Company Registration No. 07934492 (England and Wales)

Curtis Banks Group PLC

Unaudited interim condensed consolidated financial statements for the six month period ended 30 June 2022

Contents

Overview

Curtis Banks Group PLC ("Curtis Banks" or "the Group") has a clear vision for long-term growth. The Group commenced trading in 2009 and has successfully developed, through a combination of organic growth and acquisitions, into one of the UK's leading providers of self-invested pension products. At 30 June 2022 the Group administered circa £37.1bn (30 June 2021: £36.0bn) of pension assets on behalf of circa 79,000 (30 June 2021: 81,000) active clients.

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

On 25 May 2016 the Group completed the purchase of Suffolk Life Group Limited, a long established provider of SIPPs operating through Suffolk Life Pensions Limited and Suffolk Life Annuities Limited. During the year ended 31 December 2020, the Group completed the purchase of Dunstan Thomas, a FinTech provider, and Talbot and Muir, a SIPP provider. The Group currently trades under the names Curtis Banks, Suffolk Life, Dunstan Thomas and Talbot and Muir. 824 staff are employed across its head office in Bristol and regional offices in Ipswich, Portsmouth, Nottingham and Leeds.

Our strategic objective of increased diversification saw the acquisition of Dunstan Thomas in August 2020. The acquisition was a further step forward in the Group's evolution from a solely focused SIPP and SSAS administrator to a provider of technology and complementary services for the advised retirement market, including FinTech, legal and property services.

Trading subsidiaries of the Group authorised by the Financial Conduct Authority to provide trust based SIPP products include Curtis Banks Limited, Suffolk Life Pensions Limited, Suffolk Life Annuities Limited and Talbot and Muir Limited. Suffolk Life Annuities Limited is also regulated by the Prudential Regulatory Authority as it provides SIPPs through non-participating individual investment contracts. As such, it is regarded as an insurance company for the purposes of regulatory and statutory reporting. Due to Suffolk Life Annuities Limited's status as an insurance company, the consolidated results for the whole Group also include Suffolk Life Annuities Limited's insurance policyholder assets, liabilities and returns.

The Executive Directors have proven experience in the retail savings, pensions and wealth markets and have established a business that focuses on a service-driven proposition for the administration of flexible SIPPs. The Group's core pension products are primarily 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. Strong, long standing relationships with key distributors result in high levels of retention and repeat business.

The Group continues to be focussed on delivering value to both customers and shareholders and continuing to develop its client and service excellence.

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 ended 30 June 2022.

Financial Highlights

- Group revenue maintained at £32.2m (H1 2021: £32.3m[1])
  - Pension administration revenue increased by 4.0% to £28.1m (H1 2021: £27.1m[1])
  - FinTech revenue from external customers declined by 21.2% to £4.1m (H1 2021: £5.2m)
- Group adjusted operating margin[2] of 20.1% (H1 2021: 22.7%[1])
  - Pension administration adjusted operating margin of 20.2% (H1 2021: 20.5%)
  - FinTech adjusted operating margin of 17.3% (H1 2021: 22.8%)
- Adjusted profit before tax[2] decreased by 12.4% to £6.0m (H1 2021: £6.9m[1])
- Loss before tax of £5.3m (H1 2021: Profit before tax of £5.1m[1]), impacted by a £9.8m goodwill impairment charge relating to Dunstan Thomas
- Adjusted diluted EPS[2] of 7.3p (H1 2021: 8.3p[1])
- Interim dividend of 2.5p per share (H1 2021: 2.5p)

Operational Highlights

- Total core Mid and Full SIPPs, now 56,485 (June 2021: 55,620)
- Annualised net growth[2] of core Mid and Full SIPP at 1.9% (H1 2021: 2.3%)
- Annualised gross organic growth[2] in core Mid and Full SIPP numbers of 7.1% (H1 2021: 8.6%), with Mid SIPP annualised gross organic growth at 9.3% (H1 2021: 12.1%)
- Annualised attrition rate[2] on core Mid and Full SIPPs of 5.3% (2021: 6.3%) reflecting initiatives taken by management to improve service levels across the Group
- Assets under Administration ("AuA") increased by 3.1% to £37.1bn (June 2021: £36.0bn)
- Dunstan Thomas continues to face revenue headwinds reflecting a reduction in project activities and lower than expected new sales in H1 2022

Key Performance Indicators	**Unaudited six month period ended 30 June 2022**	***As restated Unaudited six month period ended 30 June 2021**	**Audited year ended 31 December 2021**
Financial			
Revenue[1]	£32.2m	£32.3m	£63.3m
Adjusted profit before tax[2]	£6.0m	£6.9m	£14.0m
(Loss) / Profit before tax[1]	(£5.3m)	£5.1m	£9.3m
Adjusted operating margin[2]	20.1%	22.7%	23.5%
Diluted EPS	(11.2p)	6.3p	11.5p
Adjusted diluted EPS[2]	7.3p	8.3p	16.9p
Operational Highlights			
Number of Mid and Full SIPPs Administered	56,485	55,620	55,971
Assets under Administration	£37.1bn	£36.0bn	£37.4bn
Total organic new Full & Mid SIPPs	1,996	2,352	4,329
Annualised gross organic growth in Full & Mid SIPPs	7.1%	8.6%	7.9%
Annualised attrition rate on Full & Mid SIPPs	5.3%	6.3%	6.1%
Number of properties administered	9,006	9,131	9,065

[1] As further detailed in note 2.4, results for the 6 months ended 30 June 2021 have been restated to reflect a correction to revenue generated from arrangement of property insurance for properties held within SIPPs and SSASs administered by the Group.

[2] In addition to statutory IFRS performance measures, the Group has presented a number of non-statutory alternative performance measures ("APMs"). The Board believes that the APMs used give a more representative view of the underlying performance of the Group and enhance comparability of information between reporting periods. APMs are identified in the definitions at the end of this announcement.

Executive Chairman's Review

Summary

The results demonstrate that the Group has a fundamentally solid, resilient business model despite the challenging macro environment. Our core Mid and Full SIPP business achieved modest growth of 1.9% (H1 2021 2.3%) with underlying sales growing 7.1% gross in H1 2022 (H1 2021: 8.6%). Service recovery has driven a 50% reduction in complaints volumes and a 1% improvement in annualised attrition rates down to 5.3% (H1 2021: 6.3%).

Group revenues were maintained at £32.2m (H1 2022 restated: £32.3m) underpinned by our fixed fee, inflation-linked pricing model which provides resilience and protection against falling markets. We have also benefited from rising interest rates and expect the upward yield curve will continue to positively impact interest on deposits in the next reporting period.

The FinTech segment has delivered lower than expected results in the period, with revenues down 14.8% to £4.9m, reflecting a reduction in project activity from one of its major clients and lower new business in H1 2022.

The Group has delivered adjusted profit before tax of £6.0m (H1 2021: £6.9m) and has a strong balance sheet and cashflow, with prudent regulatory capital surplus providing good dividend cover.

Our operating model is robust, however we recognise that more needs to be done to extract the benefits of operating leverage that will come through simplifying our technology and administration systems.

