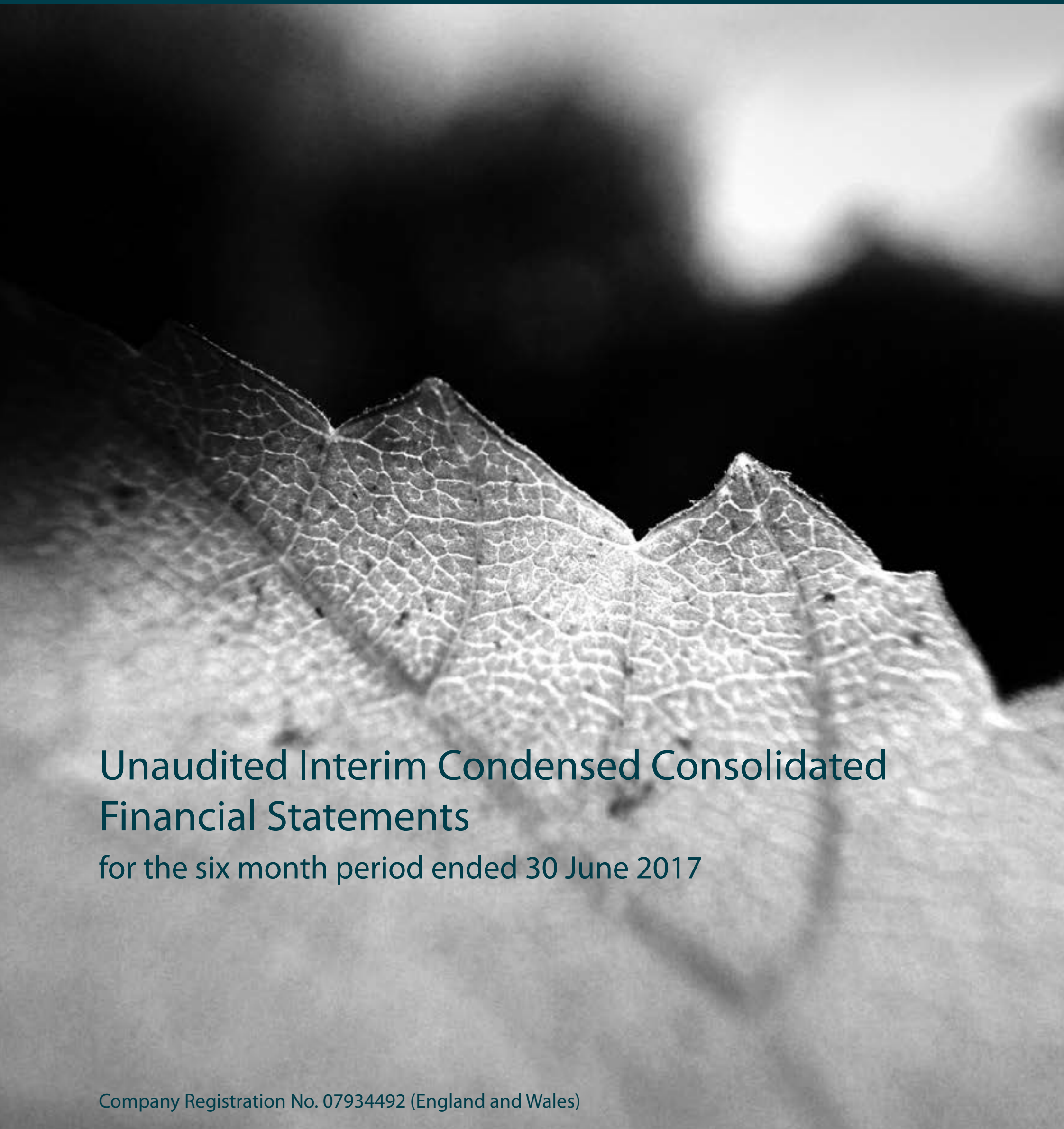
CURTIS BANKS



Unaudited Interim Condensed Consolidated Financial Statements

for the six month period ended 30 June 2017

Company Registration No. 07934492 (England and Wales)

Contents

Overview

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 these products. In May 2015 the shares of Curtis Banks were admitted and listed on the London Alternative Investment Market ("AIM").

The Group completed its largest acquisition to date in May 2016, the purchase of Suffolk Life Group Limited, a long established provider of SIPPs operating through Suffolk Life Pensions Limited and Suffolk Life Annuities Limited. The latter company is an insurance company for the purposes of regulatory and statutory reporting and provides SIPPs through non-participating individual insurance contracts. Due to Suffolk Life Annuities Limited's status as an insurance company, the consolidated results for the whole Group are required to include insurance policyholder assets and liabilities as well as the assets and liabilities and profits attributable to our shareholders.

The Group employs approximately 570 staff in its head office in Bristol and regional offices in Ipswich, Dundee and Market Harborough. Curtis Banks Limited and Suffolk Life Pensions Limited, the Group's principal trading subsidiaries, are authorised by the Financial Conduct Authority to provide trust based SIPP products. Suffolk Life Annuities Limited is regulated by the Prudential Regulatory Authority and the Financial Conduct Authority to provide insurance based SIPP Products. As at 30 June 2017 the Group had almost 75,000 SIPP clients, as well as 329 SSAS clients, with assets under administration of circa £23 billion. Within these assets under administration are over 6,000 commercial properties held by the SIPPs.

The Group currently trades under the names Curtis Banks and Suffolk Life. 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 eight years since Curtis Banks was established it has grown to become the 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 the Group takes as an indicator of good levels of satisfaction with the service that it provides.

