Company registration number: 06758825 (England and Wales)

CURTIS BANKS LIMITED

Annual Report and Financial Statements for the year ended 31 December 2020

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Company Information

Directors	William Self - Chief Executive Officer Dan Cowland - Chief Financial Officer Jane Ridgley - Chief Operating Officer James Scott Nicola Presley Nigel Rodgers Paul Keepin Christopher Macdonald
Company Secretary	Gemma Millard
Registered Office	3 Temple Quay Temple Back East Bristol BS1 6DZ
Company registration	06758825
Independent Auditor	PricewaterhouseCoopers LLP 2 Glass Wharf Bristol BS2 0FR

Strategic Report

The directors present their Strategic Report for the year ended 31 December 2020.

Fair review of the business

At the date of this report, Curtis Banks Limited ("the Company") continues to administer over 40,000 (2019: over 40,000) Self Invested Personal Pension schemes ("SIPPs") and over 320 (2019: over 320) Small Self-Administered Pension Schemes ("SSASs"). The Company currently has assets under administration of £14.9 billion (2019: £15.0 billion).

The Company is a subsidiary of Curtis Banks Group PLC which consolidates financial statements for all legal entities within the Group.

Turnover decreased by 3% from £23.3m to £22.5m. This resulted from a lower interest rate environment, mitigated by net organic growth in new Full and Mid SIPP numbers, annual increases to fees linked to the average weekly earnings index and further strengthening of relationships with external deposit providers enabling maximisation of interest income in the present environment.

Impairment charges totalling £152k against the intangible asset relating to client portfolios have been recognised during the year (2019: £nil). This relates to changes in the estimate of future cash flows expected on these assets over their remaining useful economic lives owing to increased uncertainty over the longevity of the current low interest rate environment.

The number of pensions administered as at 31 December 2020 totalled 40,363 (2019: 40,647) and have decreased due to higher rates of attrition on eSIPPs, while attrition rates remained stable on Mid SIPPs. Gross organic new own SIPPs totalled 242 for the year (2019: 2,424).

The Company retains a strong balance sheet with £17.3m of total equity compared to £19.7m at 31 December 2019. Cash balances reduced slightly to £7.4m compared to £11.1m at 31 December 2019. At 31 December 2020 the Company was holding 150% of the required regulatory capital.

The Company has recognised new provisioning of £274k in relation to claims by HMRC over in-specie contributions and treated this amount as a non-recurring administrative cost during the year ended 31 December 2020. These costs are further described within note 5 to the financial statements.

During the year ended 31 December 2020 further integration took place between the Company and the Suffolk Life Group of companies, acquired by Curtis Banks Group PLC in May 2016. As part of this activity, property administration work has been centralised within one office location under Suffolk Life Pensions Limited. Consequently, the number of properties administered by the Company reported as a KPI has materially decreased year on year as are now being administered by Suffolk Life Pensions Limited via an intercompany agreement with the Company. Non-recurring administrative costs in connection with this totalling £1,138k have been incurred as further described within note 5 to the financial statements (2019: £432k).

During the year the Company also invested in a new strategic treasury solution with a global provider of back office operational cash management software. Costs associated with this investment that did not meet the criteria for capitalisation have been treated as non-recurring administrative cost and totalled £92k (2019: £nil).

The Directors will continue to explore and develop opportunities and synergies between the Company and the Suffolk Life Group in the current year.

Principal risks and uncertainties

The current and emerging risks to the Company have been fully assessed and mitigated to every extent possible and full risk registers are maintained. As at the signing date of these financial statements there remains significant uncertainty over how the current COVID-19 outbreak will unfold, and what government measures will be maintained or introduced. The main risks to the Company are considered to be staff welfare and maintaining continuity of service for our clients. The other key area of risk facing the Company is seen to be cyber risk, which also encompasses financial crime and fraud. Further details on individual risks and uncertainties facing the Company are disclosed in the consolidated financial statements of the ultimate parent company Curtis Banks Group PLC.

Oversight of risk management across for the Company is performed by the Group Risk & Compliance Committee, chaired by a Non-Executive Director of Curtis Banks Group PLC. The committee's role is to ensure the effectiveness of the overall risk framework and that key risks to the Group and the Company are being identified and assessed relative to the appetite, and monitored and controlled in line with the Curtis Banks Group Risk Appetite. Ongoing monitoring and tracking mitigating actions is then delegated to the Group Risk, Audit & Compliance Committee (GRACC) and the Group Asset & Liability Committee (Group ALCO).

