

15 March 2016

Curtis Banks Group plc
 (“Curtis Banks”, the “Group”)
Final Results for 12 months to 31 December 2015

“A stronger foundation for achieving our growth ambitions”

Curtis Banks Group plc, one of the UK’s leading SIPP providers with a portfolio of over 39,000 SIPPs, is pleased to announce its final results for the 12 months to 31 December 2015.

Highlights for the year include:

	2015	2014	Change
Financial (£’000)			
Revenue	£16,999	£10,081	+69%
Operating Profit	£4,198	£3,231	+30%
Adjusted Operating Profit (1)	£6,125	£3,746	+64%
Profit Margin on Adjusted Operating Profit (1)	36%	37%	-
Basic EPS	7.12p	5.95p	+20%
Adjusted Basic EPS on Operating Profit (1)	11.46p	7.35p	+56%
Operational Highlights			
Number of SIPPs Administered	39,236	22,379	+75%
Number of SSAs Administered	326	280	+16%
Assets under Administration	£9.0bn	£7.1bn	+27%
Total New Full SIPPs in period	2,386	2,046	+17%

(1) before amortisation and non-recurring costs

Commenting on the results and prospects, Chris Banks, Executive Chairman of Curtis Banks, said:

“2015 will go down as a significant year in the development of Curtis Banks. We have achieved very pleasing results whilst completing our IPO on AIM and two significant transactions.

Our prospects are equally exciting. Contracts were exchanged in January 2016 for the acquisition of Suffolk Life and following completion that is subject only to regulatory approval, Curtis Banks will become the second largest independent SIPP administrator in the UK and in a very strong position to continue its strategy for growth, both organically and through the acquisition of further complementary books of SIPPs.”

Analyst Presentation

A briefing for Analysts will be held at 9.30am today. Those wishing to attend or requiring further information on the Company should contact Tom Cooper on 0797 122 1972 or tom.cooper@walbrookpr.com.

For more information:

Curtis Banks Group plc

Rupert Curtis – Chief Executive Officer

Paul Tarran – Chief Financial Officer

www.curtisbanks.co.uk

Via Walbrook PR

Peel Hunt LLP (Nominated Adviser & Broker)

Guy Wiehahn

+44 (0) 20 7418 8900

Walbrook PR

Tom Cooper / Paul Vann

+44 (0) 20 7933 8780

+44 (0) 797 122 1972

tom.cooper@walbrookpr.com

Notes to Editors:

Curtis Banks administers Self-Invested Pension products, principally SIPPs and SSAs. 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 these products. The Group employs approximately 273 in its head office in Bristol and regional offices in Dundee and Market Harborough.

For more information – www.curtisbanks.co.uk

Chairman's statement

Overview

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

The twelve 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 contact 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 in lieu of a final dividend for the year ended 31 December 2015. It is the expectation that both 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) Ltd 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.

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

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 the number of SIPPs 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.

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

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 additional 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 Group 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 Group 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, mainly arising from the investment and development in a new operating system and also routine upgrades in computer hardware to provide storage and data recovery facilities to ensure adequate operational and data security requirements for the enlarged group. The investment in the new operating system will continue in the current year and the system will be implemented on a phased basis from towards the end of the current year.

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 estimated 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 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

Curtis Banks Group PLC

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
		<u>16,999</u>	<u>10,081</u>
Administrative expenses		(10,874)	(6,335)
Operating profit before amortisation and non-recurring costs		<u>6,125</u>	<u>3,746</u>
Non-recurring costs	3	(1,194)	(106)
Amortisation		(733)	(409)
Operating profit	2	<u>4,198</u>	<u>3,231</u>
Finance income		40	14
Finance costs		(158)	(141)
Profit before tax		<u>4,080</u>	<u>3,104</u>
Tax	4	(983)	(665)
Profit for the year		<u>3,097</u>	<u>2,439</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u><u>3,097</u></u>	<u><u>2,439</u></u>
Attributable to:			
Equity holders of the Group		3,072	2,380
Non-controlling interests		25	59
		<u>3,097</u>	<u>2,439</u>
Earnings per ordinary share:			
Basic (pence)	5	7.12p	5.95p
Diluted (pence)	5	6.96p	5.91p
Earnings per ordinary share on 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.