Financial and Operational Highlights

Operational Highlights

	Unaudited 6 month period ended 30 June 2017	Unaudited 6 month period ended 30 June 2016	Audited year ended 31 December 2016
Number of SIPPs Administered	**74,900**	67,161	72,983
Assets under Administration	**£23.1bn**	£17.9bn	£20.4bn
Total new gross organic growth of SIPPs	**4,534**	2,409	6,306

Financial Highlights

- Strong organic growth combined with a full period contribution from Suffolk Life reflected in increased revenue and profit
- Operating revenue 98% higher than H1 2016. Profit before tax, amortisation and non-recurring costs increased by 85%
- Diluted EPS, before amortisation and non-recurring costs, 65% higher than H1 2016. Interim dividend increased to 1.5p (2016: 1.0p)
- Organic new business has continued at an annualised rate of over 9,000 SIPPs

	Unaudited 6 month period ended 30 June 2017	Unaudited 6 month period ended 30 June 2016	Audited year ended 31 December 2016
Operating Revenue	**£21.4m**	£10.8m	£29.7m
Profit before tax, amortisation and non-recurring costs	**£5.0m**	£2.7m	£7.1m
Profit margin on profit before tax, amortisation and non-recurring costs	**23.4%**	25.0%	23.9%
Diluted EPS (pence)	**5.84**	1.91	7.02
Diluted EPS on profit before non-recurring costs and amortisation, less an effective tax rate (pence)	**7.18**	4.36	11.07
Dividends declared per share	**1.5p**	1.0p	4.0p

Chairman's Statement

I am pleased to present the interim results for Curtis Banks for the six month period ended 30 June 2017. These results disclose encouraging growth in profit compared to the equivalent period last year, in part because of the full period contribution this year from our acquisition of Suffolk Life that completed in May 2016, which has helped to propel our business forward.

The period under review has shown revenue increasing by 98% from £10.8 million to £21.4 million compared to the same period last year, with profit before tax, amortisation and non-recurring costs increasing by 85% from £2.7 million to £5.0 million.

Our pre-tax profit margin remains at a very respectable level, with the initial dampening effect of the Suffolk Life acquisition in the second half of 2016 now eliminated. We expect this margin to improve in the second half of the year and over the longer term as our work on aligning our books of business, enhancing revenues and delivering operational efficiencies is realised.

During the current period we have continued to focus on ensuring that the consolidation of the growth over the past few years is delivered to ensure maximum benefit for all our clients, shareholders and staff. We are progressing on this front with the establishment of our Group Management Committee, a new group wide brand, operational efficiencies, an enhanced property proposition and a process to rationalise our office locations.

We believe the simplicity of our business model and dedication to capturing the opportunities within the SIPP administration space position us well within the complex regulatory environment facing the wider industry at large. With no exposure to advice risks or direct to consumer distribution, we are able to spend more time developing and growing the area we are experts in.

Our review of operating systems capabilities has taken longer than anticipated but is progressing well. Our analysis shows that solutions which satisfy our requirements across the Group exist within the options we are reviewing and that they can be delivered without excessive cost and timelines. We expect to have concluded on this analysis and our commercial negotiations during the second half year and we will provide an update in due course.

The total number of SIPPs currently administered by the Group now exceeds 75,000 and this is as a result of continued strong new organic growth of all SIPPs. Our introducer network is fundamental to this continued growth and we are delighted to have retained all our high quality introducers over the period as well as supplementing this with new IFA relationships.

Board

It is fitting that my last results as Chairman of the Group are the first set of results that show the full contribution of our transformational acquisition of Suffolk Life. Having founded the Group with Rupert Curtis in 2009, we have grown from a standing start to becoming both the largest dedicated Full SIPP provider in the UK and a publicly quoted company. I am immensely proud of what all of us at Curtis Banks have achieved over this period and I am delighted that Chris Macdonald has accepted the role of Chairman. Chris is uniquely positioned for this role having founded a highly successful listed wealth management business. He has worked in the financial services industry since 1982 and we will all benefit from his considerable experience.

Chairman's Statement *continued*

Dividends

Your Board has declared an interim dividend of 1.5p per share (2016: 1.0p per share) to be paid on 15 November 2017 to shareholders on the register at the close of business on 13 October 2017. The shares will be marked ex-dividend on 12 October 2017.

Summary and outlook

The increased regulatory pressure on SIPP operators and the increased capital requirements continues to drive consolidation in the industry and we continue to be approached by SIPP operators looking for an exit. Whilst we will continue to capitalise on the right growth opportunities, both organically or via acquisition, we will only consider acquisitions of high quality books of SIPPs that can easily be aligned with our existing business. We are also mindful of our focus on ensuring the exceptional growth of the last few years is fully bedded in and that our service levels continue to meet the expectations of our clients and their financial advisers.

The environment and our strong relationships with our introducer network remain encouraging for our continued growth and there are exciting opportunities to both grow our top line and improve our operational efficiencies for the benefit of all our shareholders.

I step down from the Board leaving the Group in a strong position and can look back and admire the huge achievements that everyone in the Group has accomplished since we founded the business in 2009. I would like to thank everyone for their unstinting hard work and dedication. I will continue to be involved in the Group as Founder & Strategic Adviser with a focus on maximising organic and acquisitive opportunities, and look forward to working with my colleagues to deliver the next phase of the Group's growth.

Chris Banks
Executive Chairman

4 September 2017

Operational Review

This period has been defined by an intense level of activity in ensuring that we deliver against our stated strategy and a huge amount of progress has been made over the period. We have established a Group Management Committee to ensure that, post the acquisition of Suffolk Life, all key areas have been consolidated across the Group to ensure there is the right level of governance and control and the required single strategic focus. This has removed any 'silo' effect of different legal entities and has set the foundation to ensure that operational synergies can be more easily achieved across the Group.