Specifically, with regards to financial risk management, the main risks arising are interest rate risk, credit risk, and liquidity risk. Each of these risks is discussed in detail below. There is deemed to be minimal concentration risk present due to revenue generation being spread over a high volume of individual customers, and minimal interest rate risk as the Company has no borrowings.

The Company monitors its financial risk management based upon sound economic objectives and good corporate practice. No hedging transactions have taken place during the years presented. Financial assets principally comprise trade and other receivables, cash and short-term deposits, which arise directly from its operations. Financial liabilities principally comprise trade and other payables, deferred consideration and borrowings.

Interest rate risk

Interest rate risk is the risk that the Company will sustain losses from adverse movements in interest bearing assets. There is an exposure to interest rates on banking deposits held in the ordinary course of business. The value of financial instruments on the Company's statement of financial position exposed to interest rate risk was £7,359k (2019: £11,122k) comprising cash and short-term deposits. This exposure is monitored to ensure that the Company is maximising its interest earning potential within accepted liquidity and credit constraints. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are also made for varying periods of between one day and 30 days depending on the immediate cash requirements of the Company and earn interest at the respective term deposit rates.

In addition, a source of revenue is based on the value of client cash under administration. The Company has an indirect exposure to interest rate risk on these cash balances held for clients. The Company manages this risk through a central treasury function which monitors client cash and interest rate movement on a monthly basis.

Principal risks and uncertainties (continued)

Credit risk

The Company trades only with third parties it recognises as being creditworthy. In addition, receivable balances are monitored continually.

The maximum credit risk exposure of the Company's financial instruments in the event of other parties failing to perform their obligations is considered to be equal to the carrying amount of such financial instruments included within the statement of financial position. Given the nature of the Company's operations, it does not have significant concentration of credit risk in respect of shareholder trade receivables, with exposure spread over a large number of customers.

The Company's approach to managing credit risk is based on its credit quality ratings, where a set of policies and procedures are in place to recover fee debt based on individual SIPP liquidity. This underlying level of liquidity in each of the Company's clients' SIPPs is mostly driven by the clients' use of the SIPP and what they choose to invest in.

The terms and conditions attached to the Company's SIPP products include a requirement to maintain a minimum cash balance from which the Company normally draws fees when due. Where cash is not immediately available, assets from the SIPP are disinvested in order to settle fees. The Company also requests fees direct from clients where necessary.

The Company charges fixed fees for its services reducing its exposure to changes in macroeconomic factors which may otherwise impact a percentage basis point fee charging model.

Liquidity risk

This is the risk that the Company may be unable to meet its liabilities as and when they fall due. The Company monitors its risk to a shortage of funds by considering the maturity of its financial assets (e.g. trade receivables, other financial assets) and projected cash flows from operations. As part of these projections, the Company also monitors anticipated capital expenditure and the expected timing of settlement of financial liabilities. The Company is a highly cash generative business and maintains sufficient cash to fund its foreseeable trading requirements.

Key performance indicators

The directors utilise a range of measures in their on-going assessment of the Company's performance. The key measures along with their full year results are detailed below:

	Year ended 31-Dec-20	Year Ended 31-Dec-19
Revenue (£'000)	22,488	23,269
Operating profit before tax, non-recurring administrative costs, amortisation and impairment (£'000)	6,692	7,133
Number of pensions administered	40,363	40,647
Number of properties administered	463	2,691

On behalf of the board

Will Self
Director
23 April 2021

Directors' Report

The directors present their report and audited financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the Company continued to be that of the provision of pension administration services principally for Self Invested Personal Pension schemes ("SIPPs") and Small Self-Administered Pension Schemes ("SSASs").

Results and dividends

The Statement of Comprehensive Income for the year is set out on page 11.

During the year ordinary interim dividends of £6,000,000 were declared and paid (2019: £4,000,000).

The Directors' Report does not include a fair review of the business, details of the risks and uncertainties and future developments, as this information is documented within the Strategic Report as required under s414C(11) of The Companies Act 2006.

Future developments and events after the reporting date

Future developments of relevance to the Company and events after the reporting date can be found within the Fair Review of the Business section of the Strategic Report.

