



# CURTIS BANKS 2020 FULL YEAR RESULTS PRESENTATION

12 MONTHS TO 31 DECEMBER 2020

FIRST PRESENTED ON 7 APRIL 2021



# AGENDA & INTRODUCTION

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**WILL SELF**  
Chief Executive Officer



**JANE RIDGLEY**  
Chief Operating Officer



**DAN COWLAND**  
Chief Financial Officer

1. Key highlights
2. Market dynamics and our strategy
3. Financial overview
4. Conclusion
5. Question and answers
6. Appendix





# A PATHWAY TO LONG-TERM GROWTH AND STABLE RETURNS

- Resilient, stress tested business model
- More than doubling of earnings since 2015 IPO underpinned by strength of recurring revenues
- Strong cash generation has driven dividend growth
- No direct reliance on AUM, fees are fixed and not basis point charge
- Track record for delivering growth via organic sources and M&A
- Recent strategic acquisitions evidence flexibility of business model and opportunity for innovation and diversification

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# 1. KEY HIGHLIGHTS

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# REVIEW OF THE YEAR

Strong delivery against strategic objectives - continued profitable growth, completed two acquisitions and changed fee model to deliver higher quality revenues



## Sustained financial performance despite continued challenging market conditions

- ✓ Changes to fixed annual fees materially reduces sensitivity to interest rates
- ✓ Enhanced levels of recurring revenues
- ✓ Delivery on organic and inorganic growth strategy
- ✓ Proposed final dividend of 6.5p
- ✓ Successful fund raise and refinancing of debt facilities



## Acquisition strategy continues and integration strategy underway

- ✓ Dunstan Thomas and Talbot and Muir to run predominantly as BAU for not less than 12 months
- ✓ Continuing to plan the execution of the alignment and growth opportunities identified in due diligence
- ✓ Continue to seek and evaluate acquisition opportunities as part of stated growth strategy



## Operational and IT strategy on target

- ✓ 5 year system strategy progressing in accordance with project plan
- ✓ Remain on track for a fully aligned target operating model
- ✓ Incorporating acquisitions into IT strategy



Best SIPP Provider



Full Sipp Providers  
Curtis Banks

# RESPONSE TO COVID-19

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Seamless implementation of business continuity plan - high degree of operational resilience leaves the Group in a strong position for growth



## BCP Response and Strategic Actions

- ✓ All members of staff swiftly enabled to work from home
- ✓ Recruitment temporarily paused, reinstated in July
- ✓ CPD accredited webinars, supported by an online CPD On Demand hub for advisers
- ✓ Leveraged social media and technology to engage with the adviser community
- ✓ Design of future flexibility of working policy



## Outcome

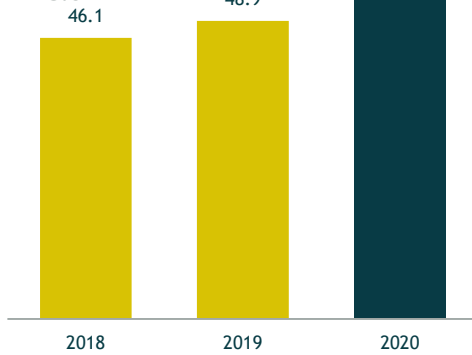
- ✓ New business growth in core products up year on year
- ✓ Organisation primed for agile and flexible working
- ✓ Operational productivity maintained
- ✓ Future staff growth expected to be absorbed without need for additional office space
- ✓ Employee morale high

# KEY PERFORMANCE INDICATORS

## REVENUE (£'m)

£53.9m

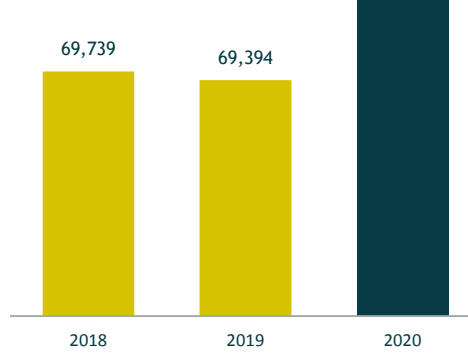
+10%



## OWN SIPPs (Excludes TPA plans)

75,740

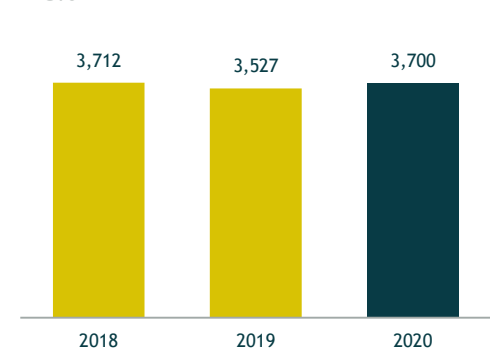
+9%



## GROSS INCREASE ON FULL & MID SIPPS

3,700

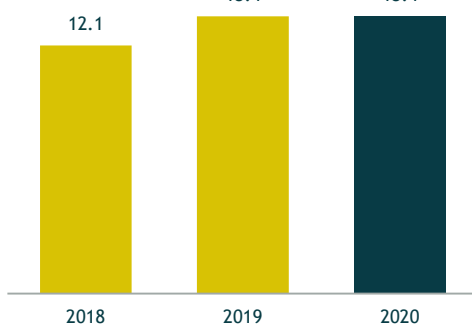
+8%



## ADJUSTED PROFIT BEFORE TAX (£'m)

£13.4m

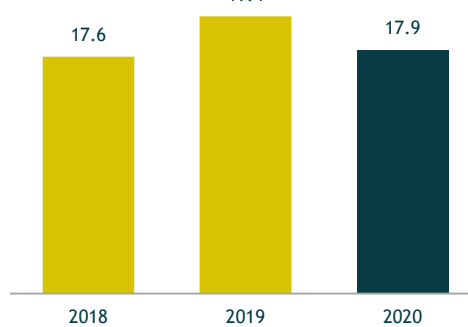
UNCHANGED



## ADJUSTED DILUTED EPS (p)

17.9p

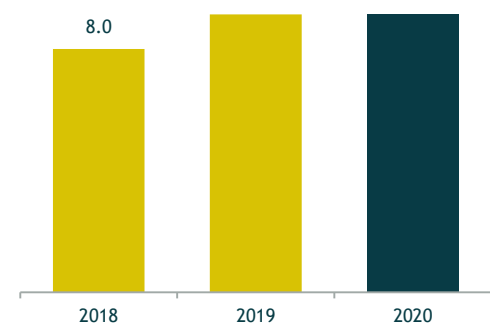
-8%



## DIVIDENDS (p)

9.0p

UNCHANGED



\* Including a proposed 2020 final dividend of 6.5p, making a total 2020 full year proposed payment of 9.0p