Importantly, we have made huge strides in rationalising our office network. In January 2017 we closed our Chilmark office which we took on as part of the acquisition of a book of 5,000 SIPPs from European Pensions Management Ltd which completed in July 2016. In addition to this, we are about to enter into consultation with our staff in our Market Harborough office in relation to the future of that location. This is with a view to rationalisation of the number of our locations down to three sites.

We have also introduced a new group wide brand which is in the process of being rolled our across the entire organisation both internally and externally. This reflects the strong culture and ambition of the entire Group, and is a first visible step towards a single market presence and proposition.

As part of our focus on enhancing and diversifying our revenue generation capabilities, we have initiated the design of an expanded proposition to enable us to offer enhanced property management services across the organisation including a range of management, conveyancing and related services. Post period end, we recruited Paul Anderson, previously a Managing Director at Capita Real Estate and Infrastructure, as Head of Property Services Development. In addition, we are considering our application to the Solicitors Regulatory Authority as a first step in giving the group the capability to offer complementary legal services.

The review of our operating systems for the Group has taken longer than anticipated but we are intent on ensuring that we make the right decision and consider all opportunities thoroughly. By ensuring we take on the optimum systems across the Group, we will then be able to deliver more operational efficiencies which will ultimately lead to an improved operating margin over time. We have made considerable progress in carrying out a detailed costs benefit analysis of the options available to us and we expect the results of this analysis to be concluded shortly. Our initial findings show that solutions are available to us from the options we are reviewing that meet our requirements and that can be delivered without excessive cost and within a reasonable timeline. Due to the commercial nature of our negotiations, we are unable to provide more detailed information until those have concluded. At this point we will provide a full update. The Group has capitalised IT costs on new operating systems of £2 million as at 30 June 2017 (£2 million as at 31 December 2016).

We have nevertheless introduced a number of operational efficiencies and this work is ongoing. A key result is reduced staff numbers and costs, with total numbers having fallen despite our continued growth. We see this process continuing, with the opportunity for staff costs to fall further.

Operational Review *continued*

Total new SIPP numbers from organic growth in the six months to 30 June 2017 were 4,534. This delivered a gross annualised organic growth rate, excluding third party administered SIPPs, of 14.4%. Taking into account attrition, the net organic growth rate of new SIPPs was 2,825 and demonstrates a strong level of organic growth. Full and mid SIPPs administered by the whole Group at 30 June 2017 now total 45,407, together with 19,768 eSIPPs and 9,725 SIPPs administered under third party arrangements.

The average revenue per SIPP, excluding third party administration arrangements, has increased slightly to £604 in the rolling 12 month period to 30 June 2017 from £574 for the year ended 31 December 2016.

The changes in pension legislation continue to have a positive effect on the business of Curtis Banks by implicitly driving the growth levels in new SIPPs. The Group has seen no significant increase in closures as a result of the new pension freedom abilities, reflecting good quality in our overall book.

Lastly, I would like to thank our outgoing Chairman, Chris Banks, for the determination, spirit and intellect that he has consistently demonstrated, from when we founded Curtis Banks from a standing start in 2009 to bringing the Group to the highly exciting and significant enterprise that it is today. It is no mean feat to go from a standing start to administering the retirement savings held in over 75,000 SIPPs today. Chris has always been acutely aware of the trust that our introducers and clients have in us and the service levels and responsibility that we need to show. He has helped create a business which has a huge amount of potential and I look forward to continuing to work with Chris in his new role as Founder & Strategic Adviser, together with the excellent team we have in place, to deliver our next phase of growth.

Rupert Curtis
Chief Executive Officer

4 September 2017

Financial Review

Operational revenues of £21.4 million in six months ended 30 June 2017 have increased by 98% over the comparable period. This is principally through the acquisition of the Suffolk Life Group of Companies on 25 May 2016 supplemented by strong organic growth. In addition we acquired the SIPP administration business of European Pensions Management Limited in July 2016. This latter acquisition has been consolidated into the activities of Suffolk Life.

Suffolk Life contributed £11 million of the operational revenue for the period ended 30 June 2017. The acquisition of the Suffolk Life group of companies completed on 25 May 2016 and accordingly the results for period ended 30 June 2016 include only one month of results for Suffolk Life with operating revenues of £1.4 million in that period.

During the latter part of 2016 the client banking systems at Suffolk Life were aligned with the virtual banking system operated at Curtis Banks. This allowed for an aligned central treasury function, placing these funds on deposit with more attractive interest rates as well as enabling these accounts to be operated more efficiently. In the period ended 30 June 2017, £4.5 million of the Group operating revenues were from interest margin compared to £2.1 million in the comparable period in 2016. Interest rates continue to be under pressure with a low Bank of England base rate and we expect this to continue for some time.

Administrative expenses of £16.1 million for the six months ended 30 June 2017 have increased by 101% compared to the previous interim period and again this is due principally to the acquisition of the Suffolk Life Group. Suffolk Life administration costs for the six month period to 30 June 2017 amounted to £8.5 million. The total administrative costs for Curtis Banks (excluding Suffolk Life) during the period under review were £7.6 million compared to £6.7 million for the comparable period. This 12% increase, arising largely from the residual effect of high recruitment in the previous year and, compared to the 37% increase for the comparable period in 2015, shows the positive effects of the cost controls and efficiencies put in place following the high levels of recruitment in the previous period that had been needed to support the infrastructure of the growing business.