SIPP Administration

Despite the challenging macro-economic backdrop, our core Mid and Full SIPP products grew organically by 7.1% on a gross annualised basis (H1 2021: 8.6%) reflecting continued positive momentum. Our Mid SIPP product experienced particularly strong gross organic growth of 9.3% (H1 2021: 12.1%) and net growth of 4.4% (H1 2021: 6.0%). In combination, the core Mid and Full SIPPs products increased on an annualised basis by 1.9% to 56,485 (H1 2021: 55,620), which is at the bottom-end of our target range of 2-6% despite the challenging macro-economic backdrop. In H1 2022, we added 1,996 new Mid and Full SIPPs across 260 adviser firms and wealth managers, of which 87 were new relationships and 96% are Your Future SIPPs.

Attrition levels were materially lower at 5.3% (H1 2021: 6.3%), reflecting improving service levels across the business. We continue to have an attractive and loyal client base and our average case size of c.£460k is amongst the highest in the industry with one-third of our clients having been with the business for over 10 years.

The Talbot & Muir business we acquired in 2020 has also demonstrated strong client retention and growth.

As at 30 June 2022, the total number of non-core SIPPs administered decreased to 22,505 (H1 2021: 25,377), following the ongoing managed reduction in these lower margin eSIPP and TPA products in line with our expectations, and this will continue for the medium-term.

Fintech business

The segment has performed below the Group's expectation in the period, with revenues of £4.9m (H1 2021: £5.8m) due to difficulty in securing material new external revenue and a reduction in project activity from a key client. However, over 67% of Fintech revenues are recurring in nature, reflecting the financial strength from long-term licensing arrangements. The Board remains focused on improving the performance of Dunstan Thomas's third party business, and the sales pipeline for H2 2022 and FY23 remains strong with expectation of increased margins.

Dunstan Thomas continues to support the successful delivery of Curtis Banks's own technology strategy, providing internal efficiencies and enhancing our capabilities. CB Labs, established in conjunction with Dunstan Thomas's technical expertise, has delivered chatbots and a pension calculator for advisers, and the additional projects will further strengthen our product offerings. It is also prototyping a bank of technical concepts, including the adoption of machine learning and integration of capabilities directly on IFA platforms. As an integral part of the Group, we expect to further leverage on Dunstan Thomas's expertise in FinTech to help us continue to develop our propositions for advisers and clients.

Target Operating Model

Although good progress had previously been made on the consolidation of our back office administration systems, which had a target date for completion of 2024, it has been a challenging period given the level of regulatory change and organisational activity across the Group. Whilst we have already delivered a number of elements of the programme, the completion date of 2024 is currently at risk.

We have made changes to the operations management structure to improve efficiency and enhance accountability as we progress towards our target operating model. We have also transitioned the Dundee workforce to home based working resulting in the closure of the Dundee office.

People, Culture and Environmental, Social and Governance ('ESG') update

The delivery of our strategy is only possible with the right people and culture underpinning it. I would like to thank my colleagues once again for their hard work and energy through a challenging period where they continue to deliver exceptional service to our advisers and their clients.

In May 2022, Chris Macdonald (Chairman) and Jules Hydleman (Non-Executive Director) retired from the board. Christopher Mills and I have joined the Board as the new Non-Executive Director and Chairman respectively.

In August 2022, Will Self stepped down as Chief Executive Officer and Executive Director of the Group Board. I would like to thank Will for the commitment that he has shown to the business and the huge contribution that he has made throughout his time with the Group. Executive searches are underway to find a successor to lead the Group into the future, and in the interim, I have assumed the role of Executive Chairman.

Earlier this year we launched the Group's purpose-led ESG strategy, which set out our priorities and plans, particularly around the issue of intergenerational fairness. As part of this a second report from the Intergenerational Foundation sponsored by the Group is due to be published in September 2022. The Foundation will also start an independent review of our flagship Your Future SIPP product which supports our work around the upcoming Consumer Duty regulations.

Executive Chairman's Review

In July 2022, we became the first FinTech firm to deliver training on 'Unconscious bias in software' to Dunstan Thomas which was a great first step to help the employees of our FinTech subsidiary to better understand themselves, their assumptions about the market place, their blind sides and their strengths when producing software for clients to ensure that it is the best it can be. We continue seek proactive opportunities for training within the Group to ensure that all processes and procedures are undertaken impartially.

We have considered our pricing decisions for more environmentally friendly commercial properties in SIPPs. The first steps to understand the efficiency of the properties held within our SIPP portfolio has been completed. We are engaging with our client base to proactively maintain compliance with Minimum Energy Efficiency Standards (MEES) throughout our SIPP/SSAS Property portfolios. Additionally, we have written to clients who may be affected by upcoming MEES regulations, to notify them of their options and request their instruction and cooperation.

Initial ESG KPIs have been defined and work is underway to identify how we can capture and report the relevant data.

We will continue to honour our ongoing commitment to paid leave for employees to conduct environmentally beneficial initiatives.

Outlook

Revenue and profit margins are expected to increase in the medium term as interest on deposits benefits from the upward yield curve, and the continued enhancement of our product offering and improvement in service levels.

Headwinds remain but an opportunity exists to further improve the operating performance of the Group. In particular, the management team will be focused on:

- maximising the potential of the core SIPP business;
- getting Dunstan Thomas back on track;
- refining the systems strategy;
- continuing to deliver service improvements for clients and advisers; and
- strengthening the leadership team and building a high performing culture.

As part of my new role, I intend to fully assess how Curtis Banks can address these challenges against the backdrop of an evolving sector and market landscape. Depending on the timing of appointment of a new CEO, either the new CEO or I will provide the market with an update on how we are progressing against these areas in due course.

David Barral
Executive Chairman
7 September 2022

Chief Financial Officer's Review

Results

Group financial performance for the six month period to 30 June 2022 resulted in an adjusted profit before tax of £6.0m (H1 2021 restated: £6.9m), generating an adjusted operating margin of 20.1% (H1 2021 restated: 22.7%). By segment, pension administration achieved a largely consistent adjusted operating margin of 20.2% (H1 2021 restated: 20.5%); while FinTech segment's adjusted operating margin decreased to 17.3% (H1 2021: 22.8%). Adjusted diluted EPS reduced to 7.3p (H1 2021 restated: 8.3p), while diluted EPS on a statutory basis reduced to -11.2, i.e. a loss per share (H1 2021 restated: 6.1p).

On a statutory basis, the loss before tax of £5.3m (H1 2021 restated: profit before tax of £5.1m) has been materially driven by an impairment charge of £9.8m against the value of goodwill relating to the acquisition of Dunstan Thomas, the business segment that has experienced difficulty securing material new revenue flows in the 6 months ended 30 June 2022, in addition to a reduction in project activity from a key client during the period.

The challenging economic conditions of the first six months of 2022 has been reflected in the net growth in own Mid and Full SIPP plan numbers of 1.9% being at the lower end of our target range. The financial performance has been largely offset by an improvement in interest income delivered by the yield curve steepening and a reduction in regulatory costs incurred. In a challenging market place, organic sales have remained robust (although marginally down on H1 2021), and attrition in Full & Mid SIPPs has improved compared to H1 2021.

While we are clearly aware of the uncertainty resulting from the war in Ukraine and global inflation, we do not expect this uncertainty and cost pressure to have a significant impact on the Group's operations into the foreseeable future given the fixed fee nature of our SIPP revenue and the lack of direct exposure from our key suppliers and customers. We continue to monitor the situation for any new developments that might warrant a change in this assessment.

The Group reports certain Alternative Performance Measures ("APMs") which we believe provide greater clarity to stakeholders over the Group's underlying performance and better enables them to form a view on the Group's future prospects. The principal APMs adopted are Adjusted Profit before Tax, Adjusted EPS and Adjusted Operating Margin, and these are discussed in further detail below.