## 2. MARKET DYNAMICS & OUR STRATEGY





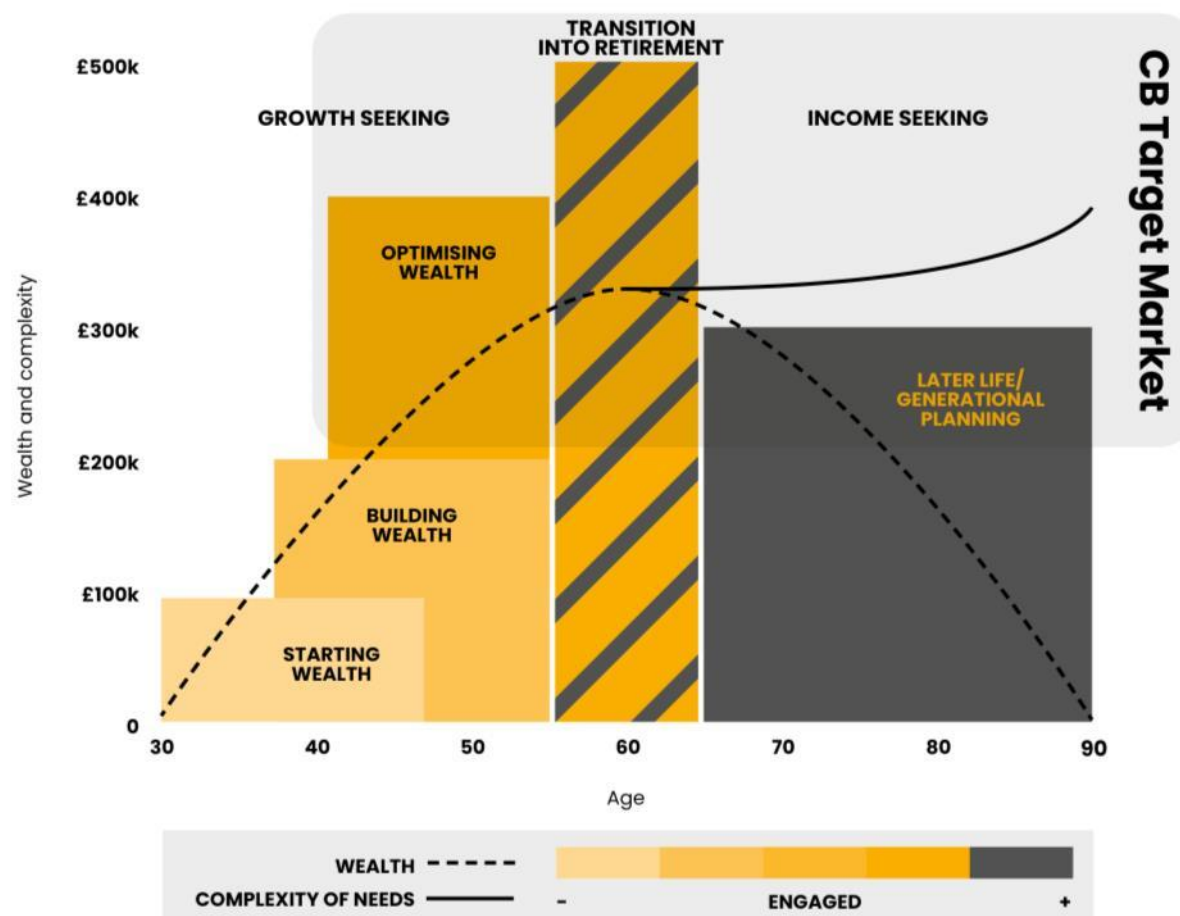
# MARKET DYNAMICS PLAY TO CURTIS BANKS' STRENGTHS

Curtis Banks is expertly placed to meet the needs of the market today and the enlarged opportunity in the future

Factors playing to Curtis Banks' strengths:

- Complexity of wealth planning
- Regulatory expectations
- Price is the no. 1 factor in selecting a product
- Financial strength is no. 2 factor in selecting a product
- c.80% of advisers use off platform products
- Volume of retirement savings continue to grow
- SIPP specialism, high product capability and functionality

THE FCA NOW EXPECTS A MORE REFINED APPROACH TO SEGMENTATION



Source: the lang cat

# THE STRENGTH OF THE OFF PLATFORM PROPOSITION

£460bn total advised platform assets with c.£215bn in pensions  
These are the future Curtis Banks customers

## On Platform

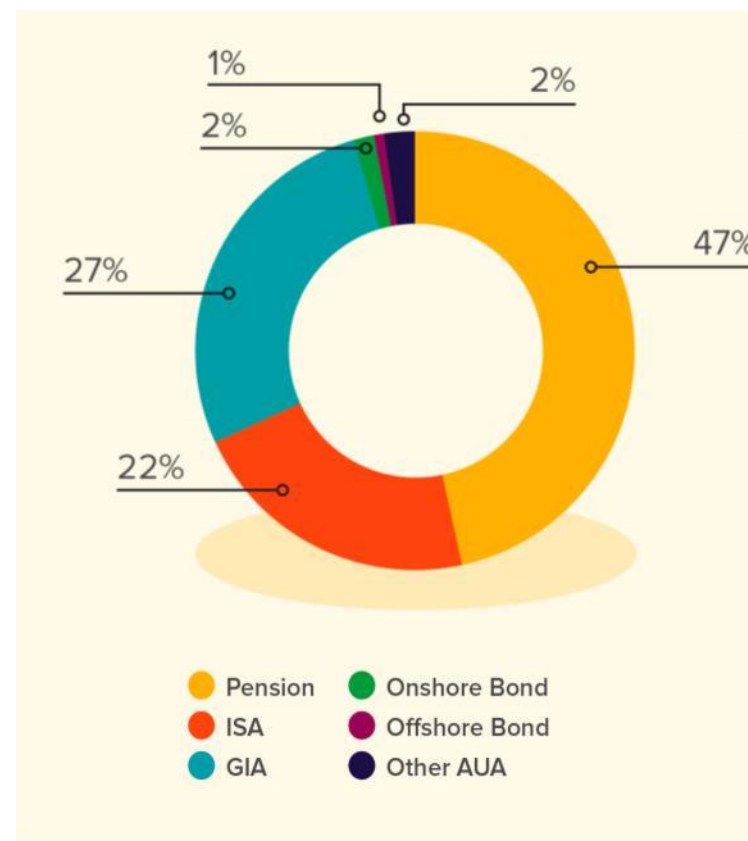
- c.47% of platform assets are held in pensions
- They provide the 'Power of One' - A simplified, centralised proposition