Directors

The following directors have held office since 1 January 2020 and up to the date on which the financial statements were signed:

William Self	
Jane Ridgley	
Ian Stone	(Resigned 12 February 2021)
James Scott	
Nicola Presley	
Nigel Rodgers	
Paul Keepin	
Christopher Macdonald	
Dan Cowland	

Financial risk management

The Company's approach to risk management is described in the Strategic Report of these financial statements.

Section 172 (1)

From the perspective of the Board, as a result of the Group governance structure, the matters that it is responsible under Section 172 (1) of the Companies Act 2006 have been considered to an appropriate extent by the Group Board in relation to both the Group & the Company. To the extent necessary for an understanding of the development, performance and position of the entity, an explanation of how the Group Board has considered the matters set out in s172 (for the Group and for the Company) is set out on page 32 of the Group's annual report, which does not form part of this report.

United Kingdom employees

It is the Company's policy to treat its staff without discrimination and to operate equal opportunity and employment practices designed to achieve this end. It is the aim of the Company to employ a workforce which reflects the diverse community within which it operates. Furthermore, it is the Company's policy to give full and fair consideration to applications for employment made by disabled persons, to continue, wherever possible, the employment of staff who become disabled and to provide equal opportunities for the training and career development of disabled staff. The Company's approach to recruitment, promotion, training or any other benefit is on the basis of aptitude and ability with all staff helped and encouraged to develop their full potential.

The Company places considerable value on the involvement of its staff in the business, recognising that to succeed, the Company needs to empower its staff to develop skills and experiences they need to thrive and deliver to its customers. The Company aims to establish and maintain a culture that values lifelong learning and development amongst its staff who are actively encouraged to train and develop through both structured and 'on the job' training. All vacancies are filled internally whenever possible.

Consultation with staff or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all staff are aware of the financial and economic performance of their business units and of the Company as a whole. Employee Forums are in place in all locations and they continue to ensure that consultation with staff is inclusive, open and equitable.

Staff are remunerated with packages designed to align the interests of staff with those of shareholders, with an appropriate portion of total remuneration dependent on performance. In 2020, staff were given the further opportunity to participate in a variety of share schemes, designed to encourage their participation in the on-going success of the Group.

Communication with all staff continues through regular electronic and face-to-face updates from the directors, scheduled departmental meetings and regular one-to-one meetings between staff and their managers. Internal surveys are carried out on a regular basis to assess staff satisfaction levels - these are now aligned across the Group and reviewed by the directors with the aim of maximising the engagement of staff and addressing concerns at an early stage.

Corporate and social responsibility

The Company actively encourages support of charities and community organisations and activities throughout each of its offices. All offices regularly hold fund raising events for local charities or those charities where staff that have connections or have had need of those charities. As well as encouraging and funding the events, the Company and wider Group also gives further support through a variety of means, including matching contributions to the relevant charities.

Directors' indemnity

As permitted by the Articles of Association, the directors have qualifying indemnity cover totalling £10,000,000 which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and up to the date of approval of the financial statements.

Going concern

The directors have prepared the financial statements on a going concern basis, as in their opinion the Company is able to meet its obligations as they fall due for at least 12 months from the date of approval of the financial statements. This opinion is based on detailed forecasting for the following 12 months based on current and expected market conditions together with current performance levels. The Directors have also considered the impact of a number of severe but plausible events that could impact the business, such as the COVID-19 pandemic, and are satisfied that this opinion remains unchanged.

Independent Auditors and disclosure of information to auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

In the case of each director in office at the date the directors' report is approved:

a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

b) they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given in accordance with Section 418 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

Will Self

Director

23 April 2021

pwc

Independent auditors' report to the members of Curtis Banks Limited

Report on the audit of the financial statements

Opinion

In our opinion, Curtis Banks Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 December 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, *because not all future events or conditions can be predicted*, this conclusion is *not a guarantee as to the company's ability to continue as a going concern.*

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK law and regulatory requirements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to improve the profitability of the company. Audit procedures performed included:

- Discussions with the Board of Directors and with management (including those involved within the Finance function, Internal Audit, Legal, Risk and Compliance), including consideration of their process for identifying and responding to the risk of fraud, and any known or suspected instances of fraud or non-compliance with laws and regulations both within the company and any associated service organisations;
- Reading key correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Reviewing relevant meeting minutes including those of the Board of Directors;
- Identifying and testing journal entries, including those posted with unexpected account combinations;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Adam Beasant