Adjusting items are classified as such when the nature and quantum of the income or expense is significant and arises from a business event or activity that does not form part of usual day to day operations. Examples of such items include acquisitions, any subsequent re-measurement of contingent deferred consideration, office relocations and restructuring activities.

The relevant reconciliation table is shown below for H1 2022 alongside comparatives:

Chief Financial Officer's Review

£'000	6 month period ended 30 June 2022	Restated 6 month period ended 30 June 2021	Year ended 31 December 2021
Revenue	**32,186**	**32,286**	**63,307**
Adjusted operating cost	(25,732)	(24,959)	(48,402)
Adjusted operating profit	**6,454**	**7,327**	**14,905**
Adjusted operating margin	**20.1%**	**22.7%**	**23.5%**
Finance income	36	9	20
Interest expense	(461)	(452)	(921)
Adjusted profit before tax	**6,029**	**6,884**	**14,004**
Adjusting items:			
Dunstan Thomas acquisition costs	-	(15)	(70)
Talbot & Muir acquisition costs	-	(62)	(63)
Other M&A related costs	424	33	(1,401)
Movement on contingent consideration relating to acquisitions	314	571	1,870
Discount unwind on contingent consideration	(264)	(580)	(879)
Redundancy & restructuring costs	(564)	(185)	(626)
In-specie contributions	-	(51)	76
Centralisation of pension administration system	(119)	(123)	(322)
Treasury solution implementation	-	-	(45)
Data cleansing provision	64	-	(288)
Adjusting items	**(146)**	**(412)**	**(1,748)**
Goodwill impairment	(9,813)	-	-
Amortisation of acquired intangibles	(1,418)	(1,418)	(2,934)
IFRS (loss) / profit before tax	**(5,348)**	**5,054**	**9,322**
Taxation	(2,092)	(931)	(1,603)
(Loss) / Profit after tax	**(7,440)**	**4,123**	**7,719**
Adjusted EPS			
Basic	7.3	8.4	17.1
Diluted	7.3	8.3	16.9

Chief Financial Officer's Review

Revenues

Revenues of £32.2m in the six months ended 30 June 2022 were marginally lower than the comparable period (H1 2021 restated: £32.3m). Despite inflationary rises in fees levied, an increase in interest income and net growth in Full and Mid SIPPs, the Group saw a material reduction in Fintech revenue from Dunstan Thomas and a reduction in transactional fee volumes. In addition, the Group continued to progress its managed reduction in non-core eSIPP and TPA products.

Fee revenue from SIPPs and SSASs 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 2022, fee income represented 71% of the total income and 89% of this fee income is recurring (H1 2021: 87%). Interest income has seen a £1.1m increase on the prior period comparative whilst the Fintech revenue contribution from Dunstan Thomas has fallen by £1.1m.

SIPP 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. The annual fees for the Curtis Banks Mid and Full SIPP products were amended as at 1st February 2021 and at the same time we made a clear commitment to our clients as to how we will share interest revenue with them and therefore remove any discretion. All of the fees that are applied to our SIPP products are subject to contractual annual inflationary rises linked to the measurement of Average Weekly Earnings ("AWE").

Fees are not dependent on movements in the value of underlying assets within the SIPP and as a result the recurring fee income of the Group is not directly affected by the volatility in financial markets. This is a key differential that sets us apart from most of our competitors and provides an attractive product in terms of competitive fees for higher value SIPPs. As the value of a SIPP increases our product becomes increasingly affordable from a basis points perspective.

The dramatic change in interest rates since December 2021 has seen interest income increase to £5.3m for the period, compared to £4.2m for H1 2021. Client deposits remained relatively stable across the period and as at 30 June 2022 the Group held £1.022bn (H1 2021: £1.052bn) of client deposits across a range of UK, PRA regulated banking counterparties and managed the cash in line with its mature Treasury Framework. As at the reporting date, the Group is paying 0.28% on client cash held within their SIPPs and this is expected to increase effective 1 October 2022 following further increases to the Bank of England base rate and the level of interest achieved on cash being deposited over the past quarter.

Revenues generated by Dunstan Thomas were down £1.1m with the challenging sales environment due to the COVID-19 pandemic resulting in a lag and longer conversion from pipeline opportunities to revenue crystallisation, further exacerbated by a reduction of project income from a key client and the current economic climate. The challenging first half performance has resulted in a reduction of £0.3m to the total related contingent consideration expected to be payable over the earn out period and a corresponding credit to the consolidated statement of comprehensive income. The remaining earn outs for the acquisitions of Talbot and Muir and Dunstan Thomas are expected to be paid out in H1 2023, therefore the full remaining contingent consideration balance now resides in current liabilities and no balance is left within non-current liabilities.

Expenses

The period ended 30 June 2022 saw administrative expenses, excluding amortisation and impairment on acquired intangibles and adjusting items, increase slightly to £25.5m (H1 2021: £25.0m).

Strict cost discipline saw staff costs increase by just 1% to £17.9m (2021: £17.7m) although with cost of living pressures it is expected that these costs will see high single digit percentage figure increases when reviewed towards the end of the year. This will be offset by the inflationary increase of our SIPP product pricing. As reported last year, staff costs in the period now also include share based payment awards under the Group's Long Term Incentive Plan and Save As You Earn ("SAYE") option schemes to all Group companies, including Dunstan Thomas and Talbot Muir.

Overall headcount stood at 824 as at 30 June 2022 compared to 823 as at 30 June 2021.

Non-staff costs in aggregate grew to £7.8m from £7.3m in H1 2021, driven by higher professional fees and an increase in compensation cost despite a decrease in complaint volumes due to two individual high value financial detriment cases.

The Group continues to take steps to improve its adjusted operating margin through a combination of revenue enhancements, cost saving measures and operational improvements. We have made good progress on our systems strategy but despite the progress made to date, the original completion date of 2024 is at risk due to the level of regulatory change and organisational activities.

Adjusting items

Adjusting items for the six months ended 30 June 2022 were a net expense of £0.1m (H1 2021: net expense of £0.4m) and comprise principally of internal restructuring costs and some of the external costs associated with the acquisitions of Dunstan Thomas and Talbot and Muir. A credit of £0.4m has been recognised in the period described as other M&A related costs which relates to contingency fees no longer payable on a potential corporate transaction which did not subsequently proceed.

Accounting Policies

There have been no changes in accounting policies during the period although the unaudited results for the period ended 30 June 2021 have been restated to reflect a correction to revenue generated from arrangement of property insurance for properties held within SIPPs and SSASs administered by the Group. The impact of this is described in note 2.4 to these financial statements.

Cash flows

Shareholder cash balances at period end were £24.8m compared to £32.2m at the end of June 2021.

Net cash inflows from shareholder operating activities for the period were £4.3m (H1 2021: £7.2m), the decrease was due to exceptionally larger cash inflows in H1 2021 from the cash attributable to the additional working capital introduced from Dunstan Thomas and Talbot and Muir, a reduction in profit in the period, offset by a reduction of tax paid in the period.

Net cash outflows from investing activities for the period were £4.0m (H1 2021: £0.7m) which is largely attributable to the deferred consideration paid on the Talbot and Muir acquisition, of £2.7m, and the addition of intangible assets of £1.2m which relate primarily to product development activity within Dunstan Thomas and computer software.

Net cash outflows from financing activities increased to £7.4m, from £6.8m in H1 2021, with the increase coming from higher lease payments and interest costs.