## Off Platform

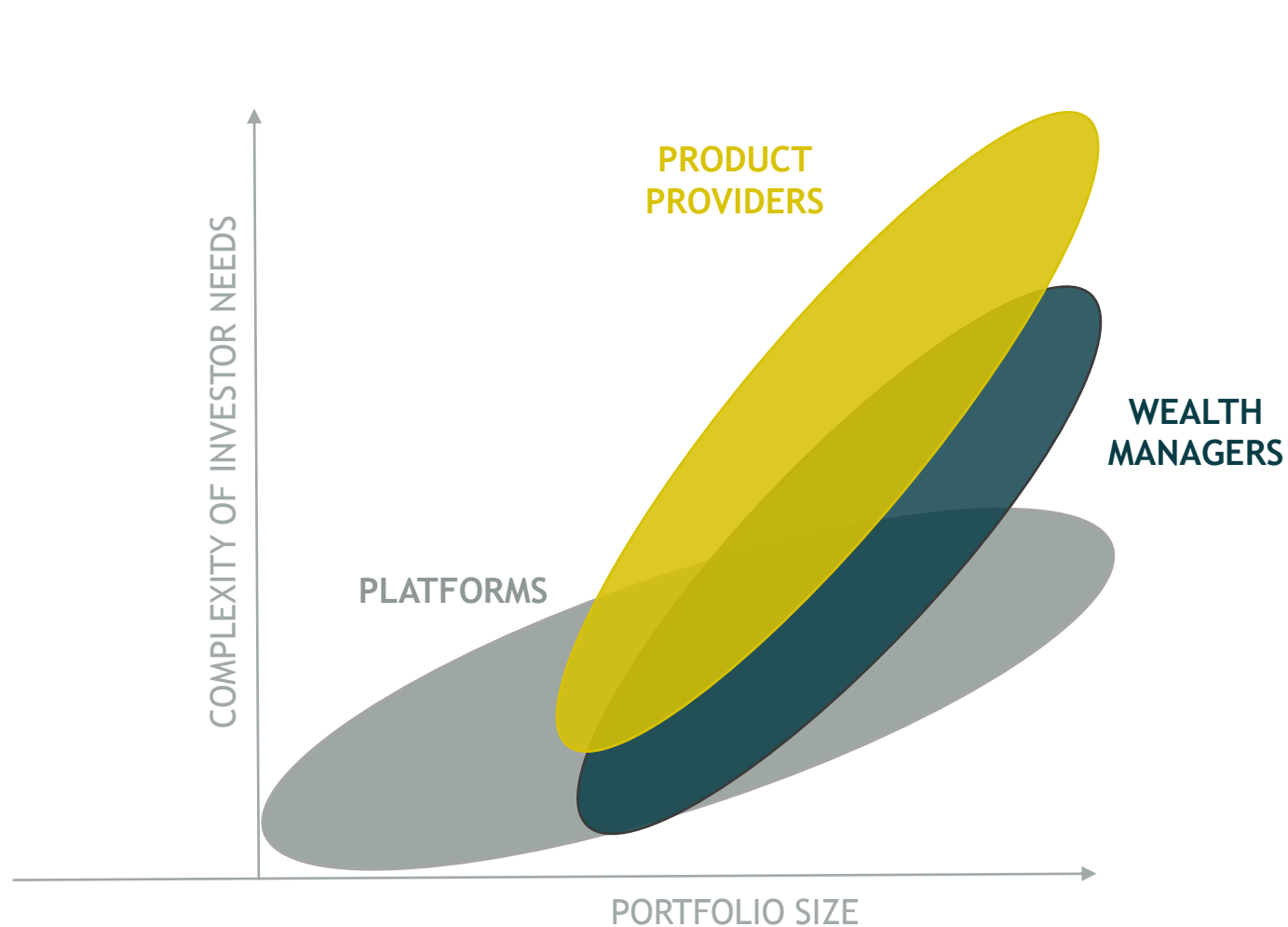
- Fixed fees materially benefit higher asset and product values
- Complexity of customer needs - wrapper, investment type, IHT planning
- Specific expertise - Commercial Property
- Specialism - In house expertise organised into specialist teams
- Value for money - for assets over £250k a £'s charge starts to become better value for money
- Product flexibility, especially around retirement options

Source: the lang cat

## Advised platform assets by product type



# COMPETITIVE LANDSCAPE: DIFFERENTIATION AND GROWTH OPPORTUNITIES



## PRODUCT PROVIDERS INCLUDE:

- **Curtis Banks**
- **Mattioli Woods**
- **Dentons**

## PLATFORMS INCLUDE:

- **Hargreaves Lansdown**
- **AJ Bell**
- **Interactive Investor**

## WEALTH MANAGERS INCLUDE:

- **Brewin Dolphin**
- **7 IM**
- **Charles Stanley**

This is an indicative representation

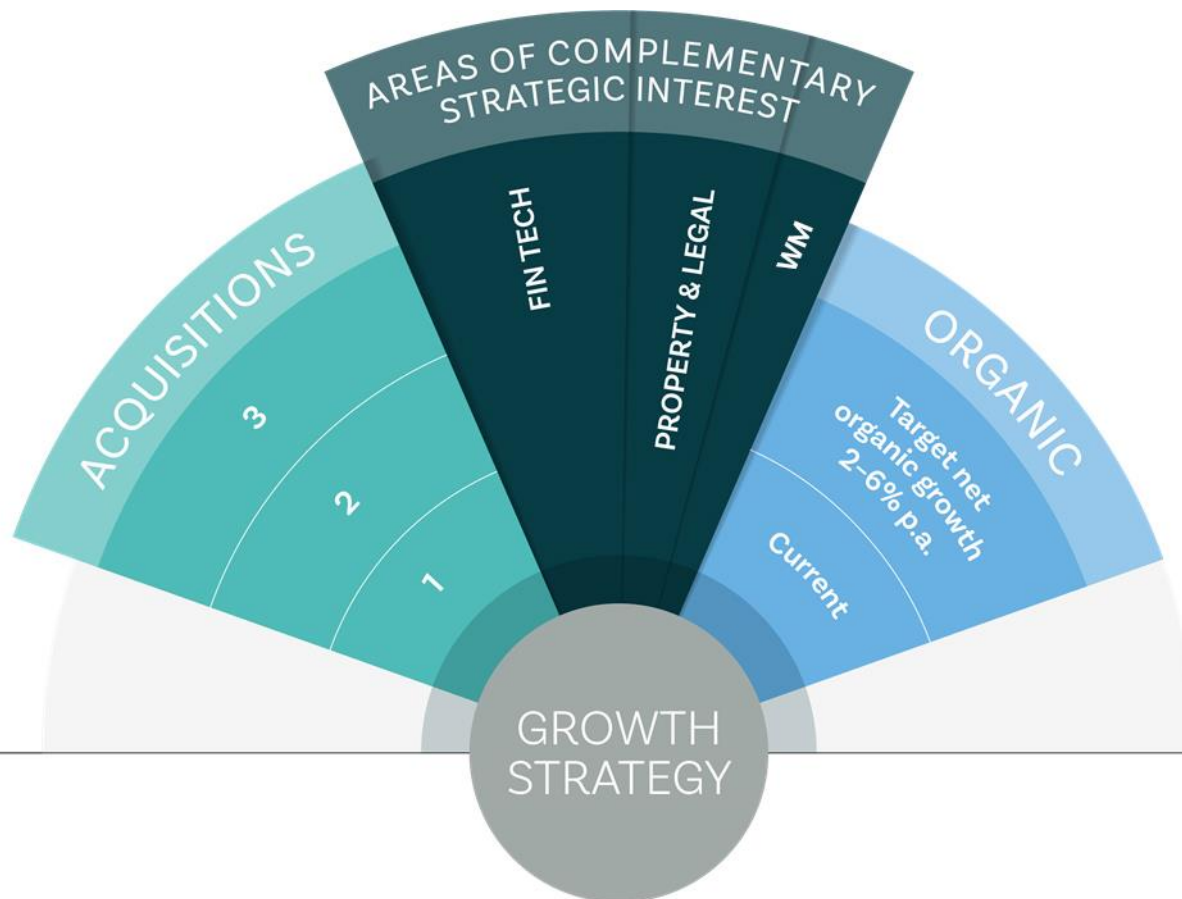
# BUSINESS STRATEGY

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- **Evolution of the Group:** Move from a primarily focused SIPP administrator to a provider of technology and complementary services for the advised retirement market
- **Quality value-add proposition:** Development of a product proposition and service that offers greater optionality and flexibility
- **Fixed fees:** The core part of our business model is fixed annual fees for SIPPs
- **Growing addressable market:** Operationally, financially and strategically positioned to meet the growing demands of increasing addressable market