Adam Beasant (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
23 April 2021

Statement of Comprehensive Income
For the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Revenue	4	22,488	23,269
Non-recurring administrative costs	5	(1,672)	(797)
Amortisation and impairment	11	(966)	(818)
Other administrative expenses		(15,796)	(16,136)
Administrative expenses		(18,434)	(17,751)
Operating profit before non-recurring administrative costs, amortisation and impairment		6,692	7,133
Non-recurring administrative costs	5	(1,672)	(797)
Amortisation and impairment	11	(966)	(818)
Operating profit		4,054	5,518
Finance income	8	22	52
Finance costs	9	(5)	(16)
Profit before tax		4,071	5,554
Tax on profit	10	(586)	(838)
Profit and total comprehensive income for the year	6	3,485	4,716

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 14 - 34 form part of these financial statements.

Statement of Financial Position
As at 31 December 2020

	Notes	2020 £'000	2019 £'000
ASSETS			
Non-current assets			
Intangible assets	11	9,867	10,835
Property, plant, and equipment	12	551	813
Investments	13	93	93
Deferred tax asset	17	107	337
		10,618	12,078
Current assets			
Current tax asset		582	-
Trade and other receivables	14	8,198	6,451
Cash and cash equivalents	15	7,359	11,122
		16,139	17,573
Total assets		26,757	29,651
LIABILITIES			
Current Liabilities			
Trade and other payables	16	3,160	2,307
Deferred income		5,865	5,998
Lease liabilities		46	456
Current tax liability		-	387
Provisions for liabilities	18	372	553
Deferred consideration		-	214
		9,443	9,915
Non-current Liabilities			
Lease liabilities		29	-
		29	-
Total liabilities		9,472	9,915
Net assets		17,285	19,736
Equity attributable to owners of the parent			
Issued capital	19	11,285	11,285
Equity share based payments	20	1,047	845
Retained earnings		4,953	7,606
Total equity		17,285	19,736

The financial statements on pages 11-34 were approved by the Board of Directors on 23 April 2021 and were signed on its behalf by:

Will Self
Director
Company registration number: 06758825

Statement of Changes in Equity
For the year ended 31 December 2020

	Issued capital £'000	Equity share based payments £'000	Retained earnings £'000	Total equity £'000
At 1 January 2019	11,285	504	6,907	18,696
Profit and total comprehensive income for the year	-	-	4,716	4,716
Share based payments	-	341	-	341
Deferred tax on share based payments	-	-	(17)	(17)
Ordinary dividends paid	-	-	(4,000)	(4,000)
At 31 December 2019	11,285	845	7,606	19,736
Profit and total comprehensive income for the year	-	-	3,485	3,485
Share based payments	-	202	-	202
Deferred tax on share based payments	-	-	(138)	(138)
Ordinary dividends paid	-	-	(6,000)	(6,000)
At 31 December 2020	11,285	1,047	4,953	17,285

1 Corporate information

The Company is a private limited company, limited by shares and incorporated in the United Kingdom and domiciled in England and Wales. The financial statements are presented in pounds sterling, with all values rounded to the nearest thousand pounds except when otherwise indicated.

The nature of the Company's operations and its principal activities are set out in the Strategic Report.

The Company forms part of a wider group of companies (the "Group") whose ultimate parent company is Curtis Banks Group PLC.

2 Significant accounting policies

The following principal accounting policies have been used consistently in the preparation of the financial statements.

Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by financial assets and financial liabilities at fair value through profit or loss and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with the Companies Act 2006.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 *Share-based payment*

b) The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 *Business Combinations*

c) the requirements of IFRS 7 *Financial Instruments: Disclosures*

d) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*

e) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 *Revenue from Contracts with Customers*

f) the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:

   i. paragraph 79(a)(iv) of IAS 1 *Presentation of Financial Statements*

   ii. paragraph 73(e) of IAS 16 *Property, Plant and Equipment*

   iii. paragraph 118(e) of IAS 38 *Intangible Assets*

g) the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 *Presentation of Financial Statements.*

h) the requirements of IAS 7 *Statement of Cash Flows*

i) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*

j) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*

k) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

l) the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of Assets.*

2 Significant accounting policies (continued)

New standards adopted by the Company

No new accounting standards were adopted by the Company during the year ended 31 December 2020.

