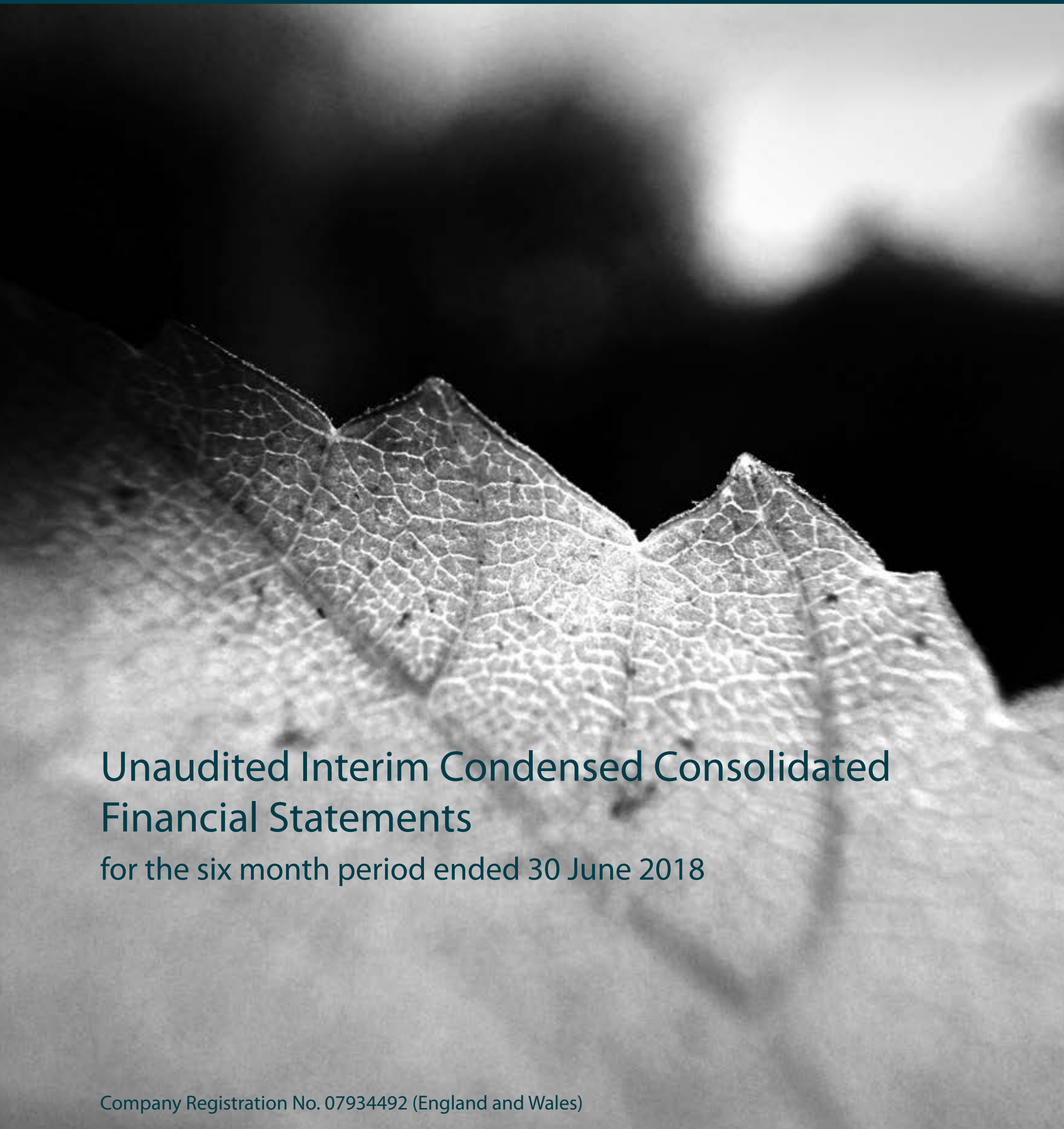
CURTIS BANKS



Unaudited Interim Condensed Consolidated Financial Statements

for the six month period ended 30 June 2018

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 and SSASs. 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.

At 30 June 2018 the Group administered circa £25.1 billion (2017: £23.1 billion) of pension assets on behalf of over 77,500 (2017: 74,900) active customers. Approximately 567 staff are employed across its head office in Bristol and our regional offices in Ipswich and Dundee.

On 25 May 2016 the Group completed its largest acquisition to date, the purchase of Suffolk Life Group Limited, a large and long established provider of SIPPs. The period since then has been one of consolidation, alignment and building a strong platform for the future expansion of the business. A single management structure is in place under the Curtis Banks brand. A new single SIPP proposition is being developed for launch by the end of 2018, supported by a new enhanced Group Sales function. Property legal and management services have been launched and the Group is actively exploring acquisition opportunities.

The Executive Directors have proven experience in the pensions market and operate a business that focuses on a service-driven proposition for the administration of flexible SIPPs. The Group's products are distributed by authorised and regulated financial advisers, targeted towards pension savers who wish to take full advantage of the features and flexibility offered in the UK's modern and changing pension regime. Long standing relationships with key distributors result in high levels of repeat business and demonstrate satisfaction with products and services provided.

The Group is focussed on continuing to deliver increased value to both customers and shareholders in the years ahead.

Note: The Group includes an insurance company, Suffolk Life Annuities Ltd, which 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. Notes 8 and 9 to the financial statements illustrate the split between policyholder and shareholder assets and liabilities and cash flows.

Operational, Financial Highlights and Key Performance Indicators

Curtis Banks Group PLC, one of the UK's leading SIPP providers, is pleased to announce its interim results for the 6 months to 30 June 2018.