# GROWTH STRATEGY

Clear pathway to long term growth leveraging opportunities from growing addressable market



**1. Acquisitions:**  
Value-enhancing, strategic inorganic opportunities

**2. Areas of complementary strategic interest:**  
Diversified range of products and services

**3. Organic growth:**  
Target net growth 2 - 6% p.a.

**Underpinned by technology:**  
FinTech solutions a key to reach wider target market



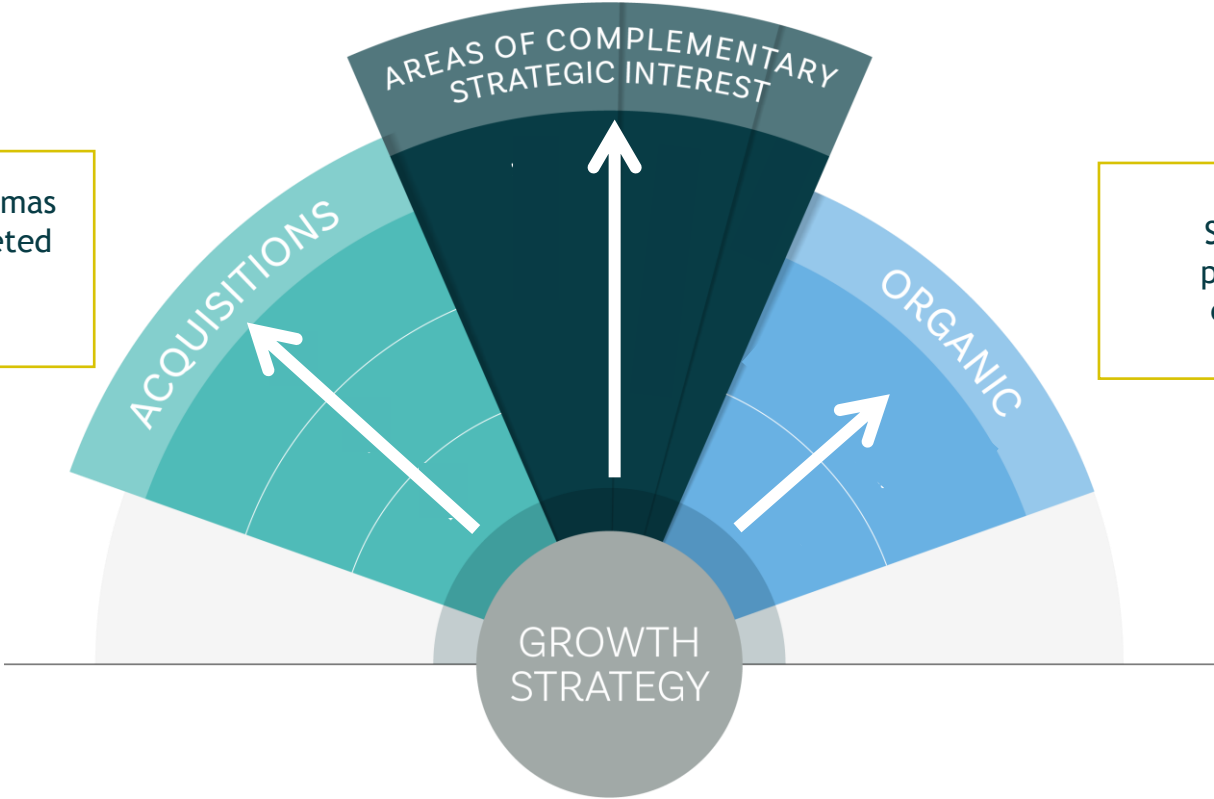
DELIVERY



# DELIVERING ON OUR STRATEGY

- Dunstan Thomas adds revenue and proposition diversification
- Dunstan Thomas supports the delivery of the 5 year system strategy
- Rivergate Legal entering next phase of development

Acquisitions of Dunstan Thomas and Talbot and Muir completed August and November 2020 respectively



Strong organic growth performance despite a challenging backdrop

# DUNSTAN THOMAS COLLABORATION AND INTEGRATION

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## Dunstan Thomas underpins our Group technology strategy and adds revenue diversification

- Taking control of the Curtis Banks Group's technological future
- Driving technological development for the industry
- Planned launch of CB Labs:
  - Creating a vision for core, adjacent and new or transformational markets
  - Framework for capturing and incubating ideas
  - Converting ideas into revenue opportunities, superior client experience and/or operational efficiencies
- Jill Lucas announced as Non Executive Director and Chair of Dunstan Thomas in January 2021

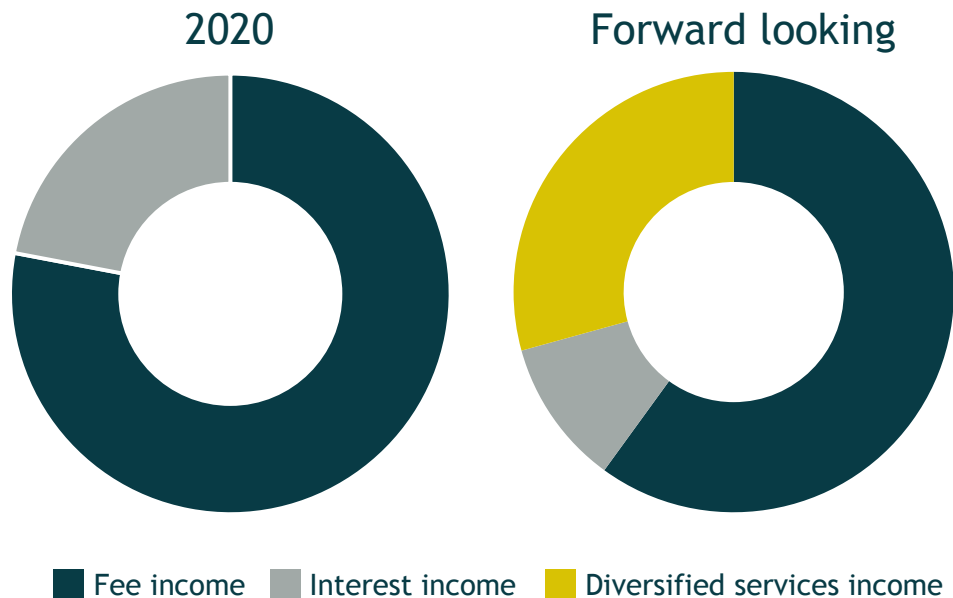




# RECURRING REVENUES

Commercial model focuses on fixed fees generating strong levels of recurring revenues