Going concern

The Company is required to assess whether it has sufficient resources to continue its operations and to meet its commitments for the foreseeable future, and at least 12 months from the date of approval of these financial statements. The directors have prepared the financial statements on a going concern basis, as in their opinion the Company is able to meet its obligations as they fall due. This opinion is based on detailed forecasting for the following 12 months from date of approval based on current and expected market conditions together with current performance levels.

The Directors have also considered the impact of a number of severe but plausible events that could impact the business, such as the COVID-19 pandemic, and are satisfied that this opinion remains unchanged.

Business combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange of control of the acquiree's business, plus any costs directly attributable to the business combination. Any deferred consideration is included as part of the initial fair value, with a corresponding liability being recognised. The acquiree's identifiable assets, liabilities and contingent liabilities that meet conditions for recognition under IFRS 3 Business Combinations are recognised at their fair value at the acquisition date.

Segment reporting

All business arose in the United Kingdom. In the opinion of the directors, the Company operates in a single business segment, being that of administration of personal pension schemes.

Pensions

The Company contributes to defined contribution schemes for the benefit of its employees. Contributions payable are charged to the Statement of Comprehensive Income in the year they are payable.

Research and development

Research expenditure is written off to the Statement of Comprehensive Income in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the Company is expected to benefit.

2 Significant accounting policies (continued)

Revenue recognition

Operating revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activity. Revenue is shown net of value added tax ("VAT"), returns, rebates and discounts and after eliminating sales within the Company. The Company applies the 5 step model under IFRS 15 *Revenue from Contracts with Customers* to recognition of revenue as follows:

- Step 1: Identify the contract(s) with a customer

The Company's customers are deemed to be the underlying SIPP & SSAS members regardless of whether the Company is providing services under a third party administration agreement or direct to its own clients.

- Step 2: Identify the performance obligations in the contract

Performance obligations are understood to be the individual components of SIPP & SSAS administration as detailed on the Company's products' terms and conditions and fee schedules. Annual renewal fees are deemed to comprise multiple individual obligations. However, each of these obligations represents a continuous service over the same annual period and can therefore be viewed collectively as one obligation for the purpose of revenue recognition. Obligations under set up fees and transaction fees are deemed to be short term in nature (three months or less).

- Step 3: Determine the transaction price

The transaction price is deemed to be that shown in the Company's products' terms and conditions and fee schedules against each individual fee item which includes interest turn on client funds. Transaction prices for individual components of the annual renewal fee are not separable as the combined set of obligations represents a continuous service over the same annual period.

- Step 4: Allocate the transaction price to the performance obligations in the contract

The result of judgements made in Step 2 and Step 3 mean that transaction prices are allocated in substance to fee items included in the Company's product's terms and conditions and fee schedules, as these also wholly reflect the individual performance obligations.

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Set up, and initial transaction fees, as well as ad hoc transaction fees are recognised as the work is completed and performance obligations satisfied, net of VAT.

Annual renewal fees are invoiced in advance and recognised, net of VAT, evenly over the year to which they relate, and held as deferred income at the year end where the annual fee period spans multiple accounting periods.

Fees which are received in arrears are accrued over the period in which services are provided and performance obligations are satisfied.

Any interest received in excess of that payable to clients is retained by the Company and is included within revenue. Interest income receivable by the Company is recognised as it accrues.

The timing of satisfaction of performance obligations under contracts with SIPP & SSAS members does not bear any relevance to the typical timing of payment for such services. The typical timing of payment is on or after the related fee invoice is issued.

All brought forward deferred income is recognised in the current year as there are no performance obligations spanning a period of more than twelve months.

2 Significant accounting policies (continued)

Intangible assets - Purchased Client Portfolios

Purchased client portfolios are included in the Statement of Financial Position at cost to the Company less accumulated amortisation and provisions for impairment.

The carrying value of client portfolios is reviewed for impairment if events or circumstances change and indicate that the carrying values may not be recoverable. In this event the values are written down to the recoverable amount. The carrying value of client portfolios is also reviewed for impairment annually at each reporting date.

Client portfolios are amortised on a straight line basis over their estimated useful life of 20 years.