Highlights

- Operating Revenue increased by 7.5% to £23.0m (2017: £21.4m)
- Adjusted profit before tax[1] increased by 16% to £5.8m (2017: £5.0m)
- Adjusted operating margin[2] increased to 26.2% (2017: 24.7%)
- Profit before tax increased by 17% to £4.8m (2017: £4.1m)
- Adjusted diluted EPS increased by 16% to 8.33p (2017: 7.18p)
- Gross organic growth in own SIPP numbers of 3,512 with total SIPPs administered now 77,552
- Assets under administration increased by 9% to £25.1bn (2017: £23.1bn)
- Interim dividend of 2.0p per share (2017: 1.5p)
- Will Self takes over as Group CEO in January 2019, with Rupert Curtis maintaining an active role as Founder and Senior Adviser
- Jane Ridgley to join the Board in January 2019 as Chief Operating Officer

Highlights and key performance indicators for the period include:

	Unaudited six month period ended 30 June 2018	Unaudited six month period ended 30 June 2017	Audited year ended 31 December 2017
Financial			
Operating Revenue	**£23.0m**	£21.4m	£43.6m
Adjusted Profit before tax[1]	**£5.8m**	£5.0m	£10.7m
Profit before Tax	**£4.8m**	£4.1m	£5.9m
Adjusted Operating Margin[2]	**26.2%**	24.7%	25.8%
Diluted EPS	**7.05p**	5.84p	9.26p
Diluted EPS on Adjusted profit (applying an effective tax rate)	**8.33p**	7.18p	15.38p
Operational Highlights			
Number of SIPPs Administered	**77,552**	74,900	76,474
Assets under Administration	**£25.1bn**	£23.1bn	£24.7bn
Total organic new own SIPPs in period	**3,512**	4,534	8,719

[1] Profit before tax, amortisation and non-recurring costs
[2] The ratio of operating profit before amortisation and non-recurring costs to operating revenues

Chairman's Statement

I am pleased to report the interim results for Curtis Banks Group for the six months period ended 30 June 2018. These results show encouraging growth in profits during a period in which we have made good progress towards completing our consolidation activities and preparing the launch of our new SIPP proposition.

We announce today that Rupert Curtis will be stepping back as Chief Executive on 31 December 2018. Rupert was a founder of the Group, and has overseen the growth of the business and the Board are very grateful for all his contributions both when the company was private and since listing in 2015. I am pleased that Rupert will remain as a senior adviser to the business post January as well as aiding his successor. To this end over the past six months the Board has been involved in recruiting a new CEO and I am delighted to announce that Will Self will take over the role in January 2019. Will has been a member of the Board since 2016 having worked in the sector for over 15 years including gaining his MBA from Cranfield in 2009. Will has been CEO of Suffolk Life for the last 5 years and is currently Deputy CEO. He was the outstanding candidate and we very much welcome Will to the role.

I am also pleased to announce that Jane Ridgley will be joining the Board in January 2019. Jane is currently Chief Operating Officer for the Group and will continue in that role as an executive director of the Board. Jane has worked with Suffolk Life for over 5 years and before that with Legal & General for 25 years most recently as Product Director in workplace savings.

The period under review has shown an increase in all key financial metrics. Operating revenue has increased by 7.5% to £23.0 million compared to the same period last year, adjusted profit before tax increased by 16% to £5.8 million and adjusted diluted earnings per share increased by 16% to 8.33p. It is particularly pleasing to be able to report these results following a period of considerable internal development. Our adjusted operating margin continues to show improvement as we grow both the top line and realise greater operational alignment across the Group.

Operationally, we have expanded further into the UK's commercial property market with the launch of two new companies: Rivergate Legal Limited which offers a range of legal services to SIPP, SSAS and open market customers relating to commercial property transactions and Templemead Property Solutions Limited which will provide valuation services and negotiate other professional services on behalf of Curtis Banks Group customers. In February, we launched our new corporate branding which brings one consistent identity to all businesses within the Group, a key strategic objective following the acquisition of Suffolk Life. We are working on a new Group website, which reflects this new brand identity and have brought forward work to upgrade our front-end portal for our customers. This will improve the customer and adviser experience and will be completed during 2018.

We are pleased that the total number of SIPPs administered by the Group now is 77,552, reflecting an increase of 3,512 in own SIPP numbers in the period. This is a result of continued new organic growth as well as stable attrition rates.

We are investing in developing a new sales team and a new SIPP proposition, both of which are well advanced and will be implemented in the latter half of this calendar year. While these enhancements and our expansion into UK's commercial property market will increase our cost

Chairman's Statement *continued*

base, we are confident that after a period of transition these initiatives will result in greater top-line growth.

Dividends

Your Board has agreed an interim dividend of 2.0p per share (2017: 1.5p) to be paid on 15 November 2018 to shareholders on the register at the close of business on 12 October 2018. The shares will be marked ex-dividend on 11 October 2018. It is expected that a final dividend will be recommended in respect of the current financial year.

Summary and Outlook

We are well positioned to grow the business organically and are actively seeking new acquisition opportunities. Ongoing regulatory pressure on SIPP operators, and increased capital requirements for businesses, means consolidation opportunities are still present. The business is well funded with cash surpluses of approximately £9 million at the half year and we will continue to look at compatible opportunities to supplement organic growth.

Our position in the market is strong and we intend to consolidate our status as the SIPP operator of choice for independent financial advisers. The investments we are making across the business puts us in good stead for the future, broadening our penetration of the SIPP market and creating further shareholder value.

Chris Macdonald
Chairman

5 September 2018

Operational Review

Summary

The first half of 2018 has seen us deliver strong and profitable growth. This has arisen as a result of continued organic growth in SIPPs and with the benefit of enhanced interest income. The Group has also benefited from the efficiencies that we implemented in the business in 2017 and into 2018, including the rationalisation of our office network to three sites.