Curtis Banks Group PLC

Consolidated statement of changes in equity

	Issued capital	Share premium	Equity share based payments	Retained earnings	Total	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'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

Curtis Bank Group PLC

Consolidated statement of financial position

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

Curtis Banks Group PLC

Consolidated Statement of cash flows

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

Curtis Banks Group PLC

Notes to the Results

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 consolidated financial statements of Curtis Banks Group plc and its subsidiaries ("the Group") 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 principal activity of the Group is 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.

2 Profit for the year before taxation

Profit for the year before taxation is arrived at after:

	Year ended 31 December	
	2015	2014
	£'000	£'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	-
	<u>130</u>	<u>-</u>

3 Non-recurring costs

Non-recurring costs include the following significant items:

	Year ended 31 December	
	2015	2014
	£'000	£'000
IPO of the Group 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
	<u>1,194</u>	<u>106</u>

Curtis Banks Group PLC

Notes to the Results

IPO of the Group and listing on AIM

The Group 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 as non-recurring costs.

4 Taxation

	Year ended 31 December	
	2015	2014
	£'000	£'000
Domestic current period tax		
UK Corporation tax	851	638
Deferred tax		
Origination and reversal of temporary differences	132	27
	<u>983</u>	<u>665</u>
Factors affecting the tax charge for the period		
Profit before tax	<u>5,104</u>	<u>3,104</u>
Profit before tax multiplied by standard rate of UK Corporation tax of 20.25% (2014: 21.50%)	<u>1,034</u>	<u>667</u>
Effects of:		
Non-deductible expenses	13	14
Depreciation	201	38
Capital allowances	(311)	(89)
Other tax adjustments	(86)	8
	<u>(183)</u>	<u>(29)</u>
Current tax charge	<u>851</u>	<u>638</u>

5 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.

Curtis Banks Group PLC

Notes to the Results

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	2014
	£'000	£'000
Net profit and diluted net profit available to equity holders of the Group	<u>3,072</u>	<u>2,380</u>
Operating profit and diluted operating profit before non-recurring costs (note 2) and amortisation (note 6) available to equity holders of the Group	<u>6,125</u>	<u>3,746</u>
Weighted average number of ordinary shares:	Number	Number
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	<u>3,147,923</u>	-
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	<u>806,009</u>	<u>249,616</u>
Diluted weighted average number of shares	<u>44,149,536</u>	<u>40,249,616</u>
Earnings per share:		
Basic	7.12p	5.95p
Diluted	6.96p	5.91p
Earnings per share on operating profit before non-recurring costs and amortisation:		
Basic	11.46p	7.35p
Diluted	11.20p	7.31p

The ordinary share capital of the Group 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.

6 Intangible assets

	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	<u>151</u>	<u>14,641</u>	<u>192</u>	<u>14,984</u>
Amortisation				
At 1 January 2015	-	773	99	872
Charge for the year	-	704	29	733
At 31 December 2015	<u>-</u>	<u>1,477</u>	<u>128</u>	<u>1,605</u>
Net book value				
At 31 December 2014	-	11,211	24	11,235
At 31 December 2015	<u>151</u>	<u>13,164</u>	<u>64</u>	<u>13,379</u>

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.

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).

Curtis Banks Group PLC

Notes to the Results

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.

7 Property, plant and equipment

	Leasehold Improvements	Computer equipment	Plant & equipmen t	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2015	54	948	94	1,096
Additions	-	1,048	44	1,092
At 31 December 2015	<u>54</u>	<u>1,996</u>	<u>138</u>	<u>2,188</u>
Depreciation				
At 1 January 2015	1	349	52	402
Charge for the year	14	227	26	267
At 31 December 2015	<u>15</u>	<u>576</u>	<u>78</u>	<u>669</u>
Carrying value				
At 31 December 2014	<u>53</u>	<u>599</u>	<u>42</u>	<u>694</u>
At 31 December 2015	<u>39</u>	<u>1,420</u>	<u>60</u>	<u>1,519</u>

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.

8 Cash and cash equivalents

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

	As at 31 December	
	2015	2014
	£'000	£'000
Cash at bank and in hand	<u>7,630</u>	<u>2,699</u>

Curtis Banks Group PLC

Notes to the Results

All cash at bank is held on overnight deposit.

9 Dividends

	Year to 31 December	
	2015	2014
	£'000	£'000
Ordinary interim declared and paid	500	-
	<u>500</u>	<u>-</u>

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.

10 Post balance sheet events

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

The Acquisition has been funded by the combination of a placing of new ordinary shares of 0.5p each in the Company and a new debt and revolving credit facility that will be drawn down at completion of the transaction.

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 a 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.