Staff numbers in the Group have fallen from 591 as at 31 December 2016 to 568 as at 30 June 2017, resulting in a reduction in staff costs. Staff costs for the period were £10.4 million including charges of £0.1 million relating to share based payments in respect of options awarded to staff under the various options schemes the Group has in place

The Group has to account for and fully recognise regulatory fees and levies on their due date. Whilst in the past, before the Suffolk Life acquisition, this did not make a material difference to the interim results the high level of such fees within the Suffolk Life group means a significant charge arises in the first half of the year only. Regulatory fees of £638,000 have been recognised in the period to 30 June 2017 whilst in the six months to 30 June 2016 this was only £22,000. There are not expected to be any further material regulatory fees in the six month period ending 31 December 2017.

The overall operating margins for the Group for the six month period ended 30 June 2017 were 23%. This reduction from the 24% achieved in the full financial year ended 31 December 2016

Financial Review *continued*

is largely as a result of the matters discussed in the paragraph above regarding recognition of regulatory fees. It is expected that the margin will increase in the second half of 2017. If these costs had been evenly spread over the year the operating margin for the period would have been 25%.

The balance sheet of the Group (excluding policy holder assets and liabilities of Suffolk Life Annuities Limited) remains strong with gross cash of £23 million reducing to net cash of £4 million after all borrowings. These borrowings comprise the balance of £11 million on a term loan repayable evenly over the next four years and a revolving credit facility of £8 million.

Suffolk Life acquisition

As a result of the acquisition of Suffolk Life, Suffolk Life Annuities Limited became a wholly owned subsidiary of the Group. Suffolk Life Annuities Limited is an insurance company that writes SIPP products as insurance contracts. These are all non-participating insurance policy contracts and so the Group does not bear any insurance risk. As the policyholder assets and liabilities are shown on the balance sheet of Suffolk Life Annuities Limited, these also show on the Group balance sheet on consolidation. As the policies are non-participating contracts, the Client related assets and liabilities in Suffolk Life Annuities Limited match. In addition the revenues, expenses and investment returns of the non-participating insurance contracts are shown in the consolidated statement of comprehensive income. Again, these income and expense items, investment returns and the movement in the value due to the policy holders equal each other. The consolidated statement of comprehensive income has been presented in a format that allows policy holder income and expenses to be clearly identified. Illustrative balance sheet and cash flow statements as at 30 June 2017, showing the financial position and cash flows of the Group excluding the policy holder assets and liabilities and cash flows, are included in the Notes to the Accounts.

Non recurring costs

Non recurring costs for the period ended 30 June 2017 principally comprise:

- Acquisition costs of £198,000 relating to the European Pensions Management Limited transaction that have been expensed in accordance with IFRS 3 *Business Combinations*;
- Restructuring costs of £95,000 following acquisitions of businesses.

As referred to in detail in the Chief Executive's Report, following the acquisition of Suffolk Life, we are reviewing our operating systems to ensure that they are appropriate for the Group as a whole. Costs of £2 million were capitalised during previous periods that relate to specific proposed new operating systems. If the decision is taken to proceed with these systems then those costs, and any further costs, will be written off over their useful economic life when the systems are operational. Currently the new operating systems being reviewed provide functionality for a significant amount of the business activities of the Group. If the decision however is taken to proceed with other, more appropriate systems then the majority of these costs will be impaired and written off, together with any contract termination costs, once that decision is made, as a non-recurring cost.

Employee Benefit Trust

During the period under review the Group set up an offshore Employee Benefit Trust ("EBT") to acquire shares in the Company in the market to

Financial Review *continued*

satisfy future option and long term incentive awards. The EBT is funded by loans from the Group. As at 30 June 2017 the EBT had acquired 99,155 shares in Curtis Banks Group plc funded by a £250,000 loan from the Group. The financial statements of the EBT are consolidated within the overall Group financial statements and these shares are shown on the balance sheet of the Group as Treasury Shares and are included within total equity.

Capital requirements

New capital adequacy requirements for SIPP operators became effective from September 2016 and also Solvency II requirements for Insurance Companies from January 2017. Based on calculations as at 30 June 2017, Curtis Banks Group has a healthy level of headroom above the requirements. Group internal policy is for regulated companies within the Group to hold at least 130% of their required regulatory capital.

The Group's regulated subsidiary companies submit regular returns to the FCA and the PRA relating to their capital resources. At 30 June 2017 the total regulatory capital requirement across the Group was £11.2 million (31 December 2016: £10.3 million) and the Group had an aggregate surplus, before internal margin, of £16.01 million (31 December 2016: £15.98 million) across all regulated entities. All the regulated firms within the Group maintained surplus regulated capital throughout the period.

Paul Tarran
Chief Financial Officer

4 September 2017

Independent Review Report to Curtis Banks Group PLC

Report on the Interim Condensed Consolidated Financial Statements

Our conclusion

We have reviewed Curtis Banks Group PLC's Interim condensed consolidated financial statements (the "interim financial statements") in the half-yearly financial report of Curtis Banks Group PLC for the six month period ended 30 June 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with the basis of preparation and accounting policies set out in note 2 to the interim financial statements.

Emphasis of matter

Without modifying our conclusion on the interim financial statements, we draw attention to note 2 to the financial statements which describes the basis of accounting adopted in preparing the interim financial statements, including that the interim financial statements do not include all the information required to be disclosed by International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

What we have reviewed

The interim financial statements comprise:

- the condensed consolidated statement of financial position as at 30 June 2017;
- the condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated statement of cash flows for the period then ended;
- the condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half-yearly financial report have been prepared in accordance with the basis of preparation and accounting policies set out in note 2 to the interim financial statements.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half-yearly financial report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements.