We have achieved an improved adjusted operating margin of 26.2% for the first 6 months of this year (2017: 24.7%) and we are on track to deliver further improvements to the operating margin in the second half of this year.

Our products and sales strategy

The growth in the overall SIPP market continues to be strong, with SIPPs the product of choice for pension transfers. We are keen to maximize our share of this market and a key focus for us is the launch of our new SIPP proposition for the Group, backed by an enhanced sales team.

We have focused our new SIPP proposition on "mid and full SIPP" products, sold by regulated financial advisers. These are SIPPs backed by a high quality personal service, allowing customers full flexibility on investment choice and benefit options. Fund sizes tend to be larger and the target customer tends to be higher net worth and wanting a superior quality product. Fee levels are higher and this strategy plays to our strengths as experienced providers of service-driven products. The new product will be launched by the end of this year on our Navision Platform and we are confident that it will significantly increase our organic growth levels. In the interim we are closing some legacy and low fee products in order to focus our attention on our target market.

We have seen good levels of new business in our target market over the first half of the year, evidencing our focus on this sector. Levels of new SIPPs are down on last year due to a number of industry wide factors. Across the industry there has been a widely acknowledged slowdown in new pension transfers largely considered to be caused by the wider economic uncertainty. More specifically we have seen some advisers retrench from the pension transfer sector where elements of their business were exposed to defined benefit transfers as well as increased regulatory scrutiny of all regulated transfer activities.

The new proposition as highlighted above will be supported by our new Group sales team structure. We have a target of seven Business Development Managers (BDMs) to be in place across the Group by the end of this year and have already hired four, with a National Sales Manager recently appointed as part of this initiative. In addition, we already have in place a number of Key Account Directors and a sales support network. This represents a significant enhancement to our previous sales functions and all current new recruits bring with them a wealth of industry experience.

The new SIPP proposition, supported by the enhanced sales structure, will be an exciting catalyst to our organic business growth and is on track for delivery in Q4. We are confident that, whilst our investment into this proposition will increase our cost base, it will begin to deliver good results in 2019 and beyond and enhance our position as the leading dedicated SIPP provider.

Operational Review *continued*

We have also progressed with the development of enhanced property services to provide an in-house capability to those customers with SIPPs invested in our portfolio of over 6,000 commercial properties, who currently contract with third parties for legal, management, inspection and valuation services. Our legal services company, Rivergate Legal Limited, was authorised by the Solicitors' Regulatory Authority in May of this year, followed more recently by Templemead Property Solutions Limited receiving approval from the Royal Institute of Chartered Surveyors. Both will contribute to operating revenue in the second half of this year.

SIPP Numbers

At the period end the number of SIPPs administered increased to 77,552. 3,512 own new SIPPs were added and attrition rates on own SIPPs remained in line from previous years. More detail is set out in the table below.

	Full SIPPs	Mid SIPPs	eSIPPs	Total own SIPPs	Third Party Administered	Total
As at 30 June 2018	20,281	25,597	23,157	69,035	8,517	77,552
As at 31 December 2017	20,539	24,682	22,193	67,414	9,060	76,474
Annualised gross organic growth rate*	3.60%	13.26%	13.56%	10.42%	0.77%	9.28%
SIPPs added organically	370	1,637	1,505	3,512	35	3,547
SIPPs lost through attrition	(628)	(722)	(541)	(1,891)	(578)	(2,469)
Annualised attrition rate*	6.12%	5.85%	4.88%	5.61%	12.76%	6.46%

*Growth and attrition percentage rates are annualised and are based on the 6 months' worth of SIPPs added organically or lost through attrition to 30 June 2018.

Growth rates in the "mid and full SIPP" remain strong although lower than in previous periods. We expect this to continue during the transitional period until we launch our new product when the revised features and enlarged sales team will help to counter the industry wide challenges described above. We are nevertheless very pleased to be maintaining our overall financial performance during this period.

The impact of attrition rates on Third Party Administered SIPPs is ameliorated as a large proportion of these fees are fixed or guaranteed minimums.

We are grateful to our professional introducers for their continued support.

Acquisitions

As one of the UK's leading SIPP providers we are well positioned to continue our role as a consolidator in the SIPP market and inorganic growth is an important strand of our strategy. As part of our capital management, we have available cash funds of approximately £9 million to help fund future acquisitions.

We will continue to deploy a disciplined approach to acquisitions and consider each opportunity from both an earnings per share and return on investment perspective. We have a strategy in place and are pursuing a number of opportunities. Acquisitions of SIPP businesses are becoming a more competitive process, but

Operational Review *continued*

we continue to believe that attractive opportunities still exist and we remain the most experienced acquirer in the market place.

Regulation

Our simple model of working with regulated financial advisers means that the Group is not subject to some of the increasing regulatory scrutiny that faces a number of the market participants in the wider pensions and wealth management industry. Regulatory scrutiny of the SIPP market continues, but our business model, whereby we do not give any advice or provide the investments held within the SIPPs, positions us well within the complex regulatory environment facing the wider industry.

A recent area of media focus is on the underlying nature of some assets held within SIPPs and whether the assets are standard or non-standard, i.e. illiquid. This is largely a legacy issue for the industry, related to the acceptance of non-standard assets, and the Group has and continues to undertake robust due diligence on non-standard investments.

Other areas of regulatory and media focus are transfers from defined benefit schemes, and acceptance of business from unregulated introducers. The Group does not transact with unregulated introducers and monitors the quality of any defined benefit transfer business accepted, requiring a positive recommendation to transfer from a regulated adviser.