Suffolk Life Annuities Limited

Part of the Group, Suffolk Life Annuities Limited, is an insurance company that writes SIPP products as insurance contracts. These are all non-participating investment contracts and so the Group does not bear any insurance risk. 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 investment contracts are shown in the consolidated statement of comprehensive income. Again, these income, expense items and investment returns due to the policyholders are completely matched. An illustrative balance sheet as at 30 June 2022 showing the financial position of the Group excluding the policyholder 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.

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 2022 the total regulatory capital requirement across the Group was £15.0m (30 June 2021: £15.1m) and the Group had an aggregate surplus above this of £11.6m (30 June 2021: £15.7m) across all regulated entities. The reduction of surplus is primarily impacted by the increase in interest income receivable over 90 days from the uplift of interest rate which is considered illiquid asset. 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 and this has been maintained throughout the period.

Financial Position

The statement of Financial Position as at 30 June 2022 reflects shareholder net assets decreasing from £80.7m at 30 June 2021 to £70.0m as at 30 June 2022 primarily as a result of the £9.8m impairment charge taken during the current period and £4.3m dividends paid.

As at 30 June 2022 the Group had net shareholder cash (after debt) of £6.9m (30 June 2021: £10.4m).

Dan Cowland
Chief Financial Officer
7 September 2022

Independent review report to Curtis Banks Group PLC
Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Curtis Banks Group PLC's condensed consolidated interim financial statements (the "interim financial statements") in the interim condensed consolidated financial statements of Curtis Banks Group PLC for the 6 month period ended 30 June 2022 (the "period").

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 UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the AIM Rules for Companies.

The interim financial statements comprise:

- the condensed consolidated statement of financial position as at 30 June 2022;
- 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 interim condensed consolidated financial statements of Curtis Banks Group PLC have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the AIM Rules for Companies.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council 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 interim condensed consolidated financial statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in 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 UK adopted international accounting standard 34, 'Interim Financial Reporting'.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with this ISRE. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The 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 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. In preparing the interim condensed consolidated financial statements, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the interim condensed consolidated financial statements based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. 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.

PricewaterhouseCoopers LLP
Chartered Accountants
London
7 September 2022

Condensed consolidated statement of comprehensive income

	Notes	Unaudited 6 month period ended 30 June 2022		*As restated Unaudited 6 month period ended 30 June 2021		Audited year ended 31 December 2021	
			Total £'000		Total £'000		Total £'000
Revenue			32,186		32,286		63,307
Administrative expenses			(27,030)		(26,209)		(52,205)
Impairment of goodwill	5		(9,813)		-		-
Policyholder investment returns		(173,653)		216,954		466,811	
Non-participating investment contract expenses		(17,446)		(17,090)		(33,850)	
Changes in provision: non-participating investment contract liabilities		191,099		(199,864)		(432,961)	
Policyholder total			-		-		-
Operating (loss) / profit			(4,657)		6,077		11,102
Finance income			36		9		20
Finance costs			(727)		(1,032)		(1,800)
(Loss) / Profit before tax			(5,348)		5,054		9,322
Taxation			(2,092)		(931)		(1,603)
Total comprehensive (loss)/income			(7,440)		4,123		7,719
Attributable to:							
Equity holders of the company			(7,440)		4,129		7,723
Non-controlling interest			-		(6)		(4)
			(7,440)		4,123		7,719
(Loss) / earnings per share on net (loss)/profit							
Basic (pence)			(11.2)		6.2		11.6
Diluted (pence)			(11.2)		6.1		11.5

*The unaudited results for the 6 months ended 30 June 2021 have been restated to reflect a correction to revenue generated from arrangement of property insurance for properties held within SIPPs and SSASs administered by the Group. The adjustments made to restate the 30 June 2021 comparatives, as further detailed in note 2.4, have not been subject to audit.

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 2021 – audited	330	57,799	2,747	(741)	20,134	80,269	14	80,283
Comprehensive income for the period	-	-	-	-	3,669	3,669	(6)	3,663
Restatement of revenue*	-	-	-	-	568	568	-	568
Share based payments	-	-	92	-	-	92	-	92
Ordinary shares bought and sold by EBT	-	-	-	301	-	301	-	301
Ordinary shares issued	2	288	-	-	-	290	-	290
Deferred tax on share based payments	-	-	-	-	(99)	(99)	-	(99)
Ordinary dividends paid	-	-	-	-	(4,338)	(4,338)	-	(4,338)
As at 30 June 2021 – unaudited	332	58,087	2,839	(440)	19,826	80,644	8	80,652
Comprehensive income for the period	-	-	-	-	3,594	3,594	2	3,596
Share based payments	-	-	1	-	-	1	-	1
Deferred tax on share based payments	-	-	-	-	(6)	(6)	-	(6)
Ordinary shares bought and sold by EBT	-	-	-	(942)	-	(942)	-	(942)
Ordinary dividends paid	-	-	-	-	(1,659)	(1,659)	-	(1,659)
As at 31 December 2021 – audited	332	58,087	2,840	(1,382)	21,755	81,632	10	81,642
Comprehensive loss for the period	-	-	-	-	(7,440)	(7,440)	-	(7,440)
Share based payments	-	-	61	-	-	61	-	61
Ordinary shares bought and sold by EBT	-	-	-	5	-	5	-	5
Ordinary shares issued	-	-	-	-	-	-	-	-
Deferred tax on share based payments	-	-	-	-	58	58	-	58
Ordinary dividends paid	-	-	-	-	(4,321)	(4,321)	-	(4,321)
As at 30 June 2022 - unaudited	332	58,087	2,901	(1,377)	10,052	69,995	10	70,005

*The unaudited results for the 6 months ended 30 June 2021 have been restated to reflect a correction to revenue generated from arrangement of property insurance for properties held within SIPPs and SSASs administered by the Group. The adjustments made to restate the 30 June 2021 comparatives, as further detailed in note 2.4, have not been subject to audit.

Condensed consolidated statement of financial position

	Notes	Unaudited 30-Jun-22 £'000	*As restated Unaudited 30-Jun-21 £'000	Audited 31-Dec-21 £'000
ASSETS				
Non-current assets				
Intangible assets	**5**	79,639	90,475	89,814
Investment property		1,346,912	1,214,551	1,316,468
Property, plant and equipment		7,885	9,395	8,636
Investments		1,959,405	2,137,522	2,224,965
		3,393,841	**3,451,943**	**3,639,883**
Current assets				
Trade and other receivables		30,630	29,431	27,981
Cash and cash equivalents		401,294	401,110	410,133
Current tax asset		779	550	957
		432,703	431,091	439,071
Total assets		**3,826,544**	**3,883,034**	**4,078,954**
LIABILITIES				
Current liabilities				
Trade and other payables		19,915	20,915	20,853
Deferred income		33,340	30,533	29,960
Borrowings		51,364	42,079	46,832
Lease liabilities		911	837	964
Provisions		453	453	453
Contingent consideration		4,930	2,467	2,467
		110,913	**97,284**	**101,529**
Non-current liabilities				
Borrowings		38,351	48,202	43,957
Lease liabilities		6,255	7,164	6,774
Provisions		66	7	178
Contingent consideration		-	6,454	5,199
Non-participating investment contract liabilities		3,596,355	3,639,582	3,836,211
Deferred tax liability		4,599	3,689	3,464
		3,645,626	**3,705,098**	**3,895,783**
Total liabilities		**3,756,539**	**3,802,382**	**3,997,312**
Net assets		**70,005**	**80,652**	**81,642**
Equity attributable to owners of the parent				
Issued capital		332	332	332
Share premium		58,087	58,087	58,087
Equity share based payments		2,901	2,839	2,840
Treasury shares		(1,377)	(440)	(1,382)
Retained earnings		10,052	19,826	21,755
		69,995	80,644	81,632
Non-controlling interest		10	8	10
Total equity		**70,005**	**80,652**	**81,642**

*The unaudited results for the 6 months ended 30 June 2021 have been restated to reflect a correction to revenue generated from arrangement of property insurance for properties held within SIPPs and SSASs administered by the Group. The adjustments made to restate the 30 June 2021 comparatives, as further detailed in note 2.4, have not been subject to audit.

