to fund its foreseeable trading requirements.

Notes to the Financial Statements *continued*

30. Capital management

Certain subsidiaries of the Group are supervised in the UK by the Financial Conduct Authority ("FCA"). The Group manages its capital through continuous review of the capital requirements of its regulated subsidiaries, which are monitored by the Group's management and reported monthly to the Board. The Group's objectives when managing capital are:

– to comply with the regulatory capital requirements set by the FCA;

– to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

– to maintain a strong capital base to support the development of its business.

Capital is defined as the total of share capital, share premium, retained earnings and other reserves. Total capital of the Group as at 31 December 2015 was £13.63 million (2014: £3.82 million). The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions.

The Group's regulated subsidiary companies submit quarterly returns to the FCA relating to their capital resources. At 31 December 2015 the total regulatory capital requirement across the Group was £2.5 million (2014: £1.5 million) and the Group had an aggregate surplus of £1 million (2014: £0.4 million) across all regulated entities. All the regulated firms within the Group maintained surplus regulated capital throughout the year. The regulated subsidiaries are limited in the distributions that can be paid up to the Group by each of their individual capital resource requirements.

31. Financial instrument fair values

The Directors consider that the carrying value of financial instruments in the Group's and Company's financial statements is equivalent to fair value.

The fair value of cash equivalents, trade receivables and trade payables approximate to their carrying values due to their short-term nature.

The fair value of deferred consideration payable is split between creditors due within one year and creditors due in more than one year. £1.7 million of the total deferred consideration payable relates to a book of SIPPs acquired and is linked to a share of the fees received over a five year period from the date of acquisition as disclosed in note 16. As the deferred consideration is intrinsically linked to revenue receivable, the deferred consideration has not been discounted to present value as any discount factor recognised would offset against future revenue receivable.

32. Related parties

At the year end, Curtis Banks Investment Management Limited was due £29,547 from the Group (2014: owed £6,834 to the Group) arising as a result of expenses recharged by either party. Of this, £nil (2014: £11,000) relates to a long term subordinated loan liability which was repaid during the year. The total amount of expenses recharged by Curtis Banks Limited in the year amounted to £91,053 (2014: £76,061). During the year Curtis Banks Investment Management Limited was charged £69 (2014: £275) interest in relation to the subordinated loan provided by Curtis Banks Limited.

At the year end, Curtis Banks Group plc. was owed £511,015 (2014: owed to £1,278,598) by Curtis Banks Limited. This relates to interest and loan repayments and other expenses paid by Curtis Banks on behalf of Curtis Banks Group PLC less ordinary dividends declared and paid from Curtis Banks Limited to Curtis Banks Group plc. The total amount of expenses recharged by Curtis Banks Limited in the year amounted to £1,517,255 (2014: £980,788). Preference share dividends totalling £83,484 (2014: £168,750) were paid from Curtis Banks Limited to Curtis Banks Group PLC in the year ended 31 December 2015. During the year, all preference shares held by Curtis Banks Group PLC were redeemed via conversion to ordinary share capital.

Preference share dividends totalling £6,589 (2014: £16,480) were paid to Christopher Banks during the year ended 31 December 2015. Preference share dividends owed to Christopher Banks at the year-end totalled £nil (2014: £3,827). During the year the amount owed at 31 December 2014 was paid to Christopher Banks, and all preference shares held were redeemed. Ordinary share dividends totalling £321,250 (2014: £ nil) were paid to Christopher Banks during the year ended 31 December 2015.

Notes to the Financial Statements *continued*

32. Related parties *continued*

Preference share dividends totalling £7,552 (2014: £20,230) were paid to Berkeley Charterhouse Limited, a Company controlled by Christopher Banks during the year ended 31 December 2015. Preference share dividends owed to Berkeley Charterhouse Limited at the year-end totalled £nil (2014: £5,058). During the year, the amount owed at 31 December 2014 was paid to Berkeley Charterhouse Limited, and all preference shares held were redeemed.

Preference share dividends totalling £4,013 (2014: £11,920) were paid to Colston Trustees Limited – R Curtis SIPP and Rupert Curtis during the year ended 31 December 2015. Rupert Curtis is a director of Curtis Banks Group PLC. Preference share dividends owed to Colston Trustees Limited – R Curtis SIPP account and Rupert Curtis at the year-end totalled £nil (2014: £3,273). During the year the amount owed at 31 December 2014 was paid to Colston Trustees Limited – R Curtis SIPP and Rupert Curtis, and all preference shares held were redeemed. Ordinary share dividends totalling £98,750 (2014: £nil) were paid to Rupert Curtis during the year ended 31 December 2015.

Preference share dividends totalling £1,750 (2014: £4,687) were paid to Colston Trustees Limited – P Tarran SIPP during the year ended 31 December 2015. Paul Tarran is a director of Curtis Banks Group PLC. Preference share dividends owed to Colston Trustees Limited – P Tarran SIPP account at the year-end totalled £nil (2014: £1,172). During the year the amount owed at 31 December 2014 was paid to Colston Trustees Limited – P Tarran SIPP account, and all preference shares held were redeemed. Ordinary share dividends totalling £50,833 (2014: £nil) were paid to Paul Tarran during the year ended 31 December 2015.

33. Post balance sheet events

On 14 January 2016 the Group announced that it had entered into an agreement to acquire Suffolk Life Group Limited ("SLG"), and its subsidiaries from Legal & General Retail Investments (Holdings) Limited for consideration of £45 million (the "Acquisition").

The Acquisition is to be funded by the combination of a placing of new ordinary shares of 0.5p each in Curtis Banks and a new debt and revolving credit facility.

The placing of the new shares completed on 20 January 2016 and £27 million gross of new equity was raised at a price of £3.20 a share. The Group has entered into debt and revolving credit facilities with its existing lenders for £20 million. These facilities have full credit approval of the lender.

The Acquisition is subject to regulatory approval by the Financial Conduct Authority and the Prudential Regulation Authority.

34. Control

There is no one ultimate controlling party.

Linkway Financial Printers
Typeset & Printed in London (UK) 16576

CURTIS BANKS GROUP PLC

3 Temple Quay, Bristol BS1 6DZ • Tel: 0117 910 7910 • www.curtisbanks.co.uk