In-specie contributions and associated tax relief is an issue that HMRC is looking at closely and the outcome and impact on the industry are not known at this stage. We do not believe however that the net exposure arising from this will be material to the Group.

During the period we have successfully implemented a GDPR framework throughout the Group.

IT strategy

As announced in our last full year results, we have decided to materially upgrade our existing back office operating systems, our front end portal and to unify the Group with a single web presence. This will ensure that they are appropriate for the enlarged Group as we continue to grow and meet the needs of our customers.

We have decided to reprioritise the front end portal and website work streams ahead of the work to upgrade the back office systems. A key factor in making this decision to reprioritise the work streams is that it enables us to maintain an implementation plan that is robust and delivers key customer enhancements linked to the launch of our new proposition. Our systems are stable, our IT strategy focuses on enhancing functionality and delivering operating margin improvement, and this reprioritisation does not impact the timetable or overall anticipated costs and benefits of our IT Strategy.

The upgraded front end portal on our customer websites will result in increased functionality for our customers and their advisers. At the same time, we are upgrading our online presence into a single Group website. Our new SIPP Proposition is to be run on our Navision Platform.

People and culture

Our office rationalisation has resulted in a small decrease in the number of employees, but we anticipate employee numbers increasing over the next 12 months to match the continued growth of the business. We value our people

Operational Review *continued*

and the positive contribution they make to our culture and the performance of our business and have extended our long term incentive plan for key staff as one aspect of incentivising them and aligning their interests with shareholders.

During the period we have recruited a new National Sales Manager, who has been tasked with helping to implement the new sales team structure that I outlined above. In addition, Jane Ridgley has been appointed as Chief Operating Officer for the whole Group.

I am extremely proud of the incredible contribution made by all our employees and thank them for their loyalty to the Group.

We have also grown our corporate social responsibility activities, promoting our presence in our local communities and increasing our support for our people's own fundraising activities.

As this is my last formal statement as Chief Executive Officer, I would like to take the opportunity to thank everyone who has taken part in making Curtis Banks the success it is today and welcome Will Self to the role from the beginning of 2019. I am also pleased that Jane Ridgley will be joining the Board.

I am very proud of what we have achieved at Curtis Banks since we founded the business in 2009 and it has been a great privilege to have led and worked with such a capable team of people through such a successful period. I look forward to continuing to work with them in my new role in the business.

My thanks go to our Board, the senior management and everyone in Curtis Banks for making these achievements possible. I would also like to thank our shareholders for their support since we listed the Group in 2015.

The Group is well positioned for the considerable opportunities that lie ahead and I am confident that, under Will Self's leadership, Curtis Banks will continue to go from strength to strength.

Rupert Curtis
Chief Executive Officer

5 September 2018

Financial Review

Operational revenues of £23 million in the six months ended 30 June 2018 have increased by 7.5% over the comparable period.

Fee revenue remains the predominant source of income for the Group with a strong emphasis on recurring annual fee income. In the six months ended 30 June 2018 annual fees represented 77% of the total income and 84% of this fee income is recurring. Fees are based on a recurring fixed monetary annual fee and a menu of additional fixed fees depending on the services provided to the SIPP. Fees are not dependent on movements in the value of underlying assets within SIPPs and as a result the recurring fee income of the Group is not directly affected by movements in financial markets.

Staff costs for the period totalled £10.9 million compared to £10.4 million for the six month period ended 30 June 2017. Staff costs have increased partly due to annual pay reviews related to average earnings increases. In addition, the continued operation of the Executive Bonus Scheme and Long Term Incentive Plan (LTIP) for key members of staff, introduced in June 2017, has resulted in a H1 2018 impact of £568,000 compared to £nil in H1 2017. A further offering of the Save as You Earn option schemes for all staff members has also led to an increase in staff costs over the comparable period last year. Whilst such measures have a financial impact their introduction results in the retention and reward of key members of staff that is necessary to grow and develop the business.

Overall staff numbers have reduced to 567 as at 30 June 2018 compared to 597 as at 31 December 2017, the fall arising largely from the closure of the Market Harborough office in January 2018. This has resulted in a significant reduction in staff costs which, together with savings from internal staff restructuring, has helped to partly offset the increases noted above.

Staff costs in H2 2018 are likely to increase as we invest for the future with the enhancement of the Group sales team structure as set out in the Operational Review.

Integration Activities

A review of costs across the Group is continuing to identify areas where further cost efficiencies can be made as well as more efficient operational processing of the day to day SIPP administration activities. The objective of this review is to continue our progress in improving the adjusted operating margin towards our target run-rate of 30%. This will be achieved by a combination of revenue enhancements, in year cost savings and operating improvements. These will not only benefit the Group but will also enhance the level and quality of services that are being provided to customers and introducers of business. A number of these enhancements have already been actioned and the adjusted operating margin for the six months ended 30 June 2018 increased to 26.2% from 24.7% in the comparable period last year.

Financial Position

The statement of financial position as at 30 June 2018 shows a strong position with shareholder net assets increasing from £44.6 million at 31 December 2017 to £46.2 million as at 30 June 2018.

In 2016 the Group borrowed £23 million for the acquisition of Suffolk Life. This comprised a £15 million term loan repayable over 5 years and a revolving credit facility of £8 million.

Financial Review *continued*

Interest on this debt accrues at the rate of 2.25% plus LIBOR. The debt continues to be repaid in line with scheduled terms and the covenants required by the bank in respect of this gearing continue to be covered. As at the 30 June 2018 the Group had net shareholder cash (after debt) of £5.9 million (2017: £3.6 million).