Independent Review Report to Curtis Banks Group PLC *continued*

Our responsibility is to express a conclusion on the interim financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the AIM Rules for Companies and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants

Bristol

4 September 2017

a) The maintenance and integrity of the Curtis Banks Group PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Interim Results and Notes

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited 6 month period ended 30 June 2017		
	Notes	**Before amortisation and non-recurring costs £'000**	**Amortisation and non-recurring costs £'000**	**Total £'000**
Operating revenue		21,362	–	21,362
Policyholder investment returns		179,262	–	179,262
Revenue		200,624	–	200,624
Administrative expenses		(16,090)	–	(16,090)
Non–participating investment contract expenses		(17,872)	–	(17,872)
Changes in provisions: Non–participating investment contract liabilities		(161,390)	–	(161,390)
Policyholder total expenses		(179,262)	–	(179,262)
Operating profit before amortisation and non-recurring costs		5,272	–	5,272
Non-recurring costs	3	–	(364)	(364)
Amortisation		–	(561)	(561)
Operating profit		5,272	(925)	4,347
Finance income		32	–	32
Finance costs		(298)	–	(298)
Profit before tax		5,006	(925)	4,081
Tax		(985)	178	(807)
Total comprehensive income for the period		**4,021**	**(747)**	**3,274**
Attributable to:				
Equity holders of the company				3,269
Non-controlling interests				5
				3,274
Earnings per ordinary share on net profit				
Basic (pence)	4			6.10
Diluted (pence)	4			5.84

Interim Results and Notes *continued*

Unaudited 6 month period ended 30 June 2016			Audited year ended 31 December 2016		
Before amortisation and non-recurring costs £'000	Amortisation and non-recurring costs £'000	As restated Total £'000	Before amortisation and non-recurring costs £'000	Amortisation and non-recurring costs £'000	Total £'000
10,820	–	10,820	29,731	–	29,731
45,900	–	45,900	261,639	–	261,639
56,720	–	56,720	291,370	–	291,370
(8,012)	–	(8,012)	(22,403)	–	(22,403)
(3,214)	–	(3,214)	(18,268)	–	(18,268)
(42,686)	–	(42,686)	(243,371)	–	(243,371)
(45,900)	–	(45,900)	(261,639)	–	(261,639)
2,808	–	2,808	7,328	–	7,328
–	(1,084)	(1,084)	–	(1,690)	(1,690)
–	(386)	(386)	–	(884)	(884)
2,808	(1,470)	1,338	7,328	(2,574)	4,754
76	–	76	117	–	117
(179)	–	(179)	(381)	–	(381)
2,705	(1,470)	1,235	7,064	(2,574)	4,490
(454)	249	(205)	(1,126)	470	(656)
2,251	(1,221)	1,030	5,938	(2,104)	3,834
		1,027			3,829
		3			5
		1,030			3,834
		1.96			7.23
		1.91			7.02

Interim Results and Notes *continued*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital £'000	Share premium £'000	Equity share based payments £'000	Treasury shares £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
As at 1 January 2016 – audited	225	7,146	97	–	6,163	13,631	9	13,640
Comprehensive income for the period	–	–	–	–	1,027*	1,027*	3	1,030*
Share based payments	–	–	24	–	–	24	–	24
Ordinary shares issued	42	26,260	–	–	–	26,302	–	26,302
Ordinary dividends declared & paid	–	–	–	–	(1,869)	(1,869)	(5)	(1,874)
As at 30 June 2016 – unaudited	267	33,406	121	–	5,321	39,115	7	39,122
Comprehensive income for the period	–	–	–	–	2,802	2,802	2	2,804
Share based payments	–	–	118	–	–	118	–	118
Ordinary shares issued	1	19	–	–	–	20	–	20
Ordinary dividends declared & paid	–	–	–	–	(534)	(534)	–	(534)
As at 31 December 2016 – audited	268	33,425	239	–	7,589	41,521	9	41,530
Comprehensive income for the period	–	–	–	–	3,269	3,269	5	3,274
Share based payments	–	–	127	–	–	127	–	127
Ordinary shares bought by EBT	–	–	–	(250)	–	(250)	–	(250)
Ordinary dividends declared & paid	–	–	–	–	(1,605)	(1,605)	(5)	(1,610)
As at 30 June 2017 – unaudited	**268**	**33,425**	**366**	**(250)**	**9,253**	**43,062**	**9**	**43,071**

*As restated – see note 2.4 for detail.

Interim Results and Notes *continued*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited 30 June 2017 £'000	*As restated* Unaudited 30 June 2016 £'000	Audited 31 December 2016 £'000
ASSETS				
Non-current assets				
Intangible assets	5	46,937	45,253	47,442
Investment property		1,181,385	1,160,768	1,149,135
Property, plant and equipment		1,079	1,062	1,073
Investments		1,987,136	1,798,828	1,924,913
		3,216,537	3,005,911	3,122,563
Current assets				
Trade and other receivables		17,382	14,465	17,523
Cash and cash equivalents		428,617	422,034	447,510
		445,999	436,499	465,033
Total assets		**3,662,536**	3,442,410	3,587,596
LIABILITIES				
Current liabilities				
Trade and other payables		13,606	14,336	12,138
Deferred income		10,810	9,591	21,993
Borrowings		25,183	31,105	38,329
Deferred consideration		384	778	641
Current tax liability		785	278	504
		50,768	56,088	73,605
Non-current liabilities				
Borrowings		70,668	81,391	77,194
Deferred consideration		626	1,009	821
Non-participating investment contract liabilities		3,497,359	3,264,795	3,394,404
Deferred tax liability		44	5	42
		3,568,697	3,347,200	3,472,461
Total liabilities		**3,619,465**	3,403,288	3,546,066
Net assets		**43,071**	39,122	41,530
Equity attributable to owners of the parent				
Issued capital		268	267	268
Share premium		33,425	33,406	33,425
Equity share based payments		366	121	239
Treasury shares		(250)	–	–
Retained earnings		9,253	5,321	7,589
		43,062	39,115	41,521
Non-controlling interest		9	7	9
Total equity		**43,071**	39,122	41,530