Approved by the Board and authorised for issue on 7 September 2022.

Dan Cowland

Chief Financial Officer

Condensed consolidated statement of cash flows

	Unaudited 6 month period ended 30-Jun-22 £'000	*As restated Unaudited 6 month period ended 30-Jun-21 £'000	Audited year ended 31-Dec-21 £'000
Cash flows from operating activities			
(Loss) / profit before tax	(5,348)	5,054	9,322
Adjustments for:			
Depreciation	849	915	1,806
Amortisation and impairments	11,364	1,445	2,934
Finance costs	727	452	1,800
Share based payment expense	61	92	93
Fair value gains on movement in contingent consideration	(314)	-	(1,870)
Fair value losses / (gains) on financial investments	240,241	(143,455)	(213,701)
Additions of financial investments	(340,591)	(336,457)	(647,479)
Disposals of financial investments	365,910	414,708	708,532
Fair value gains on investment properties	(33,147)	(11,278)	(120,416)
(Decrease)/increase in liability for investment contracts	(239,856)	54,278	250,904
Changes in working capital:			
Increase in trade and other receivables	(2,650)	(2,365)	(1,330)
Increase in trade and other payables	2,196	5,323	5,017
Taxes paid	(588)	(1,324)	(2,410)
Net cash flows from operating activities	**(1,146)**	**(12,612)**	**(6,798)**
Cash flows from investing activities			
Purchase of intangible assets	(1,189)	(842)	(1,670)
Purchase of property, plant & equipment	(97)	(169)	(270)
Purchase of investment property	(49,463)	(52,176)	(92,456)
Purchase and sale of shares in the Group by the EBT	5	301	(641)
Receipts from sale of investment property	52,166	57,506	105,009
Net cash flows from acquisitions	(2,687)	9	(255)
Net cash flows used in investing activities	**(1,265)**	**4,629**	**9,717**
Cash flows from financing activities			
Equity dividends paid	(4,321)	(4,338)	(5,997)
Net proceeds from issue of ordinary shares	-	290	290
Net decrease in borrowings	(1,074)	(16,670)	(16,114)
Principal elements of lease payments	(572)	(490)	(762)
Interest paid	(461)	(277)	(781)
Net cash flows used in financing activities	**(6,428)**	**(21,485)**	**(23,364)**
Net decrease in cash and cash equivalents	**(8,839)**	**(29,468)**	**(20,445)**
Cash and cash equivalents at the beginning of the period	410,133	430,578	430,578
Cash and cash equivalents at the end of the period	**401,294**	**401,110**	**410,133**

*The unaudited results for the 6 months ended 30 June 2021 have been restated to reflect a correction to revenue generated from arrangement of property insurance for properties held within SIPPs and SSASs administered by the Group. The adjustments made to restate the 30 June 2021 comparatives, as further detailed in note 2.4, have not been subject to audit.

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 were authorised for issue in accordance with a resolution of the Directors on 7 September 2022.

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 comprise the Company and its subsidiaries ("the Group") and have been prepared on a historical cost basis modified by revaluation of financial assets and financial liabilities through profit and loss where held at fair value, and are presented in pounds sterling, with all values rounded to the nearest thousand pounds except when otherwise indicated.

The interim condensed consolidated financial statements have been prepared in accordance with UK adopted IAS 34 Interim Financial Reporting except for certain requirements in relation to financial instrument disclosure. The board has considered the requirements of UK adopted IAS 34 in relation to policyholder assets and liabilities and, given the unit-linked nature of these assets and liabilities, has concluded that revaluing certain 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 these certain policyholder financial instruments will not influence the economic decisions of users of these financial statements, as all revenue and expenditure associated with these policyholder assets and liabilities is due back to the policyholders under non-participating investment contracts and therefore has nil impact on shareholder equity.

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 2021, which were prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 as applicable top companies reporting under those standards.

The information relating to the six months ended 30 June 2022 and the six months ended 30 June 2021 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 2021 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.

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 2022 were Curtis Banks Limited, Suffolk Life Pensions Limited, Suffolk Life Annuities Limited, Rivergate Legal Limited, Dunstan Thomas Group Limited, and Talbot and Muir Limited.

The trading subsidiaries of Curtis Banks Group PLC as at 30 June 2021 were Curtis Banks Limited, Suffolk Life Pensions Limited, Suffolk Life Annuities Limited, Rivergate Legal Limited, Templemead Property Solutions Limited, Dunstan Thomas Group Limited, Digital Keystone Limited, Dunstan Thomas Holdings Limited, Dunstan Thomas Consulting Limited, Platform Action Limited, and Talbot and Muir 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 2021.

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. There are no newly issued standards expected to potentially have a material impact on the condensed consolidated interim financial statements and the consolidated financial statements to the Group.

2.4 Prior year restatements

IFRS 15 Revenue from contracts with customers

The unaudited results for 6 months ended 30 June 2021 have been restated to reflect changes to the measurement of progress in the arrangement of property insurance for properties held within SIPPs and SSASs administered by the Group.

Previously, the associated revenue was recognised on a straight-line basis over the insurance policy term (1 year). At FY21 year end, a reassessment of this contract identified an error in the assessment used to measure progress of this contract at 30 June 2021, and that more progress had been made at 30 June 2021 than previously identified using the input method on cost incurred of *IFRS 15 Revenue from contracts with customers*. The change was adopted in FY21 and immaterial for the full year, therefore no further adjustment is expected.

The impact of these adjustments on previously reported figures is summarised in the two tables below:

Consolidated statement of financial position	**Originally reported as at 30 June 2021 £'000**	**As restated as at 30 June 2021 £'000**	**Movement £'000**
Trade and other receivables	28,863	29,431	568
Current tax asset	658	550	(108)
Retained earnings	19,366	19,826	460
Net assets / Total equity			460

Consolidated statement of comprehensive income	**Originally reported for the 6 months ended 30 June 2021 £'000**	**As restated for the 6 months ended 30 June 2021 £'000**	**Movement £'000**
Revenue	31,718	32,286	568
Corporation tax	(823)	(931)	(108)
Total comprehensive income for the year			460

Consolidated statement of cash flows	**Originally reported for the 6 months ended 30 June 2021 £'000**	**As restated for the 6 months ended 30 June 2021 £'000**	**Movement £'000**
Profit before tax	4,486	5,054	568
Increase in trade and other receivables	(1,797)	(2,365)	(568)
Net increase/(decrease) in cash and cash equivalents			-

The adjustment increased basic EPS from 5.5p to 6.2p, and diluted EPS from5.5p to 6.1p.