Cash flows

Shareholder cash balances at period end were £21.9 million compared to £22.8 million at the end of the previous period to 30 June 2017. After regulatory capital requirements are taken into account at period end there were free shareholder cash balances of approximately £9 million available.

The first half of the financial year has been cash depletive due to payments of the final dividend of £2.6 million in May 2018, payment of redundancy and associated costs in January 2018 of £500,000 relating to the closure of the Market Harborough office, further loans of £500,000 to the Group Employee Benefit Trust and additional bonus payments in March 2018 of £500,000 above the level of those paid in 2017. Other than the payment of an interim dividend in November 2018, and any further loans to the employee benefit trust, none of these cash flows will recur in the second half of the year.

Suffolk Life Annuities Limited

Part of the Suffolk Life Group of Companies, 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 Customer related assets and liabilities in Suffolk Life Annuities Limited match. In addition the revenues, expenses and investment returns of the non-participating insurance policy contracts are shown in the consolidated statement of comprehensive income. Again, these income, expense items and investment returns due to the policy holders are completely matched. The acquisition was accounted for in accordance with IFRS 3 Business Combinations. An illustrative balance sheet as at 30 June 2018 showing the financial position of the Group excluding the policy holder assets and liabilities is included as supplementary information after the notes to the financial statements. An illustrative cash flow on the same basis has also been provided.

Non-recurring costs

Non-recurring costs for the six months ended 30 June 2018 of £0.4 million comprise principally internal restructuring costs and further costs following acquisitions of businesses in prior years.

Systems Development

As previously noted, after a full review of our IT Infrastructure, the decision has been taken to upgrade the existing back office systems at Curtis Banks whilst also investing in new front end customer portals.

Costs associated with these upgrades will be capitalised and amortised in accordance with our normal accounting policy. Amortisation will commence once the upgrades are completed and fully operational.

Financial Review *continued*

Employee Benefit Trust

The Group operates an independent Employee Benefit Trust ("EBT") administered by Saffery Champness Registered Fiduciaries to acquire shares in the Company in the market to satisfy future option and long term incentive awards. The EBT is funded by loans from the Group. During the period the Group lent a further £500,000 to the EBT to enable further acquisitions of shares to be made. As at 30 June 2018 the EBT held 274,275 shares in Curtis Banks Group plc funded by a total of £750,000 of loans 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. During the period 3,313 of the shares in the Company held by the EBT were used to satisfy share options exercised.

Earnings per Share

Fully diluted Earnings per Share ("EPS") based on adjusted profit after tax have increased by 16% in the six months ended 30 June 2018 from 7.18p for the six months ended 30 June 2017 to 8.33p. Based on the profit after tax the fully diluted EPS shows a 21% increase in the same period from 5.84p to 7.05p. With the historic granting of options, and further grants in the six months ended 30 June 2018, diluted EPS is considered to be a more meaningful measure of performance for investors than basic EPS.

Capital requirements

The Group's regulated subsidiary companies submit regular returns to the FCA and the PRA relating to their capital resources. At 30 June 2018 the total regulatory capital requirement across the Group was £12 million and the Group had an aggregate surplus of £8.6 million across all regulated entities. In addition to this it is Group internal policy for regulated companies within the Group to hold at least 130% of their required regulatory capital resulting in the aggregate surplus reducing to £4.3 million. The Group is currently assessing the impact of IFRS 16 (accounting for leases) on the regulatory capital requirement of the Group. This accounting standard becomes effective from 1 January 2019. All the regulated firms within the Group maintained surplus regulated capital throughout the period. The two principal trading subsidiaries of the Group are regulated by the FCA and the capital adequacy rules of that organisation do not allow current year profits to contribute towards solvency requirements until such profits are audited or externally verified.

Paul Tarran
Chief Financial Officer

5 September 2018

Independent Review Report to Curtis Banks Group PLC

Report on the Unaudited Interim Condensed Consolidated Financial Statements

Our conclusion

We have reviewed Curtis Banks Group PLC's unaudited interim condensed consolidated financial statements (the "interim financial statements") in the unaudited interim condensed consolidated financial statements of Curtis Banks Group PLC for the 6 month period ended 30 June 2018. 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 of the interim 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 2018;
- 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 unaudited interim condensed consolidated financial statements 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 unaudited interim condensed consolidated financial statements, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the unaudited interim condensed consolidated financial statements 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 unaudited interim condensed consolidated financial statements 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 unaudited interim condensed consolidated financial statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants

Bristol

5 September 2018

Interim Results and Notes

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Unaudited 6 month period ended 30 June 2018 Before amortisation and non-recurring costs £'000	Amortisation and non-recurring costs £'000	Total £'000
Operating revenue		22,960	–	22,960
Policyholder investment returns		115,017	–	115,017
Revenue		137,977	–	137,977
Administrative expenses		(16,940)	–	(16,940)
Non-participating investment contract expenses		(17,299)	–	(17,299)
Changes in provisions: Non-participating investment contract liabilities		(97,718)	–	(97,718)
Policyholder total expenses		(115,017)	–	(115,017)
Operating profit before amortisation and non-recurring costs		6,020	–	6,020
Non-recurring costs	3	–	(357)	(357)
Amortisation and impairment		–	(706)	(706)
Operating profit		6,020	(1,063)	4,957
Finance income		49	–	49
Finance costs		(228)	–	(228)
Profit before tax		5,841	(1,063)	4,778
Tax		(972)	202	(770)
Total comprehensive income for the period		**4,869**	**(861)**	**4,008**
Attributable to:				
Equity holders of the company				4,004
Non-controlling interests				4
				4,008
Earnings per ordinary share on net profit				
Basic (pence)	4			7.46
Diluted (pence)	4			7.05