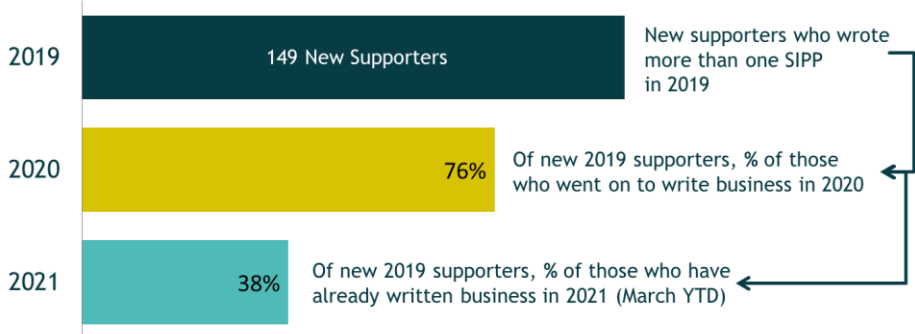
## Strength of revenue



- A demonstrable annuity-like revenue stream
- Over **85%** of core revenues are recurring in perpetuity
- Changes to interest income as part of a shift towards higher client fees means **higher quality revenues**
- Near term target of **<7.5%** of total revenues attributable to interest income
- Fee changes not led to client attrition
- Continual expansion of our proposition and services has **diversified our revenue streams** - and will continue to do so
- **Fixed fee model differs to platforms and other providers** who's SIPPs use a BPs charge based on AUM

# NEW BUSINESS AND PROPOSITION UPDATE

268 adviser firms wrote business in 2020 that was greater than or equal to their 2019 production







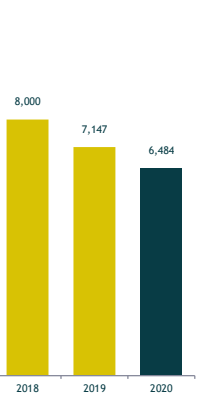
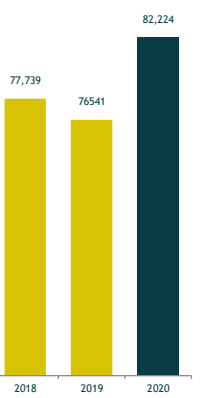
**Digital adaptation**

- 47% increase in adviser portal usage with 73% of Your Future SIPP applications now being received digitally

**New introducers**

- 216 new introducers in 2020

# SIPP MOVEMENTS

2020	Full SIPPS	Mid SIPPS	eSIPPS	Total own SIPPS	Third Party Administered	Total
Gross organic growth rate*	3.16%	11.05%	1.90%	5.93%	0.13%	5.39%
SIPPS added organically	628	3,072	413	4,113	9	4,122
Conversions & reclassifications	(116)	117	1	-	-	
SIPPS lost through attrition	(864)	(1,340)	(1,396)	(3,600)	(672)	(4,272)
Attrition rate*	4.35%	4.82%	6.43%	5.19%	9.40%	5.58%
Average fee revenue	£976	£374	£133	-	£380	-
Total SIPPS						

\* Organic growth and attrition rates are annualised and based on the number of SIPPS at the beginning of the year



3. FINANCIAL OVERVIEW



# FINANCIAL HIGHLIGHTS

These results represent the full 12 month period including the fundraising and refinancing activities in July 2020; 5 months contribution from Dunstan Thomas and 2 months contribution from Talbot and Muir

	2020	Movement on 2019
Operating revenue	£53.9m	+10%
Adjusted profit before tax <sup>1</sup>	£13.4m	Unchanged
Adjusted operating margin <sup>2</sup>	26.0%	-2.1%
Profit before tax	£7.4m	-32%
Adjusted diluted EPS	17.9p	-8%
Assets under administration	£32.4bn	+11%

Proposed final dividend of 6.5p making a full year payment of 9.0p (2019: 9.0p)

1. Profit before tax, amortisation and non-recurring costs

2. The ratio of operating profit before net finance cost, amortisation and non-recurring costs to operating revenues

# PROFIT & LOSS ACCOUNT

Recurring revenue coupled with a diversified income stream;  
Effective cost control delivering a resilient P&L

Profit and Loss (£'000)	2020	2019	% Change
Revenue:			
<i>Fee income</i>	36,856	36,268	1.6 ● — 86% recurring revenues
<i>Interest income</i>	12,222	12,681	-3.6
<i>Fintech income</i>	4,793	-	- ●
<b>Total revenue</b>	<b>53,871</b>	<b>48,949</b>	<b>10.1</b>
Administrative expenses:			
<i>Staff costs</i>	26,067	22,949	15.2
<i>Property costs</i>	1,992	1,887	5.6
● <i>Operational costs</i>	11,826	10,382	9.2 ●
<b>Total administrative expenses</b>	<b>39,885</b>	<b>35,218</b>	<b>13.0</b>
Adjusted Operating profit	13,986	13,731	5.4
<i>Adjusted operating margin</i>	26.0%	28.1%	-2.1%
Finance Costs (net)	614	378	62.3
<b>Adjusted profit before tax</b>	<b>13,372</b>	<b>13,353</b>	<b>1.0</b>
Non Recurring Costs	3,501	1,091	220.9 ●
Amortisation	2,442	1,379	77.1
<b>Statutory profit before tax</b>	<b>7,429</b>	<b>10,883</b>	<b>-31.7</b>
<b>Tax</b>	<b>1,664</b>	<b>2,033</b>	<b>-18.2</b>
<b>Total comprehensive income</b>	<b>5,765</b>	<b>8,850</b>	<b>-34.9</b>

Part-year contribution from Dunstan Thomas

Regulatory costs driving non-controllable spend

Acquisition related expenses of £1.5m; Progression of the centralisation of commercial property administration (£1.1m)

Operational costs	2020	2019
Regulatory costs & PI insurance	1,756	1,168
IT costs	3,230	3,397
Professional fees	892	822
Other operational costs	5,948	4,995
<b>Total</b>	<b>11,826</b>	<b>10,382</b>

# SEGMENTAL PROFIT & LOSS ACCOUNT

Profit and Loss (£'000)	2019 Curtis Banks	2020 Curtis Banks	Dunstan Thomas	Talbot and Muir	Consolidation adjustments	2020 Group
Revenue:						
<i>Fee income</i>	36,268	35,905	-	951	-	36,856
<i>Interest income</i>	12,681	12,222	-	-	-	12,222
<i>Fintech income</i>	-	-	5,278	-	(485)	4,793
<b>Total revenue</b>	<b>48,949</b>	<b>48,127</b>	<b>5,278</b>	<b>951</b>	<b>(485)</b>	<b>53,871</b>
Administrative expenses:						
<i>Staff costs</i>	22,949	23,708	2,431	413	(485)	26,067
<i>Property costs</i>	1,887	1,839	125	28	-	1,992
<i>Operational costs</i>	10,382	10,706	984	136	-	11,826
<b>Total administrative expenses</b>	<b>35,218</b>	<b>36,253</b>	<b>3,540</b>	<b>577</b>	<b>(485)</b>	<b>39,885</b>
Adjusted Operating profit	13,731	11,874	1,738	374	-	13,986
<i>Adjusted operating margin</i>	<i>28.1%</i>	<i>24.7%</i>	<i>32.9%</i>	<i>39.3%</i>	-	<i>26.0%</i>
Finance Costs (net)	(378)	-	(614)	-	-	(614)
<b>Adjusted profit before tax</b>	<b>13,353</b>	<b>11,874</b>	<b>1,124</b>	<b>374</b>	<b>-</b>	<b>13,372</b>