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. The key sources of estimation uncertainty are disclosed below:

Impairment assessment on the Cash Generating Units

The Group has established 4 cash generating units ('CGUs') that are closely aligned to the Group's subsidiaries and their distinct cash flows: namely Curtis Banks ('CB'), Suffolk Life ('SL') Dunstan Thomas ('DT') and Talbot & Muir ('T&M'). There is goodwill associated with the latter three CGUs that is not amortised, and therefore these amounts are subject to annual impairment assessment. The Curtis Banks CGU will be assessed for impairment if indicators of impairment are identified. The definition of the CGUs is the judgement applied.

Impairment assessments are performed by comparing the carrying amount of the goodwill and intangible assets or investment associated with the CGU, with the recoverable amount. Recoverable amount is assessed through value in use which comprises an estimation of future cash flows expected to arise from each CGU, discounted to their present value using a pre-tax discount rate. The following key assumptions are applied across all CGUs:

- Latest forecasts as presented to the Board;
- Pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset (11.71%; FY21: 12.95% for CB, SL and T&M; 12.75% for DT);
- Terminal growth rate of 2% (FY21: 2.2%), being the long term inflation expectation in the UK;
- Movement in net working capital, forecasted as a Group and allocated to each CGU by weighted average operating profit excluding adjusting items and acquired intangibles amortisation.

The goodwill impairment assessment performed resulted in headroom present in each of the relevant CGU other than Dunstan Thomas:

	Suffolk Life		**Talbot & Muir**		**Dunstan Thomas**	
£'m	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Value in use	128.9	93.7	33.3	27.8	16.7	29.7
Goodwill	28.9	28.9	9.8	9.8	17.1	17.1
Non-current asset	8.3	8.2	8.5	9.4	9.4	10.0
Headroom	**91.7**	**56.6**	**15.0**	**8.6**	**(9.8)**	**2.6**

An impairment of goodwill associated within the Dunstan Thomas CGU totalling £9,813k has been identified and recognised in the financial statements for the six month period ended 30 June 2022 (2021: £nil). This has arisen following lower than expected performance in the Dunstan Thomas CGU over the period, which has led to a reduction in forecast estimates of future cash flows from this CGU.

2.5 Critical accounting judgements and key sources of estimation uncertainty (continued)

Sensitivity analysis was performed on the following stress scenarios as at 30 June 2022 and the negative impact on headroom is calculated as follows:

	Suffolk Life		Talbot & Muir		Dunstan Thomas	
£'m	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021
1% increase in discount rate	(11.9)	(8.0)	(3.1)	(2.4)	(1.7)	(2.5)
1% decrease in terminal growth rate	(8.0)	(6.6)	(2.1)	(2.0)	(1.1)	(2.1)
10% reduction in operating profit budgeted and forecasted	(11.8)	(8.3)	(3.2)	(2.5)	(1.9)	(3.1)

Amongst the CGUs, Dunstan Thomas is most susceptible to the stress scenarios, while the other two CGUs are robust against the stress scenarios in isolation or in aggregate.

IFRS 9 impairment

Trade and other receivables are impaired based on the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables. The loss allowances for trade and other receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history of shared credit risk characteristics, days past due, existing market conditions, as well as forward looking estimates at the end of each reporting period.

The loss rates are considered the key source of estimation uncertainty because the impact of a change in these could result in a material change in the expected credit loss. The Group determines its loss rates by reference to the underlying level of liquidity in each of the Group's clients' SIPPs because clients' fees are normally settled directly from their SIPP cash holdings. A lower level of liquidity in the SIPP, or indeed illiquidity, indicates reduced credit quality in the related trade receivable balance.

Changes in macroeconomic factors may impact the Group's clients' use of the SIPP and cause the level of liquidity in the SIPP to increase or decrease. A 10% increase or decrease in loss rates estimated at the period end would have the following impact:

Period ended 30 June 2022	**Increase / (decrease) in percentage rates**	**Effect on profit before tax £'000**
Loss rate	10%	(776)
Loss rate	(10)%	408

Period ended 30 June 2021	**Increase / (decrease) in percentage rates**	**Effect on profit before tax £'000**
Loss rate	10%	(807)
Loss rate	(10)%	430

2.5 Critical accounting judgements and key sources of estimation uncertainty (continued)

The Group charges fixed fees for its services reducing its exposure to changes in macroeconomic factors such as COVID-19 which may otherwise impact a percentage basis point fee charging model.

The Group continually assesses historical recovery data to help determine how the underlying level of liquidity in the SIPPs fits into each of the credit quality ratings. Future historical data available may lead to changes in the estimated categorisation of trade receivables gross carrying amounts and associated loss allowance.

Where trade and other receivables have been outstanding for more than six years, amounts are deemed to have no reasonable expectation of recovery and are written off.

Contingent consideration payable on acquisitions

The Group has entered into certain acquisition agreements that provide for contingent consideration to be paid. A financial instrument is recognised for all amounts management anticipates will be paid under the relevant acquisition agreement. This requires management to make an estimate of the expected future cash flows from the acquired business using forecasts that cover the contingent consideration period, and determine a suitable discount rate for the calculation of the present value of any contingent consideration payments.

A material change to the carrying value might occur if the acquired businesses achieve significantly more or less than their target earnings. The key assumption used in determining the value of these provisions is the forecast financial performance as applied in the terms of the contingent consideration arrangement. A 10% increase or reduction in achievement of forecast contingent consideration targets would increase or reduce the value of contingent consideration payable required by £0.3m (2021: £0.9m), which in turn would reduce or increase profit before tax.

3 Operating segment reporting

The following tables present revenue and profit information regarding the Group's operating segments for the six month periods ended 30 June 2022 and 30 June 2021, and the year ended 31 December 2021.

Unaudited Period ended 30 June 2022	**Pension Administration £'000**	**FinTech £'000**	**Consolidation adjustments £'000**	**Consolidated £'000**
Revenue				
External customers	28,115	4,071	-	32,186
Internal customers	-	860	(860)	-
	28,115	4,931	(860)	32,186
Administrative expenses				
External customers	23,418	3,612	9,813**	36,843
Internal customers	319	465	(784)	-
	23,737	4,077	9,029	36,843
Operating profit / (loss)	4,378	854	(9,889)	(4,657)

As restated* Unaudited Period ended 30 June 2021	**Pension Administration £'000**	**FinTech £'000**	**Consolidation adjustments £'000**	**Consolidated £'000**
Revenue				
External customers	27,072	5,214	-	32,286
Internal customers	-	573	(573)	-
	27,072	5,787	(573)	32,286
Administrative expenses				
External customers	21,950	4,259	-	26,209
Internal customers	367	206	(573)	-
	22,317	4,465	(573)	26,209
Operating profit	4,755	1,322	-	6,077

*The unaudited results for period ended 30 June 2021 have been restated to reflect a correction to revenue generated from arrangement of property insurance for properties held within SIPPs and SSASs administered by the Group. The adjustments made to restate the 30 June 2021 comparatives, as further detailed in note 2.4, have not been subject to audit.

** The impairment charge on the goodwill from the acquisition of Dunstan Thomas.

3 Operating segment reporting (continued)

Audited Year ended 31 December 2021	**Pension Administration £'000**	**FinTech £'000**	**Consolidation adjustments £'000**	**Consolidated £'000**
Revenue				
External customers	53,407	9,900	-	63,307
Internal customers	-	1,349	(1,349)	-
	53,407	11,249	(1,349)	63,307
Administrative expenses				
External customers	43,866	8,339	-	52,205
Internal customers	813	390	(1,203)	-
	44,679	8,729	(1,203)	52,205
Operating profit	8,728	2,520	(146)	11,102

The following tables present a split of assets and liabilities of the Group's operating segments as at 30 June 2022, 30 June 2021 and 31 December 2021.