Interim Results and Notes *continued*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 month period ended 30 June 2017 £'000	*As restated* Unaudited 6 month period ended 30 June 2016 £'000	Audited year ended 31 December 2016 £'000
Cash flows from operating activities			
Profit before tax	4,081	1,235	4,490
Adjustments for:			
Depreciation	286	208	519
Amortisation	561	386	884
Interest expense	293	186	387
Share based payment expense	129	24	142
Fair value gains on financial investments	(82,770)	(34,701)	(199,681)
Additions of financial investments	(256,994)	(56,381)	(328,511)
Disposals of financial investments	277,540	79,578	390,603
Fair value gains on investment properties	(20,913)	(2,339)	25,038
Increase in liability for investment contracts	102,955	26,567	156,175
Changes in working capital:			
Decrease/(increase) in trade and other receivables	69	1,469	(6,447)
Increase/(decrease) in trade and other payables	(9,915)	(3,617)	11,024
Taxes paid	(524)	(476)	(667)
Net cash flows from operating activities	14,798	12,139	53,956
Cash flows from investing activities			
Purchase of intangible assets	(56)	(14)	(1,533)
Purchase of property, plant & equipment	(71,346)	(18,174)	(101,473)
Receipts from sale of property, plant & equipment	59,717	17,701	85,758
Purchase of treasury shares	(250)	–	–
Net cash flows from acquisitions	(452)	359,631	357,821
Net cash flows from investing activities	(12,387)	359,144	340,573
Cash flows from financing activities			
Equity dividends paid	(1,610)	(1,874)	(2,408)
Net proceeds from issue of ordinary shares	–	26,301	26,322
Net increase/(decrease) in borrowings	(19,427)	18,824	21,848
Interest paid	(267)	(130)	(411)
Net cash flows from financing activities	(21,304)	43,121	45,351
Net increase/(decrease) in cash and cash equivalents	(18,893)	414,404	439,880
Cash and cash equivalents at the beginning of the period	447,510	7,630	7,630
Cash and cash equivalents at the end of the period	**428,617**	422,034	447,510

Interim Results and Notes *continued*

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 interim condensed consolidated financial statements comprise the Company and its subsidiaries ("the Group") and have been prepared on a historical cost convention as modified by the revaluation of land and buildings, derivatives, financial assets and liabilities at fair value through profit and loss. The interim condensed consolidated financial statements have been presented in pounds sterling, with all values rounded to the nearest thousand pounds except when otherwise indicated, and were authorised for issue in accordance with a resolution of the directors on 4 September 2017.

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. Basis of preparation and accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting except for certain requirements in relation to financial instrument disclosure. The board has considered the requirements of IAS34 in relation to policyholder assets and liabilities and, given the unit-linked nature of these assets and liabilities, has concluded that revaluing policyholder financial instruments for the purposes of these interim financial statements would incur expense which is disproportionate to any potential benefits of doing so. Further, the board considers that the omission of updated valuations for policyholder financial instruments will not influence the economic decisions of users of these financial statements.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's financial statements for the year ended 31 December 2016, which were prepared in accordance with International Financial Reporting Standards adopted by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB (together "IFRS") as adopted by the European Union, and in accordance with the requirements of The Companies Act 2006 applicable to companies reporting under IFRS.

The information relating to the six months ended 30 June 2017 and the six months ended 30 June 2016 is unaudited and does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2016 have been reported on by its auditor and delivered to the Registrar of Companies. The report of the auditor was unmodified and did not contain a statement under section 498(2) or (3) of The Companies Act 2006.

The interim condensed consolidated financial statements have been reviewed by the auditor and their report to the Board of Curtis Banks Group PLC is included within this interim report.

Interim Results and Notes *continued*

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

2. Basis of preparation and accounting policies *continued*

2.2 Basis of consolidation

The interim condensed consolidated financial statements consolidate the financial statements of the Company and its subsidiaries up to 30 June each year.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All inter-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

The trading subsidiaries of Curtis Banks Group PLC as at 30 June 2017 and 30 June 2016 were Curtis Banks Limited, Curtis Banks Investment Management Limited, Suffolk Life Annuities Limited and Suffolk Life Pensions Limited.

Certain trading subsidiaries of Curtis Banks Group PLC hold the entire issued share capital of a number of non-trading trustee companies. All of these companies are nominee companies for the pension products administered by the trading subsidiaries of Curtis Banks Group PLC and have been dormant or non-trading throughout the period and are expected to remain dormant or non-trading.

2.3 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016.

Amendments to IFRSs effective for 2017 have not had a material effect on the results for the six months ended 30 June 2017.

New standards issued but not yet effective

The IASB and IFRIC have issued standards and interpretations with an effective date for periods starting on or after the date on which these financial statements start. Except for IFRS 15 and IFRS 9 no other newly issued standards are expected to potentially have a material impact on the condensed consolidated interim financial statements and the consolidated financial statements to the Group. The potential impact of IFRS 15 and IFRS 9 is currently being evaluated.

Financial statements for the year ending 31 December 2017

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements will be consistent with those to be followed in the preparation of the Group's annual financial statements for the year ending 31 December 2017.

Interim Results and Notes *continued*

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

2. Basis of preparation and accounting policies *continued*

2.4 Comparative period restatement

The comparative results for the six month period ended 30 June 2016 have been restated to take account of adjustments arising from the audit of the results for the year ended 31 December 2016. The restatements were required as a result of adjustments to the accounting treatment of certain costs associated with the Group's acquisition of Suffolk Life Group and its subsidiaries. The comparative results have also been restated to take account of fair value adjustments arising on the net assets acquired from this acquisition. The fair value adjustments arose within the measurement period defined under IFRS 3 *Business Combinations* and were included in the audited results for the year ended 31 December 2016.