Intangible assets - Computer Software

Computer software is included in the Statement of Financial Position at cost to the Company less accumulated amortisation and provisions for impairment.

The carrying value of computer software is reviewed for impairment if events or circumstances change and indicate that the carrying values may not be recoverable. In this event the values are written down to the recoverable amount. The carrying value of computer software is also reviewed for impairment annually at each reporting date.

Where software costs are separately identifiable and measureable, they are capitalised at cost and amortised on a straight line basis over their expected useful life of 4-5 years.

2 Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are included in the Statement of Financial Position at cost to the Company less accumulated depreciation and provisions for impairment.

The carrying value of property, plant and equipment is reviewed for impairment if events or circumstances change and indicate that the carrying values may not be recoverable. In this event the values are written down to the recoverable amount.

This accounting policy now includes a statement clarifying how right-of-use assets are treated in the Company's financial statements. Right-of-use assets are treated in a consistent manner to other asset types.

Property, plant and equipment is depreciated on a straight line basis at rates sufficient to write off the cost less estimated residual values of individual assets over their estimated useful lives. The depreciation rates for the principal categories of assets are as follows:

Computer equipment	4 years	straight-line
Office equipment, fixtures & fittings	4 years	straight-line
Right of use assets	Expected underlying lease length of between 3 and 4 years	

Non-current asset investments

Non-current asset investments are stated at cost less provision for impairment.

Impairment

The Company reviews the carrying value of its assets at each Statement of Financial Position date to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If the carrying value of its assets is impaired, the carrying value is reduced through a charge to the Statement of Comprehensive Income.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised and initially measured at cost, due to their short term nature, and subsequently measured at amortised cost. All of the Company's trade payables are non-interest bearing.

2 Significant accounting policies (continued)

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, the trade receivables have been grouped based on shared credit risk characteristics and overall credit quality.

Trade receivables are written off when there is no reasonable expectation of recovery.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Share capital

Ordinary shares are classified as equity.

Current and deferred income tax

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax comprises tax payable on current year profits, adjusted for non-tax deductible or non-taxable items, and any adjustments to tax payable in respect of previous years. Current tax is recognised in the Statement of Comprehensive Income unless it relates to items which are recognised in Other Comprehensive Income. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated on differences between the accounting value of assets and liabilities and their respective tax values. Deferred tax is also recognised in respect of unused tax losses to the extent that it is probable that future taxable profits will arise against which the losses can be utilised. Deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in other comprehensive income. Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

Management regularly assess the likelihood that deferred tax assets will be recovered from future taxable income. No deferred tax asset is recognised when Management believe that it is more likely than not that a deferred asset will not be realised.

2 Significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at an appropriate pre-tax discount rate.

Non-recurring costs

Non-recurring costs are classified as such when the nature of the expense is significant and expected to be a 'one-off' business event or activity that does not form part of usual day-to-day operations. Where costs are classified as non-recurring due to their nature, these are described in full within a note to the financial statements.

Leases

Leases of property, plant and equipment are assessed as to whether a right-of-use relationship exists and are classified as property, plant and equipment when this criteria is satisfied. The resulting lease obligations are included in liabilities. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Interest and finance costs associated with lease liabilities on right-of-use assets are expensed to the consolidated statement of comprehensive income within total finance costs.

Assets and liabilities arising from a lease where a right-of-use relation exists are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments, less any lease incentive payments receivable, and include amounts following lease extension options where there is reasonable certainty of extension. There are no other types of payments or variable amounts included. Lease payments are allocated between principal and finance cost. The finance cost is charge to the consolidated statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

Lease payments are discounted using the interest rate implicit in the lease where possible. However, this cannot currently be readily determined for any of the leases that the Company holds in respect of right-of-use assets. The Company therefore uses an incremental borrowing rate similar to what it would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms, security and conditions.

The Company has no short-term leases or low value assets that may be considered as short term leases. All of the Company's leases where a right-of-use relationship exists relate to commercial property assets. The Company has no other classes of right-of-use assets such as equipment or vehicles.

All other leases are classified as operating leases. Rentals payable under operating leases, net of lease incentives, are charged to the consolidated statement of comprehensive income on a straight-line basis over the year of the lease.

2 Significant accounting policies (continued)

Share based payments

Curtis Banks Group PLC, the ultimate parent company, operates several share based payment schemes, under which certain employees in the Curtis Banks Group receive part of their remuneration package for the financial year in the form of options to purchase shares in Curtis Banks Group PLC.