Interim Results and Notes *continued*

Unaudited 6 month period ended 30 June 2017			Audited year ended 31 December 2017		
Before amortisation and non-recurring costs £'000	Amortisation and non-recurring costs £'000	Total £'000	Before amortisation and non-recurring costs £'000	Amortisation and non-recurring costs £'000	Total £'000
21,362	–	21,362	43,573	–	43,573
179,262	–	179,262	343,009	–	343,009
200,624	–	200,624	386,582	–	386,582
(16,090)	–	(16,090)	(32,336)	–	(32,336)
(17,872)	–	(17,872)	(34,560)	–	(34,560)
(161,390)	–	(161,390)	(308,449)	–	(308,449)
(179,262)	–	(179,262)	(343,009)	–	(343,009)
5,272	–	5,272	11,237	–	11,237
–	(364)	(364)	–	(3,754)	(3,754)
–	(561)	(561)	–	(1,131)	(1,131)
5,272	(925)	4,347	11,237	(4,885)	6,352
32	–	32	67	–	67
(298)	–	(298)	(562)	–	(562)
5,006	(925)	4,081	10,742	(4,885)	5,857
(985)	178	(807)	(1,565)	940	(625)
4,021	(747)	3,274	9,177	(3,945)	5,232
		3,269			5,222
		5			10
		3,274			5,232
		6.10			9.75
		5.84			9.26

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 2017 – 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 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
Comprehensive income for the period	–	–	–	–	1,953	1,953	5	1,958
Share based payments	–	–	365	–	–	365	–	365
Ordinary shares issued	1	26	–	–	–	27	–	27
Ordinary dividends paid	–	–	–	–	(803)	(803)	–	(803)
As at 31 December 2017 – audited	269	33,451	731	(250)	10,403	44,604	14	44,618
Comprehensive income for the period	–	–	–	–	4,004	4,004	4	4,008
Share based payments	–	–	215	–	–	215	–	215
Deferred tax on share based payments	–	–	–	–	395	395	–	395
Ordinary shares bought and sold by EBT	–	–	–	(498)	–	(498)	–	(498)
Ordinary dividends paid	–	–	–	–	(2,551)	(2,551)	(6)	(2,557)
As at 30 June 2018 – unaudited	**269**	**33,451**	**946**	**(748)**	**12,251**	**46,169**	**12**	**46,181**

Interim Results and Notes *continued*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited 30 June 2018 £'000	Unaudited 30 June 2017 £'000	Audited 31 December 2017 £'000
ASSETS				
Non-current assets				
Intangible assets	5	43,910	46,937	44,593
Investment property		1,259,400	1,181,385	1,206,298
Property, plant and equipment		1,130	1,079	1,148
Investments		2,002,611	1,987,136	2,032,293
Deferred tax asset		648	–	124
		3,307,699	3,216,537	3,284,456
Current assets				
Trade and other receivables		19,879	17,382	16,687
Cash and cash equivalents		427,256	428,617	437,849
Current tax asset		17	–	310
		447,152	445,999	454,846
Total assets		**3,754,851**	3,662,536	3,739,302
LIABILITIES				
Current liabilities				
Trade and other payables		13,103	13,606	12,658
Deferred income		18,600	10,810	24,374
Borrowings		30,597	25,183	29,444
Provisions		150	–	641
Deferred consideration		341	384	341
Current tax liability		–	785	–
		62,791	50,768	67,458
Non-current liabilities				
Borrowings		58,800	70,668	64,584
Provisions		102	–	259
Deferred consideration		261	626	454
Non-participating investment contract liabilities		3,586,716	3,497,359	3,561,929
Deferred tax liability		–	44	–
		3,645,879	3,568,697	3,627,226
Total liabilities		**3,708,670**	3,619,465	3,694,684
Net assets		**46,181**	43,071	44,618
Equity attributable to owners of the parent				
Issued capital		269	268	269
Share premium		33,451	33,425	33,451
Equity share based payments		946	366	731
Treasury shares		(748)	(250)	(250)
Retained earnings		12,251	9,253	10,403
		46,169	43,062	44,604
Non-controlling interest		12	9	14
Total equity		**46,181**	43,071	44,618

Approved by the Board and authorised for issue on 5 September 2018

Paul Tarran – Chief Financial Officer

Interim Results and Notes *continued*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 month period ended 30 June 2018 £'000	Unaudited 6 month period ended 30 June 2017 £'000	Audited year ended 31 December 2017 £'000
Cash flows from operating activities			
Profit before tax	4,778	4,081	5,857
Adjustments for:			
Depreciation	300	286	570
Amortisation and impairments	706	561	3,126
Interest expense	226	293	554
Share based payment expense	215	129	492
Fair value gains on financial investments	(24,728)	(82,770)	(156,046)
Additions of financial investments	(246,430)	(256,994)	(493,638)
Disposals of financial investments	300,841	277,540	542,304
Fair value gains on investment properties	(34,015)	(20,913)	(44,074)
Increase in liability for investment contracts	24,792	102,955	167,525
Changes in working capital:			
Decrease/(increase) in trade and other receivables	(3,367)	69	(433)
Increase/(decrease) in trade and other payables	(5,794)	(9,915)	4,193
Taxes paid	(625)	(524)	(999)
Net cash flows from operating activities	16,899	14,798	29,431
Cash flows from investing activities			
Purchase of intangible assets	(23)	(56)	(277)
Purchase of property, plant & equipment	(77,768)	(71,346)	(161,923)
Receipts from sale of property, plant & equipment	58,401	59,717	148,191
Purchase of treasury shares	(498)	(250)	(250)
Net cash flows from acquisitions	(193)	(452)	(669)
Net cash flows from investing activities	(20,081)	(12,387)	(14,928)
Cash flows from financing activities			
Equity dividends paid	(2,557)	(1,610)	(2,413)
Net proceeds from issue of ordinary shares	–	–	27
Net decrease in borrowings	(4,651)	(19,427)	(21,274)
Interest paid	(203)	(267)	(504)
Net cash flows from financing activities	(7,411)	(21,304)	(24,164)
Net decrease in cash and cash equivalents	(10,593)	(18,893)	(9,661)
Cash and cash equivalents at the beginning of the period	437,849	447,510	447,510
Cash and cash equivalents at the end of the period	**427,256**	428,617	437,849

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 under the 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 5 September 2018.