2.5 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. Key areas of judgement and estimation uncertainty are disclosed below:

Client portfolios

Client portfolios acquired 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 30 June 2017 was £15,441,000 (31 December 2016: £15,897,000; 30 June 2016: £14,376,000) as disclosed in note 5.

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 30 June 2017 was £2,460,000 (31 December 2016: £2,490,000; 30 June 2016: £1,822,000).

Interim Results and Notes *continued*

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

3. Non- recurring costs

Non-recurring costs comprise the following items:

	Unaudited 6 month period ended 30 June 2017 £'000	*As restated* Unaudited 6 month period ended 30 June 2016 £'000	Audited year ended 31 December 2016 £'000
Set up costs associated with the take on of SIPPs	20	45	50
Exceptional legal fees	–	530	537
Redundancy & restructuring costs following acquisitions	95	–	310
Suffolk Life acquisition costs	46	509	735
European Pensions Management acquisition costs	198	–	58
Establishment of employee benefit trust	5	–	–
	364	1,084	1,690

Exceptional legal fees

During the six month period ended 30 June 2016 the Group entered into an agreement to settle a potential legal claim by another business. The terms of settlement are confidential however no further costs are expected after 30 June 2016 and the total cost included above includes all associated legal fees incurred.

Suffolk Life acquisition costs

The Group incurred a significant level of legal and professional fees in connection with the acquisition of Suffolk Life Group Limited and its subsidiaries. In accordance with IFRS 3 Business Combinations, these have been expensed and treated as non-recurring costs.

European Pensions Management acquisition costs

The Group incurred considerable legal and professional fees in connection with the acquisition of the trade and assets of European Pensions Management Limited. In accordance with IFRS 3 Business Combinations, these have been expensed and treated as non-recurring costs.

4. Earnings per ordinary share

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

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period 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.

Interim Results and Notes *continued*

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

4. Earnings per ordinary share *continued*

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:

	Unaudited 6 month period ended 30 June 2017 £'000	*As restated* Unaudited 6 month period ended 30 June 2016 £'000	Audited year ended 31 December 2016 £'000
Net profit and diluted net profit available to equity holders of the Group	3,269	1,027	3,829
Profit and diluted net profit before non-recurring costs and amortisation available to equity holders of the Group	5,006	2,705	7,064
Weighted average number of ordinary shares:			
Issued ordinary shares at start of period	53,599,769	44,954,769	44,954,769
Effect of shares issued in current period	–	7,551,885	8,031,907
Basic weighted average number of shares	53,599,769	52,506,654	52,986,676
Effect of options exercisable at the reporting date	800,000	266,667	533,333
Effect of options not yet exercisable at the reporting date	1,666,350	948,133	991,959
Effect of shares held by Employee Benefit Trust	(99,155)	–	–
Diluted weighted average number of shares	55,966,964	53,721,454	54,511,968
	Pence	**Pence**	**Pence**
Earnings per share:			
Basic	6.10	1.96	7.23
Diluted	**5.84**	1.91	7.02
Earnings per share on profit before non-recurring costs and amortisation, less an effective tax rate:			
Basic	7.49	4.46	11.38
Diluted	**7.18**	4.36	11.07

Interim Results and Notes *continued*

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

5. Intangible assets

	Goodwill £'000	Development Costs £'000	Client portfolios £'000	Computer software £'000	Total £'000
Cost					
At 1 January 2016	–	151	14,641	1,039	15,831
Additions	–	1	–	835	836
Arising on acquisitions	28,903*	–	1,815	472	31,190
At 30 June 2016	28,903	152	16,456	2,346	47,857
Additions	–	–	–	713	713
Disposals	–	–	–	(95)	(95)
Arising on acquisitions	–	–	1,974	–	1,974
At 31 December 2016	28,903	152	18,430	2,964	50,449
Additions	–	–	4	52	56
At 30 June 2017	**28,903**	**152**	**18,434**	**3,016**	**50,505**
Amortisation					
At 1 January 2016	–	–	1,477	128	1,605
Charge for the period	–	–	374	12	386
Arising on acquisitions	–	–	229	384	613
At 30 June 2016	–	–	2,080	524	2,604
Charge for the period	–	–	453	45	498
Disposals	–	–	–	(95)	(95)
At 31 December 2016	–	–	2,533	474	3,007
Charge for the period	–	19	460	82	561
At 30 June 2017	**–**	**19**	**2,993**	**556**	**3,568**
Net book value					
At 31 December 2015	–	151	13,164	911	14,226
At 30 June 2016	28,903	152	14,376	1,822	45,253
At 31 December 2016	28,903	152	15,897	2,490	47,442
At 30 June 2017	**28,903**	**133**	**15,441**	**2,460**	**46,937**

*As restated – see note 2.4 for details.

Interim Results and Notes *continued*

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

6. Dividends paid and proposed

	Unaudited 6 month period ended 30 June 2017 £'000	*As restated* Unaudited 6 month period ended 30 June 2016 £'000	Audited year ended 31 December 2016 £'000
Paid during the period:			
Equity dividend on ordinary shares:			
Ordinary interim dividend declared and paid	1,605	1,869	2,403
	1,605	1,869	2,403

An ordinary interim share dividend was declared and paid on 26 February 2016 equating to 3.5p per ordinary share in respect of the year ended 31 December 2015.

An ordinary interim share dividend was declared and paid on 15 November 2016 equating to 1p per ordinary share in respect of the year ended 31 December 2016.