Unaudited As at 30 June 2022	**Pension Administration £'000**	**FinTech £'000**	**Corporate £'000**	**Policyholder £'000**	**Consolidated £'000**
Total assets	63,965	10,091	56,479	3,696,009	3,826,544
Total liabilities	32,853	3,179	24,498	3,696,009	3,756,539

As restated* Unaudited As at 30 June 2021	**Pension Administration £'000**	**FinTech £'000**	**Corporate £'000**	**Policyholder £'000**	**Consolidated £'000**
Total assets	70,130	9,429	69,008	3,734,467	3,883,034
Total liabilities	32,711	3,537	31,667	3,734,467	3,802,382

*The unaudited results for period ended 30 June 2021 have been restated to reflect a correction to revenue generated from arrangement of property insurance for properties held within SIPPs and SSASs administered by the Group. The adjustments made to restate the 30 June 2021 comparatives, as further detailed in note 2.4, have not been subject to audit.

3 Operating segment reporting (continued)

Audited As at 31 December 2021	**Pension Administration £'000**	**FinTech £'000**	**Corporate £'000**	**Policyholder £'000**	**Consolidated £'000**
Total assets	65,960	9,508	70,853	3,932,633	4,078,954
Total liabilities	32,793	3,113	28,773	3,932,633	3,997,312

Corporate assets and liabilities are not allocated to individual operating segments as they are managed on a group basis. Policyholder assets and liabilities are not allocated to individual operating segments as all investment returns associated with these are due back to policyholders under non-participating investment contracts, alongside non-participating investment contract expenses and changes in provisions for non-participating investment contract liabilities, such that the impact on shareholder assets and liabilities, and profit or loss, is nil.

4 Earnings per 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:

	Unaudited 6 month period ended 30-Jun-22 £'000	***As restated Unaudited 6 month period ended 30-Jun-21 £'000**	**Audited year ended 31-Dec-21 £'000**
Net (loss) / profit available to equity holders of the Group	(7,440)	4,129	7,723
	Number	**Number**	**Number**
Weighted average number of ordinary shares:			
Issued ordinary shares at start of period	66,879,312	66,414,312	66,414,312
Effect of shares issued during the period	-	197,818	333,781
Effect of shares held by Employee Benefit Trust	(426,603)	(155,401)	(316,688)
Basic weighted average number of shares	66,452,709	66,456,729	66,431,405
Effect of dilutive options	218,576	720,135	510,602
Diluted weighted average number of shares	66,671,285	67,176,864	66,942,007
	Pence	**Pence**	**Pence**
(Loss) / earnings per share:			
Basic	(11.2)	6.2	11.6
Diluted	(11.2)	6.1	11.5

*As detailed in note 2.4, adjusted earnings per share on profit before adjusting items and amortisation, less an effective tax rate, for the unaudited six month period ended 30 June 2021 have been restated to reflect a correction to revenue generated from arrangement of property insurance for properties held within SIPPs and SSASs administered by the Group.

5 Intangible assets

	Goodwill £'000	Brand £'000	Client portfolios £'000	Computer software £'000	Internally Generated Software £'000	Total £'000
Cost						
At 1 January 2021	55,732	1,595	33,805	2,783	5,770	99,685
Additions	-	-	-	309	533	842
At 30 June 2021	55,732	1,595	33,805	3,092	6,303	100,527
Additions	-	-	-	183	645	828
At 31 December 2021	55,732	1,595	33,805	3,275	6,948	101,355
Additions	-	-	-	594	595	1,189
At 30 June 2022	55,732	1,595	33,805	3,869	7,543	102,544
Amortisation and impairments						
At 1 January 2021	-	66	6,854	1,447	240	8,607
Charge for the period	-	80	938	130	297	1,445
At 30 June 2021	-	146	7,792	1,577	537	10,052
Charge for the period*	-	80	940	134	335	1,489
At 31 December 2021	-	226	8,732	1,711	872	11,541
Charge for the period	-	80	940	169	362	1,551
Impairment	9,813	-	-	-	-	9,813
At 30 June 2022	9,813	306	9,672	1,880	1,234	22,905
Net book value						
At 31 December 2020	55,732	1,529	26,951	1,336	5,530	91,078
At 30 June 2021	55,732	1,449	26,013	1,515	5,766	90,475
At 31 December 2021	55,732	1,369	25,073	1,564	6,076	89,814
At 30 June 2022	45,919	1,289	24,133	1,989	6,309	79,639

Impairment charges totalling £9,813k against the intangible asset relating to Goodwill within the Dunstan Thomas CGU have been recognised during the period ended 30 June 2022 (2021: £nil). This relates to lower than expected performance of the CGU in the period and a consequent reduction in the estimate of future cash flows expected from the CGU.

6 Dividends paid

	Unaudited 6 month period ended 30-Jun-22 £'000	Unaudited 6 month period ended 30-Jun-21 £'000	Audited year ended 31-Dec-21 £'000
Ordinary dividends paid	4,321	4,338	5,997
	4,321	4,338	5,997

A final dividend of 6.5p per ordinary share in respect of the year ended 31 December 2020 was paid on 4 June 2021.

An interim dividend of 2.5p per ordinary share in respect of the year ended 31 December 2021 was paid on 12 November 2021.

A final dividend of 6.5p per ordinary share in respect of the year ended 31 December 2021 was paid on 1 June 2022.

7 Taxation

Tax is charged at 19% for the six months ended 30 June 2022 (30 June 2021: 19%) 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.

Deferred tax liability has been updated based on the proposed 25% corporation tax increase from April 2023. This resulted in a £1.2m increase in deferred tax liability compared to 31 December 2021 and a corresponding tax charge on the statement of comprehensive income.

8 Contingent consideration

The Group estimates the fair value of the remaining contingent consideration payable is £4.9m (30 June 2021: £8.9m). The movement is mainly driven by the settlement of the first earn-out for the acquisition of Talbot and Muir of £2.7m in H1 2022, the revaluation of the remaining liability based on updated forecasts, and discount unwind.

9 Illustrative condensed consolidated statement of financial position as at 30 June 2022 split between insurance policyholders and the Group's shareholders

	30-Jun-22 £'000 Group Total	30-Jun-22 £'000 Policyholder	30-Jun-22 £'000 Shareholder	30-Jun-21 £'000 Shareholder
ASSETS				
Non-current assets				
Intangible assets	79,639	-	79,639	90,475
Investment property	1,346,912	1,346,912	-	-
Property, plant and equipment	7,885	-	7,885	9,395
Investments	1,959,405	1,959,405	-	-
	3,393,841	3,306,317	87,524	99,870
Current assets				
Trade and other receivables	30,630	13,099	17,531	16,107
Cash and cash equivalents	401,294	376,468	24,826	32,163
Current tax asset	779	125	654	427
	432,703	389,692	43,011	48,697
Total assets	**3,826,544**	**3,696,009**	**130,535**	**148,567**
LIABILITIES				
Current liabilities				
Trade and other payables	19,915	11,455	8,460	8,690
Deferred income	33,340	16,464	16,876	16,350
Borrowings	51,364	46,857	4,507	4,063
Lease Liabilities	911	-	911	837
Provisions	453	-	453	453
Contingent consideration	4,930	-	4,930	2,467
	110,913	74,776	36,137	32,860
Non-current liabilities				
Borrowings	38,351	24,878	13,473	17,741
Lease Liabilities	6,255	-	6,255	7,164
Provisions	66	-	66	7
Contingent consideration	-	-	-	6,454
Non-participating investment contract liabilities	3,596,355	3,596,355	-	-
Deferred tax liability	4,599	-	4,599	3,689
	3,645,626	3,621,233	24,393	35,055
Total liabilities	**3,756,539**	**3,696,009**	**60,530**	**67,915**
Net assets	**70,005**	**-**	**70,005**	**80,652**
Issued capital	332		332	332
Share premium	58,087	-	58,087	58,087
Equity share based payments	2,901	-	2,901	2,839
Treasury shares	(1,377)	-	(1,377)	(440)
Retained earnings	10,052	-	10,052	19,826
	69,995	-	69,995	80,644
Non-controlling interest	10	-	10	8
Total equity	**70,005**	**-**	**70,005**	**80,652**