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 IAS 34 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 2017, 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 2018 and the six months ended 30 June 2017 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 2017 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 2018 were Curtis Banks Limited, Curtis Banks Investment Management Limited, Suffolk Life Annuities Limited, Suffolk Life Pensions Limited, Rivergate Legal Limited and Templemead Property Solutions Limited. The trading subsidiaries of Curtis Banks Group PLC as at 30 June 2017 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 2017 other than the adoption of the provisions IFRS9 in reviewing impairment on receivables.

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 16 (accounting for leases) 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 16 is currently being evaluated.

Financial statements for the year ending 31 December 2018

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 2018.

2.4 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:

Interim Results and Notes *continued*

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

2. Basis of preparation and accounting policies *continued*

2.4 Critical accounting judgements and key sources of estimation uncertainty continued

Client portfolios

Customer 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 customer portfolios are impaired at least on an annual basis. This comprises an estimation of future cash flows expected to arise from each customer 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 estimation of future cash flows is derived by taking the current earnings before tax, interest, depreciation and amortisation ("EBITDA") margin of the relevant operating subsidiary and applying this against forecast revenue from the relevant customer portfolio.

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.

3 Non- recurring costs

Non-recurring costs comprise the following items:

	Unaudited 6 month period ended 30 June 2018 £'000	Unaudited 6 month period ended 30 June 2017 £'000	Audited year ended 31 December 2017 £'000
Set up costs associated with the take on of SIPPs	–	20	20
Exceptional legal fees	–	5	67
Redundancy & restructuring costs following acquisitions	308	95	1,143
Suffolk Life acquisition costs	–	46	72
European Pensions Management acquisition costs	49	198	328
Exceptional impairment charge	–	–	2,124
	357	364	3,754

Interim Results and Notes *continued*

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

3 Non- recurring costs *continued*

Redundancy & restructuring costs following acquisitions

During the six month period ended 30 June 2018, the Group restructured its sales team and reduced overlapping operational management.

During the year ended 31 December 2017 a full strategic review of all the office locations used by the Group was carried out. As a result of that review, and after full consultation with all relevant staff, the decision was taken to close the Group's office in Market Harborough. The closure was effective from the end of January 2018. Full provision has been made in the financial statements for the year ended 31 December 2017 for all the financial costs arising from the decision to close that office including redundancy payments, amounts due under onerous leases and cost of relocating the activities of that office to other Company locations.

Exceptional impairment charge

During the year ended 31 December 2017 the Group continued and completed the review if its operating systems following the acquisition of the Suffolk Life business in May 2016. As a result of this review the Group concluded that the most cost effective, appropriate and lowest risk solution was, subject to contract, to implement a material upgrade of the existing back office operating system at the Group.

As a result of this decision, costs of approximately £2.1 million incurred and capitalised on the initial development, installation, evaluation and testing of an alternative system over recent years have now been written off as an exceptional impairment charge in the financial statements for the year ended 31 December 2017. Other than £0.1 million, all of these costs were originally incurred in accounting periods up to and including the year to 31 December 2016.

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.

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:

Interim Results and Notes *continued*

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

4 Earnings per ordinary share *continued*

	Unaudited 6 month period ended 30 June 2018 £'000	Unaudited 6 month period ended 30 June 2017 £'000	Audited year ended 31 December 2017 £'000
Net profit available to equity holders of the Group	4,004	3,269	5,222
Net profit before non-recurring costs and amortisation available to equity holders of the Group	5,841	5,006	10,742
	Number	**Number**	**Number**
Weighted average number of ordinary shares:			
Issued ordinary shares at start of period	53,807,346	53,599,769	53,599,669
Effect of shares held by Employee Benefit Trust	(130,869)	(99,155)	(78,941)
Effect of shares issued in current period	–	–	25,127
Basic weighted average number of shares	53,676,477	53,500,614	53,545,855
Effect of options exercisable at the reporting date	971,616	800,000	800,000
Effect of options not yet exercisable at the reporting date	2,133,896	1,666,350	2,044,484
Diluted weighted average number of shares	56,781,989	55,966,964	56,390,339
	Pence	**Pence**	**Pence**
Earnings per share:			
Basic	7.46	6.10	9.75
Diluted	**7.05**	5.84	9.26
Earnings per share on profit before non-recurring costs and amortisation, less an effective tax rate*:			
Basic	8.81	7.49	16.20
Diluted	**8.33**	7.18	15.38

*The effective tax rate used is the current tax rate applicable to the accounting year. The current tax rate applicable for the year ending 31 December 2018 is 19.00% (2017: 19.25%).