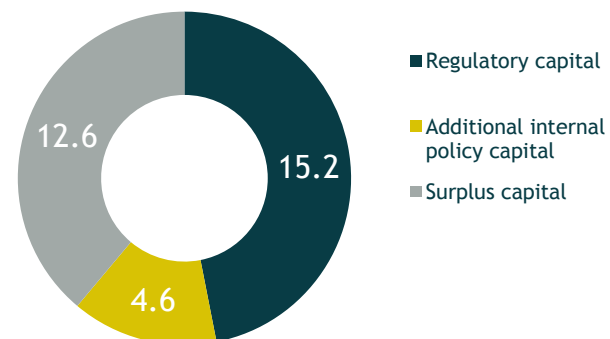
# BALANCE SHEET

Strong balance sheet with low gearing despite acquisitive growth

Balance Sheet (£'000)	2020	2019
Intangible Assets	91,166	43,427
Property Plant and Equipment	7,658	6,195
Deferred Consideration	(8,173)	(214)
Deferred Income	(14,619)	(12,415)
Borrowings	(23,756)	(11,111)
Other Assets (Liabilities)	(4,635)	(1,657)
Cash	32,509	31,228
<b>Net Assets</b>	<b>80,150</b>	<b>55,453</b>
Share Capital + Share Premium	58,129	33,930
Retained Earnings + Option Reserve	22,021	21,523
<b>Shareholder's Equity</b>	<b>80,150</b>	<b>55,453</b>

- Intangible assets reflects value of acquisitions
- Deferred income reflects fees received but not yet taken to the P&L
- Borrowings refinanced to 2025; facility not fully drawn
- Gross cash of £32.5m (2019: £31.2m) - £8.8m net
- Total regulatory capital surplus of £17.2m

Capital position as at 31 December 2020 (£m)





# CASHFLOWS

Cashflows dominated by the acquisitions and the cash and debt financing of them

Cash flows (£'000)	2020	2019	
Profit before tax	7,429	10,883	
Adjustments for non cash flow expenses	4,375	3,656	
Adjustments for interest expense	697	523	
Changes in working capital	(1,812)	1,205	
Tax paid	(2,996)	(2,454)	
<b>Net cash flows from operating activities</b>	<b>7,693</b>	<b>13,813</b>	Positive cash generation from recurring revenues
Purchase of intangible assets	(986)	(696)	
Purchase of property, plant and equipment	(591)	(1,015)	
Purchase and sale of treasury shares	(207)	182	
Receipts from sales of investment property	42	-	
Consideration paid on business acquisitions	(34,638)	(166)	Initial consideration on acquisitions made
<b>Net cash flows used in investing activities</b>	<b>(36,380)</b>	<b>(1,695)</b>	
Equity dividends paid	(5,149)	(4,562)	
Net proceeds from issue of ordinary shares	24,199	210	
Net increase/(decrease) in borrowings	12,235	(3,158)	Restructure of borrowing facilities
Principal element of lease payments	(934)	(933)	
Interest paid	(383)	(465)	
<b>Net cash flows from financing activities</b>	<b>29,968</b>	<b>(8,908)</b>	
<b>Net increase in cash</b>	<b>1,281</b>	<b>3,210</b>	

# INTEREST AND THE TREASURY FUNCTION

## Robust treasury function:

- Interest income continues to supplement growing fee income
- Recent changes to annual fees materially reduces sensitivity to interest rates
- Targeted dilution of interest contribution to <7.5% from 25%

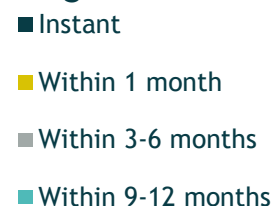
## Key benefit to clients is:

- Lower fees and removal of discretion
- Potential sharing of higher treasury yield allows clients to benefit from rates achieved
- Transparency and commitment to client interest participation where Bank Rate exceeds 0.50%

## Treasury framework has evolved:

- All banking counterparties are UK PRA regulated, including those subsidiaries and branches of non-domestic banks
- Ongoing detailed internal DD using primary and secondary research
- The Treasury function performs detailed credit risk analysis in addition to sourcing 3rd party agency ratings
- 90% of cash is placed with A- or better (Fitch LT); 100% is BBB or better

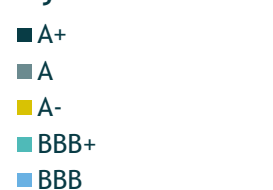
Cash placed split by original term



Cash placed split by term to maturity



Cash placed split by Credit Risk



A person wearing a VR headset, with a hand adjusting it. The image is overlaid with a teal tint. The person is looking upwards. The background is a bright, out-of-focus indoor setting.

## 4. CONCLUSION





# A PATHWAY TO LONG-TERM GROWTH AND STABLE RETURNS

- Resilient, stress tested business model
- More than doubling of earnings since 2015 IPO underpinned by strength of recurring revenues
- Strong cash generation has driven dividend growth
- No direct reliance on AUM, fees are fixed and not basis point charge
- Track record for delivering growth via organic sources and M&A
- Recent strategic acquisitions evidence flexibility of business model and opportunity for innovation and diversification

# QUESTIONS

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We are delighted to answer any questions you may have.

If you would like to ask a question please let us know by clicking on the 'participants' button at the bottom of your screen, and then click 'raise hand'.

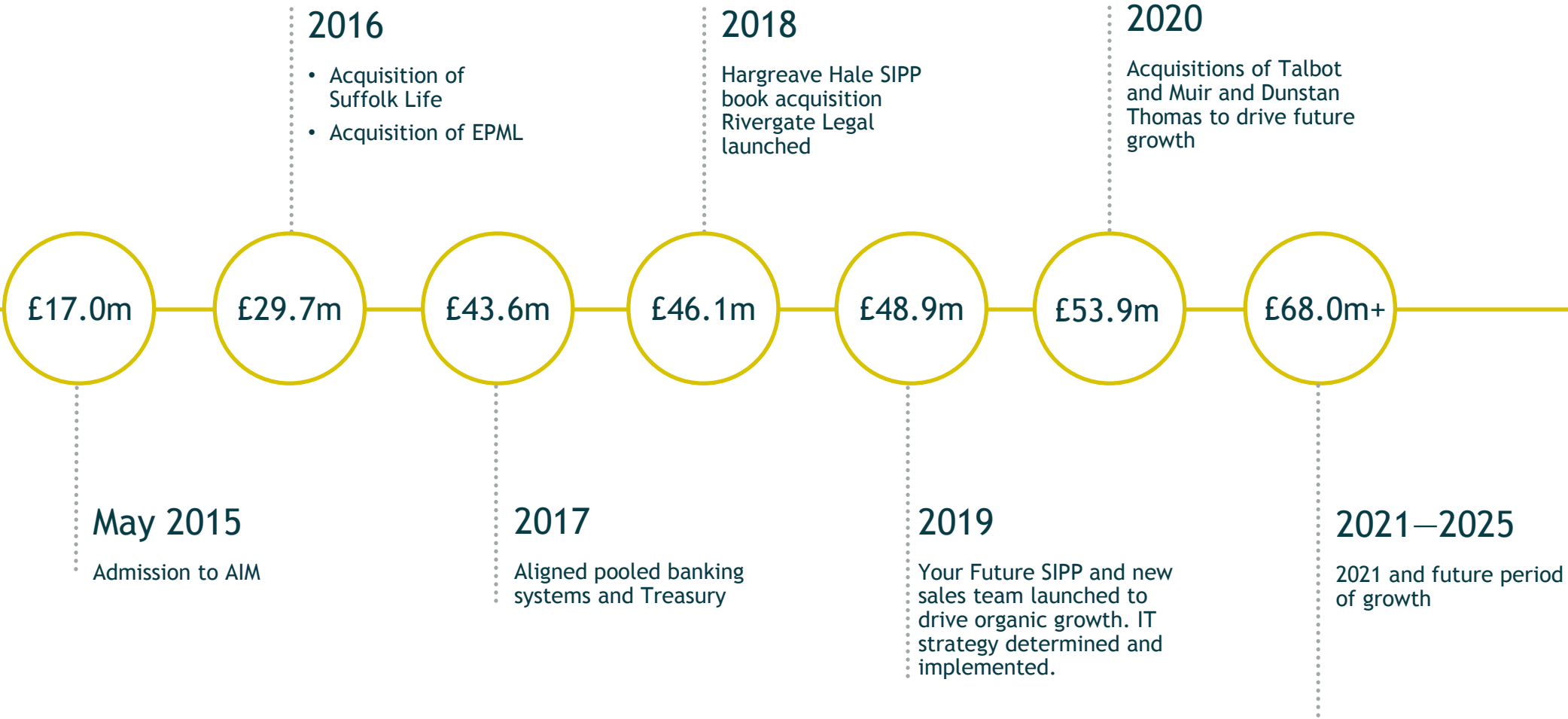
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# APPENDIX