10 Illustrative condensed consolidated statement of cash flows for the six month period ended 30 June 2022 split between insurance policyholders and the Group's shareholders

	30-Jun-22 £'000 Group Total	30-Jun-22 £'000 Policyholder	30-Jun-22 £'000 Shareholder	30-Jun-21 £'000 Shareholder
Cash flows from operating activities				
(Loss) / Profit before tax	(5,348)	-	(5,348)	5,054
Adjustments for:				
Depreciation	849	-	849	915
Amortisation and impairments	11,364	-	11,364	1,445
Interest expense	727	-	727	452
Share based payment expense	61	-	61	92
Fair value gains on movement in contingent consideration	(314)	-	(314)	-
Fair value losses on financial investments	240,241	240,241	-	-
Additions of financial investments	(340,591)	(340,591)	-	-
Disposals of financial investments	365,910	365,910	-	-
Fair value gains on investment properties	(33,147)	(33,147)	-	-
Increase in liability for investment contracts	(239,856)	(239,856)	-	-
Changes in working capital:				
Increase in trade and other receivables	(2,650)	(264)	(2,386)	(1,702)
Increase/(decrease) in trade and other payables	2,196	2,305	(109)	2,238
Taxes paid	(588)	-	(588)	(1,324)
Net cash flows from operating activities	**(1,146)**	**(5,402)**	**4,256**	7,170
Cash flows from investing activities				
Purchase of intangible assets	(1,189)	-	(1,189)	(842)
Purchase of property, plant & equipment	(97)	-	(97)	(169)
Purchase of investment property	(49,463)	(49,463)	-	-
Purchase and sale of shares in the Group by the EBT	5	-	5	301
Receipts from sale of investment property	52,166	52,166	-	-
Net cash flows from acquisitions	(2,687)	-	(2,687)	9
Net cash flows from investing activities	**(1,265)**	**2,703**	**(3,968)**	(701)
Cash flows from financing activities				
Equity dividends paid	(4,321)	-	(4,321)	(4,338)
Net proceeds from issue of ordinary shares	-	-	-	290
Net increase/(decrease) in borrowings	(1,074)	926	(2,000)	(2,000)
Principal elements of lease payments	(572)	-	(572)	(490)
Interest paid	(461)	-	(461)	(277)
Net cash flows from financing activities	(6,428)	926	(7,354)	(6,815)
Net increase/(decrease) in cash and cash equivalents	**(8,839)**	**(1,773)**	**(7,066)**	(346)
Cash and cash equivalents at the beginning of the period	410,133	378,241	31,892	32,509
Cash and cash equivalents at the end of the period	**401,294**	**376,468**	**24,826**	32,163

11 Illustrative table of SIPP number movements over the six month period ended 30 June 2022

	Full SIPPs	Mid SIPPs	Total Full and Mid SIPPs	eSIPPs	Third Party Administered	Total
As at 30 June 2022	20,701	35,784	56,485	16,976	5,529	78,990
As at 31 December 2021	21,272	34,699	55,971	17,881	5,827	79,679
SIPPs added organically	389	1,607	1,996	65	8	2,069
Conversions and reclassifications	(327)	327	-	-	-	-
SIPPs lost through attrition	(633)	(849)	(1,482)	(970)	(306)	(2,758)
Annualised gross organic growth rate*	3.7%	9.3%	7.1%	0.7%	0.3%	5.2%
Annualised attrition rate *	6.0%	4.9%	5.3%	10.8%	10.5%	6.9%

*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 2022

Company information

Directors

David Barral – Executive Chairman	Appointed 26 May 2022
Dan Cowland – Chief Financial Officer	
Jane Ridgley – Chief Operating Officer	
Bill Rattray – Non-Executive Director	
Jill Lucas – Non-Executive Director	
Christopher Mills – Non-Executive Director	Appointed 26 May 2022
Will Self – Director	

Registered Office
3 Temple Quay
Temple Back East
Bristol
BS1 6DZ

Registered Number
07934492

Nominated Adviser and Broker
Peel Hunt LLP
Moor House
120 London Wall
London
EC2Y 5ET

Joint Broker
Singer Capital Markets
1 Bartholomew Lane
London
EC2N 2AX

Independent Auditors
PricewaterhouseCoopers LLP
2 Glass Wharf
Temple Quay
Bristol
BS1 4RW

Registrars
Computershare PLC
The Pavilions
Bridgewater Road
Bristol
BS13 8AE

Adjusted diluted EPS
This is calculated by taking adjusted profit before tax for the financial period, deducting an effective tax rate of 19% (2021: 19%), and dividing the total by the diluted weighted average number of shares in issue for the financial period.

Adjusted profit before tax
This is calculated by taking profit before tax for the financial period and adding back amortisation and impairment on acquired intangible assets, along with adjusting items.

Adjusted operating profit
This is calculated by taking operating profit for the financial period and adding back amortisation and impairment on acquired intangible assets, along with adjusting items.

Adjusted operating margin
This is calculated by taking operating profit for the financial period and adding back amortisation and impairment on acquired intangible assets, along with adjusting items, then dividing this total by revenue for the financial period.

Annualised gross organic growth rate
A calculation derived by taking new SIPPs obtained in the financial period from organic growth, dividing by the total number of months in the financial period, and multiplying this by 12 to obtain an annualised quantity of new SIPPs obtained. The annualised quantity is then divided by the brought forward quantity of SIPPs held to derive the annualised gross organic growth rate.

Annualised attrition rate
A calculation derived by taking SIPPs lost in the financial period from attrition, dividing by the total number of months in the financial period, and multiplying this by 12 to obtain an annualised quantity of SIPPs lost. The annualised quantity is then divided by the brought forward quantity of SIPPs held to derive the annualised attrition rate.

AUA
Assets Under Administration

Full SIPP
A pension that facilitates the full range of investment solutions. This can encompass anything that is permitted within a Mid SIPP, plus others such as commercial property, directly-held investments, specialist investments such as unlisted shares and unregulated collectives, multiple cash deposit accounts, physical gold, National Savings & Investments, or structured products.

Mid SIPP
A pension that facilitates the use of one (or more) streamlined investment solution. For example, a discretionary fund manager, or a fund platform/supermarket, or a stockbroker account, and a cash deposit account if required.

Net shareholder cash (after debt)
This is calculated by taking shareholder only amounts as split within the illustrative condensed consolidated statement of financial position provided in the supplementary unaudited information for cash and cash equivalents, and deducting borrowings.