A further ordinary interim share dividend was declared and paid on 12 May 2017 equating to 3p per ordinary share in respect of the year ended 31 December 2016.

An ordinary interim share dividend of 1.5p per ordinary share is proposed for payment on 15 November 2017 to shareholders on the register as at 13 October 2017. The ex-dividend date is 12 October 2017.

7. Income tax

Tax is charged at 19.25% for the six months ended 30 June 2017 (30 June 2016: 20%) representing the best estimate of the average annual effective tax rate expected to apply for the full year, applied to the pre-tax income of the six month period.

Current tax for current and prior periods is classified as a current liability to the extent that it is unpaid. Any amounts paid in excess of amounts owed are classified as a current asset.

8. Related party transactions

Ordinary share dividends totalling £615,502 were paid to Christopher Banks during the period ended 30 June 2017 (2016: £715,290). Christopher Banks was a director of Curtis Banks Group PLC during the period.

Ordinary share dividends totalling £220,431 were paid to Rupert Curtis during the period ended 30 June 2017 (2016: £256,237). Rupert Curtis is a director of Curtis Banks Group PLC.

Ordinary share dividends totalling £114,113 were paid to Paul Tarran during the period ended 30 June 2017 (2016: £132,199). Paul Tarran is a director of Curtis Banks Group PLC.

Interim Results and Notes *continued*

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

9. Illustrative condensed consolidated statement of financial position as at 30 June 2017 split between insurance policy holders and the Group's shareholders

ASSETS	Group Total £'000	Policyholder £'000	Shareholder £'000
Non-current assets			
Intangible assets	46,937	–	46,937
Investment property	1,181,385	1,181,385	–
Property, plant and equipment	1,079	–	1,079
Investments	1,987,136	1,987,135	1
	3,216,537	3,168,520	48,017
Current assets			
Trade and other receivables	17,382	8,340	9,042
Cash and cash equivalents	428,617	405,849	22,768
	445,999	414,189	31,810
Total assets	**3,662,536**	3,582,709	79,827
LIABILITIES			
Current liabilities			
Trade and other payables	13,606	8,619	4,987
Deferred income	10,810	–	10,810
Borrowings	25,183	22,024	3,159
Deferred consideration	384	–	384
Current tax liability	785	–	785
	50,768	30,643	20,125
Non-current liabilities			
Borrowings	70,668	54,707	15,961
Deferred consideration	626	–	626
Non-participating investment contract liabilities	3,497,359	3,497,359	–
Deferred tax liability	44	–	44
	3,568,697	3,552,066	16,631
Total liabilities	**3,619,465**	3,582,709	36,756
Net assets	**43,071**	–	43,071
Equity attributable to owners of the parent			
Issued capital	268	–	268
Share premium	33,425	–	33,425
Equity share based payments	366	–	366
Treasury shares	(250)	–	(250)
Retained earnings	9,253	–	9,253
	43,062	–	43,062
Non-controlling interest	9	–	9
Total equity	**43,071**	–	43,071

Interim Results and Notes *continued*

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

10. Illustrative condensed consolidated statement of cash flows for the six month period ended 30 June 2017 split between insurance policy holders and the Group's shareholders

	Group Total £'000	Policyholder £'000	Shareholder £'000
Cash flows from operating activities			
Profit before tax	4,081	–	4,081
Adjustments for:			
Depreciation	286	–	286
Amortisation	561	–	561
Interest expense	293	–	293
Share based payment expense	129	–	129
Fair value gains on financial investments	(82,770)	(82,770)	–
Additions of financial investments	(256,994)	(256,994)	–
Disposals of financial investments	277,540	277,540	–
Fair value gains on investment properties	(20,913)	(20,913)	–
Increase in liability for investment contracts	102,955	102,955	–
Changes in working capital:			
Decrease/(increase) in trade and other receivables	69	382	(313)
Increase/(decrease) in trade and other payables	(9,915)	(11,184)	1,269
Taxes paid	(524)	–	(524)
Net cash flows from operating activities	**14,798**	9,016	5,782
Cash flows from investing activities			
Purchase of intangible assets	(56)	–	(56)
Purchase of property, plant & equipment	(71,346)	(71,091)	(255)
Receipts from sale of property, plant & equipment	59,717	59,717	–
Purchase of treasury shares	(250)	–	(250)
Net cash flows from acquisitions	(452)	–	(452)
Net cash flows from investing activities	**(12,387)**	(11,374)	(1,013)
Cash flows from financing activities			
Equity dividends paid	(1,610)	–	(1,610)
Net decrease in borrowings	(19,427)	(17,848)	(1,579)
Interest paid	(267)	–	(267)
Net cash flows from financing activities	**(21,304)**	(17,848)	(3,456)
Net increase/(decrease) in cash and cash equivalents	**(18,893)**	(20,206)	1,313
Cash and cash equivalents at the beginning of the period	447,510	426,055	21,455
Cash and cash equivalents at the end of the period	**428,617**	405,849	22,768

Company Information

Directors	Rupert Curtis – Chief Executive Officer Paul Tarran – Chief Financial Officer Will Self – Deputy Chief Executive Officer Chris Macdonald – Non Executive Chairman Bill Rattray – Non Executive Director Jules Hydleman – Non Executive Director
Company Secretary	Paul Tarran
Founder and Strategic Adviser	Christopher Banks
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	PricewaterhouseCoopers LLP 2 Glass Wharf Bristol BS2 0FR
Solicitors	Roxburgh Milkins Merchants House North Wapping Road Bristol BS1 4RW
Registrars	Computer Share The Pavilions Bridgewater Road Bristol BS13 8AE

CURTIS BANKS

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