Interim Results and Notes *continued*

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

5. Intangible assets

	Goodwill £'000	Customer portfolios £'000	Computer software £'000	Total £'000
Cost				
At 1 January 2017	28,903	18,430	3,116	50,449
Additions	–	4	52	56
At 30 June 2017	28,903	18,434	3,168	50,505
Additions	–	1	220	221
Disposals	–	(2)	(1,993)	(1,995)
At 31 December 2017	28,903	18,433	1,395	48,731
Additions	–	–	23	23
At 30 June 2018	**28,903**	**18,433**	**1,418**	**48,754**
Amortisation and impairments				
At 1 January 2017	–	2,533	474	3,007
Charge for the period	–	460	101	561
At 30 June 2017	–	2,993	575	3,568
Charge for the period	–	462	108	570
At 31 December 2017	–	3,455	683	4,138
Charge for the period	–	462	244	706
At 30 June 2018	**–**	**3,917**	**927**	**4,844**
Net book value				
At 31 December 2016	28,903	15,897	2,642	47,442
At 30 June 2017	28,903	15,441	2,593	46,937
At 31 December 2017	28,903	14,978	712	44,593
At 30 June 2018	**28,903**	**14,516**	**491**	**43,910**

Interim Results and Notes *continued*

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

6. Dividends paid

	Unaudited 6 month period ended 30 June 2018 £'000	Unaudited 6 month period ended 30 June 2017 £'000	Audited year ended 31 December 2017 £'000
Ordinary dividends paid	2,551	1,605	2,408
	2,551	1,605	2,408

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

An interim dividend of 1.5p per ordinary share in respect of the year ended 31 December 2017 was paid on 15 November 2017.

A final dividend of 4.75p per ordinary share in respect of the year ended 31 December 2017 was paid on 18 May 2018.

7. Income tax

Tax is charged at 19.00% for the six months ended 30 June 2018 (30 June 2017: 19.25%) 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.

Interim Results and Notes *continued*

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

8. Illustrative condensed consolidated statement of financial position as at 30 June 2018 split between insurance policy holders and the Group's shareholders

ASSETS	Group Total £'000	Policyholder £'000	Shareholder £'000
Non-current assets			
Intangible assets	43,910	–	43,910
Investment property	1,259,400	1,259,359	41
Property, plant and equipment	1,130	–	1,130
Investments	2,002,611	2,002,611	-
Deferred tax asset	648	–	648
	3,307,699	3,261,970	45,729
Current assets			
Trade and other receivables	19,879	8,371	11,508
Cash and cash equivalents	427,256	405,327	21,929
Current tax asset	17	590	(573)
	447,152	414,288	32,864
Total assets	**3,754,851**	3,675,258	78,593
LIABILITIES			
Current liabilities			
Trade and other payables	13,103	8,805	4,298
Deferred income	18,600	7,345	11,255
Borrowings	30,597	27,441	3,156
Provisions	150	–	150
Deferred consideration	341	–	341
	62,791	43,591	19,200
Non-current liabilities			
Borrowings	58,800	45,951	12,849
Provisions	102	–	102
Deferred consideration	261	–	261
Non-participating investment contract liabilities	3,586,716	3,586,716	-
	3,645,879	3,632,667	13,212
Total liabilities	**3,708,670**	3,675,258	32,412
Net assets	**46,181**	–	46,181
Equity attributable to owners of the parent			
Issued capital	269	–	269
Share premium	33,451	–	33,451
Equity share based payments	946	–	946
Treasury shares	(748)	–	(748)
Retained earnings	12,251	–	12,251
	46,169	–	46,169
Non-controlling interest	12	–	12
Total equity	**46,181**	–	46,181

Interim Results and Notes *continued*

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

9. Illustrative condensed consolidated statement of cash flows for the six month period ended 30 June 2018 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	4,778	–	4,778
Adjustments for:			
Depreciation	300	–	300
Amortisation and impairments	706	–	706
Interest expense	226	–	226
Share based payment expense	215	–	215
Fair value gains on financial investments	(24,728)	(24,728)	–
Additions of financial investments	(246,430)	(246,430)	–
Disposals of financial investments	300,841	300,841	–
Fair value gains on investment properties	(34,015)	(34,015)	–
Increase in liability for investment contracts	24,792	24,792	–
Changes in working capital:			
Increase in trade and other receivables	(3,367)	(499)	(2,868)
Decrease in trade and other payables	(5,794)	(4,653)	(1,141)
Taxes paid	(625)	–	(625)
Net cash flows from operating activities	**16,899**	15,308	1,591
Cash flows from investing activities			
Purchase of intangible assets	(23)	–	(23)
Purchase of property, plant & equipment	(77,768)	(77,486)	(282)
Receipts from sale of property, plant & equipment	58,401	58,401	–
Purchase of treasury shares	(498)	–	(498)
Net cash flows from acquisitions	(193)	–	(193)
Net cash flows from investing activities	**(20,081)**	(19,085)	(996)
Cash flows from financing activities			
Equity dividends paid	(2,557)	–	(2,557)
Net decrease in borrowings	(4,651)	(3,072)	(1,579)
Interest paid	(203)	–	(203)
Net cash flows from financing activities	**(7,411)**	(3,072)	(4,339)
Net decrease in cash and cash equivalents	**(10,593)**	(6,849)	(3,744)
Cash and cash equivalents at the beginning of the period	437,849	412,176	25,673
Cash and cash equivalents at the end of the period	**427,256**	405,327	21,929

Company Information

Directors	Rupert Curtis – Chief Executive Officer Paul Tarran – Chief Financial Officer Will Self – Deputy Chief Executive Officer Chris Macdonald – Non-Executive Director and 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
Joint Broker	N+1 Singer 1 Bartholomew Lane London EC2N 2AX
Auditor	PricewaterhouseCoopers LLP 2 Glass Wharf Bristol BS2 0FR
Solicitors	Roxburgh Milkins Limited Merchants House North Wapping Road Bristol BS1 4RW
Registrars	Computer Share The Pavilions Bridgewater Road Bristol BS13 8AE

CURTIS BANKS

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