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# EVOLUTION OF THE CURTIS BANKS GROUP



\*Revenue as at calendar year end

# BPS FEE MODEL VS. FIXED FEE MODEL

## INVESTORS PUTTING THEIR MONEY IN

	£20k	£50k	£75k	£100k	£150k	£250k	£500k	£1m	£2.5m
Curtis Banks Your Future SIPP	1.86%	0.74%	0.50%	0.37%	0.25%	0.15%	0.07%	0.04%	0.01%
Prudential Retirement Account	0.45%	0.45%	0.45%	0.40%	0.40%	0.35%	0.30%	0.25%	0.25%
Royal London Pension Portfolio	0.90%	0.50%	0.45%	0.45%	0.45%	0.40%	0.40%	0.35%	0.35%
Scottish Widows Retirement Account	0.90%	0.30%	0.30%	0.30%	0.30%	0.25%	0.20%	0.10%	0.10%
Advance by Embark	0.73%	0.50%	0.45%	0.42%	0.38%	0.35%	0.30%	0.20%	0.14%
Aegon Retirement Choices (ARC)	0.60%	0.58%	0.55%	0.54%	0.51%	0.49%	0.24%	0.12%	0.05%
AJ Bell Investcentre (SIPP)	1.28%	0.63%	0.49%	0.46%	0.38%	0.20%	0.20%	0.20%	0.13%
AJ Bell Investcentre (RIA)	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.22%	0.21%
Ascentric	0.90%	0.36%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.16%
Aviva Platform	0.40%	0.38%	0.37%	0.36%	0.36%	0.36%	0.28%	0.22%	0.18%
Elevate	0.30%	0.30%	0.30%	0.30%	0.25%	0.25%	0.25%	0.20%	0.15%
FundsNetwork	0.48%	0.34%	0.31%	0.30%	0.28%	0.27%	0.26%	0.25%	0.25%
James Hay MiPlan	1.20%	0.63%	0.50%	0.44%	0.38%	0.25%	0.23%	0.19%	0.09%
Novia	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.45%	0.35%	0.23%
Nucleus	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.26%	0.13%
Old Mutual Wealth	0.50%	0.40%	0.37%	0.35%	0.33%	0.32%	0.28%	0.24%	0.19%
Seven IM	0.90%	0.54%	0.46%	0.30%	0.30%	0.30%	0.30%	0.27%	0.20%
Standard Life Wrap	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.35%	0.30%	0.21%
Transact	0.90%	0.66%	0.56%	0.36%	0.33%	0.31%	0.30%	0.25%	0.15%

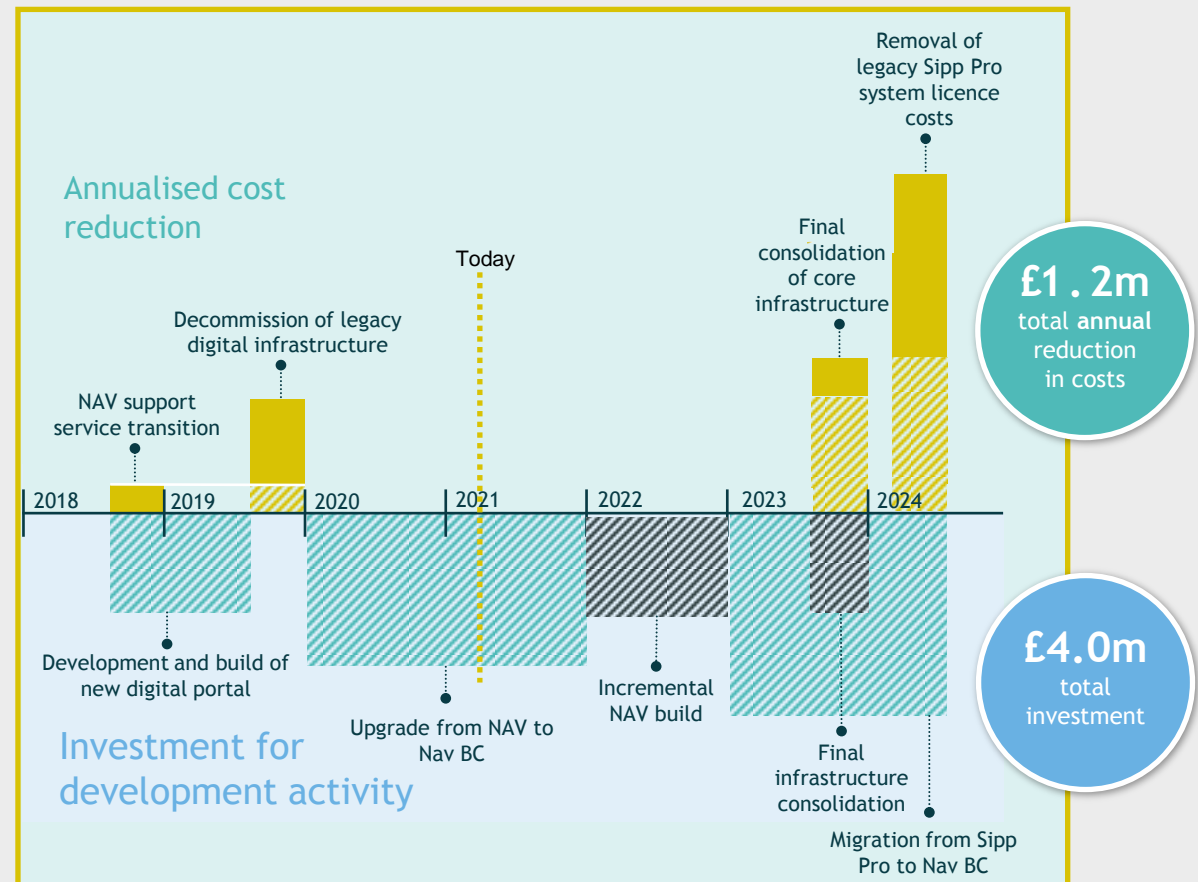
## GETTING IT BACK OUT AGAIN

	£100k	£150k	£200k	£250k	£300k	£500k	£750k	£1m	£2.5m
Curtis Banks Your Future SIPP	0.55%	0.37%	0.28%	0.22%	0.18%	0.11%	0.07%	0.06%	0.02%
Prudential Retirement Account	0.40%	0.40%	0.40%	0.35%	0.35%	0.30%	0.28%	0.25%	0.25%
Royal London Pension Portfolio	0.66%	0.59%	0.55%	0.48%	0.47%	0.44%	0.38%	0.37%	0.36%
Scottish Widows Retirement Account	0.30%	0.30%	0.30%	0.25%	0.25%	0.20%	0.20%	0.10%	0.10%
Advance by Embark	0.42%	0.38%	0.36%	0.35%	0.33%	0.30%	0.23%	0.20%	0.14%
Aegon Retirement Choices (ARC)	0.61%	0.56%	0.53%	0.52%	0.43%	0.26%	0.17%	0.13%	0.05%
AJ Bell Investcentre (SIPP)	0.61%	0.48%	0.28%	0.26%	0.25%	0.23%	0.22%	0.21%	0.14%
AJ Bell Investcentre (RIA)	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.23%	0.22%	0.21%
Ascentric	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.16%
Aviva Platform	0.36%	0.36%	0.36%	0.36%	0.34%	0.28%	0.24%	0.22%	0.18%
Elevate	0.30%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.20%	0.15%
FundsNetwork	0.30%	0.28%	0.27%	0.27%	0.27%	0.26%	0.26%	0.25%	0.25%
James Hay MiPlan	0.60%	0.48%	0.33%	0.31%	0.30%	0.26%	0.23%	0.21%	0.10%
Novia	0.58%	0.55%	0.54%	0.53%	0.51%	0.46%	0.41%	0.36%	0.23%
Nucleus	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.29%	0.26%	0.13%
Old Mutual Wealth	0.35%	0.33%	0.32%	0.32%	0.31%	0.28%	0.27%	0.24%	0.19%
Seven IM	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.28%	0.27%	0.20%
Standard Life Wrap	0.40%	0.40%	0.40%	0.40%	0.38%	0.35%	0.33%	0.30%	0.21%
Transact	0.36%	0.33%	0.32%	0.31%	0.31%	0.30%	0.27%	0.25%	0.15%



# SYSTEM STRATEGY

- Successfully responded to the Covid-19 pandemic, re-sequencing work within the infrastructure consolidation work-stream to apply to current challenges
- The IT strategy remains broadly on-track, despite the current context, due to deliver in 2024
- Navision upgrade scripts are complete and moving into test
- Curtis Banks book of commercial property has successfully transitioned from SIPP~Pro to Navision and is being managed under a single combined property function
- Foundation for 30% operating margin for core business



# 2020 SIPP MOVEMENTS

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## Strong performance despite a challenging environment

- Mid SIPPs organic growth of 11.05%, up from 10.78% in 2019
- Full SIPPs organic growth of 3.16%, slight reduction from 3.35% in 2019
- 5,833 SIPPs added via acquisition of Talbot & Muir
- Annual 'own' attrition rate reduced to 5.19% from 7.04%
  - Full SIPPs reduced to 4.35% from 5.91%
  - Mid SIPPs reduced to 4.82% from 5.52%
  - eSIPPs reduced to 6.43% from 9.81%

Continued success with organic sales combined with careful management of existing book in addition to growth via acquisition.



# STATEMENT OF COMPREHENSIVE INCOME \*

Statement of Comprehensive income (£'000)	Group	Policyholder	Shareholder
Revenue	179,102	125,231	53,871
Administrative expenses	(165,116)	(125,231)	(39,885)
Finance costs (net)	(614)	-	(614)
<b>Adjusted Profit Before Tax</b>	<b>13,372</b>	<b>-</b>	<b>13,372</b>
Non-recurring costs	(3,501)	-	(3,501)
Amortisation & impairment on client portfolios	(2,442)	-	(2,442)
<b>Statutory profit before tax</b>	<b>7,429</b>	<b>-</b>	<b>7,429</b>
Tax	(1,664)	-	(1,664)
<b>Total comprehensive income</b>	<b>5,765</b>	<b>-</b>	<b>5,765</b>

\* split between insurance policyholders and the group's shareholders for the period ended 31 December 2020

# BALANCE SHEET \*

Balance Sheet (£'000)	Group	Policyholder	Shareholder
Intangible Assets	91,166	-	91,166
Property Plant and Equipment	7,658	-	7,658
Investments	3,280,964	3,280,964	-
Deferred Income	(26,995)	(12,376)	(14,619)
Borrowings	(106,903)	(83,147)	(23,756)
Other Assets (Liabilities)	(11,011)	1,797	(12,808)
Cash	430,578	398,069	32,509
Non-participating insurance contracts	(3,585,307)	(3,585,307)	-
<b>Net Assets</b>	<b>80,150</b>	<b>-</b>	<b>80,150</b>
Share Capital	58,129	-	58,129
Retained Earnings + Option Reserve	22,021	-	22,021
<b>Shareholder's Equity</b>	<b>80,150</b>	<b>-</b>	<b>80,150</b>

\* split between insurance policyholders and the group's shareholders as at 31 December 2020

# CONSOLIDATED STATEMENT OF CASHFLOWS \*

Cash flows from operating activities (£'000)	Group total	Policyholder	Shareholder
Profit before tax	7,429	-	7,429
Adjustments for non cash flow expenses	4,375	-	4,375
Adjustments for interest expense	697	-	697
Policyholder adjustments	(3,966)	(3,966)	-
Changes in working capital and tax paid	(6,838)	(2,030)	(4,808)
<b>Net cash flows from operating activities</b>	<b>1,697</b>	<b>(5,996)</b>	<b>7,693</b>
Purchase of intangible assets	(986)	-	(986)
Purchase of property, plant and equipment (net)	(4,205)	(3,614)	(591)
Purchase and sale of treasury shares	(207)	-	(207)
Receipts from sales of investments	42	-	42
Net cash flow from acquisitions	(34,638)	-	(34,638)
<b>Net cash flows used in investing activities</b>	<b>(39,994)</b>	<b>(3,614)</b>	<b>(36,380)</b>
Equity dividends paid	(5,149)	-	(5,149)
Net proceeds from issue of ordinary shares	24,199	-	24,199
Net decrease in borrowings	29,595	17,360	12,235
Principal element of lease payments	(934)	-	(934)
Interest paid	(383)	-	(383)
<b>Net cash flows used in financing activities</b>	<b>47,328</b>	<b>17,360</b>	<b>29,968</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>9,031</b>	<b>7,750</b>	<b>1,281</b>

\* split between insurance policyholders and the group's shareholders as at 31 December 2020



**WILL SELF**  
Chief Executive Officer



**JANE RIDGLEY**  
Chief Operating Officer



**DAN COWLAND**  
Chief Financial Officer



**CHRIS MACDONALD**  
Independent Non-Exec  
Chairman



**BILL RATTRAY**  
Independent Non-Exec  
Director



**JULES HYDLEMAN**  
Independent Non-Exec  
Director



**JILL LUCAS**  
Independent Non-Exec  
Director

**Bristol**  
3 Temple Quay  
Bristol  
BS1 6DZ



Curtis Banks



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