The share options granted become exercisable at varying future dates. If certain conditions are met, following the vesting period, employees will be eligible to exercise their option at an exercise price determined on the date the share options are granted. Assumptions regarding the fair value of Curtis Banks Group PLC's shares and assumptions regarding employee fluctuation are taken into account when measuring the value of share-based payments for employees, which are required to be accounted for in accordance with IFRS 2 Share-based payments.

The resulting staff costs under each share based payment scheme are recognised pro rata in the Statement of Comprehensive Income to reflect the services rendered as consideration during the vesting period.

The fair value of share options granted is determined by applying the Black Scholes model. The model utilises inputs for the risk free rate, expected volatility in share price, dividend yield and the current share price at market value, which are factors determined on the date the share options are granted.

3 Critical accounting estimates and judgements

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 Company 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 Company has made estimates and judgements concerning the future.

There are no critical judgements in the application of accounting policies.

The key sources of estimation uncertainty are disclosed below:

Client portfolios

Client portfolios acquired are amortised over their useful economic life (UEL) which management estimate to be 20 years. This estimated UEL is based upon management's historical experience of similar portfolios and expectation of the future persistency of the portfolio. The reasonableness of this estimated is assessed annually by comparison to actual lapse rates and consideration of factors that may affect it in the future, for example, changes to products.

Additionally, the Company reviews and judges whether acquired client portfolios show any indicators of impairment at least on an annual basis by considering actual versus forecast lapse rates and comparing the carrying value and recoverable amount. An impairment would exist where the recoverable amount determined is less than the carrying value of the asset.

3 Critical accounting estimates and judgements (continued)

Client portfolios (continued)

Assessing recoverable amount through value in use comprises an estimation of future cash flows expected to arise from each client portfolio, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset, together with an estimated rate of attrition for each portfolio. The estimation of future cash flows is derived by taking the current earnings before tax, interest, depreciation and amortisation ("EBITDA") margin of the Company and applying this against forecast revenue from the relevant client portfolio.

One key source of estimation uncertainty is the level of future interest income expected, and in particular the longevity of the current low interest rate environment. Another key source of estimation uncertainty arises from the attrition rates used. The recoverable amount is most sensitive to both of these assumptions.

A 20% increase to the attrition rate assumption would result in no movement in the carrying value of client portfolios. A 40% increase to the attrition rate assumption would result in a cumulative £1k decrease in the carrying value of client portfolios. A 2% decrease in the EBITDA margin assumption would result in no movement in the carrying value of client portfolios. A 4% decrease in the EBITDA margin assumption would result in a cumulative £59k decrease in the carrying value of client portfolios.

IFRS 9 Impairment

The loss allowances for trade and other receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of 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 Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The loss rate is determined by reference to the underlying level of liquidity in each of the Company'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. 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.

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. Changes in macroeconomic factors may impact the Company's clients' use of the SIPP and cause the level of liquidity in the SIPP to increase or decrease. A 10% increase in loss rates estimated at the year end would reduce profit before tax by £345k while a 10% decrease in loss rates estimated at the year end would increase profit before tax by £244k. The Company charges fixed fees for its services reducing its exposure to changes in macroeconomic factors which may otherwise impact a percentage basis point fee charging model.

4 Revenue

Revenue is wholly derived from activities undertaken within the United Kingdom and comprises the following categories:

	2020 £'000	2019 £'000
Fees	17,020	17,521
Interest income	5,468	5,748
	22,488	23,269

5 Non-recurring administrative costs

Non-recurring administrative costs include the following significant items:

	2020 £'000	2019 £'000
Redundancy and restructuring	1,138	432
Costs relating to directorate and senior management changes	-	334
In-specie contributions	274	-
Other acquisition related costs	116	-
Treasury solution implementation	92	-
Data cleansing provision	52	-
Hargreave Hale acquisition costs	-	31
	1,672	797

Redundancy and restructuring
During the year ended 31 December 2020, the Group progressed its strategy to deliver its Target Operating Model and centralise commercial property administration within one office location. Redundancy costs associated with this decision for the Company as well as costs associated with duplicated staff efforts while work is transferred between offices have been included within non-recurring administrative cost.

Costs relating to directorate and senior management changes
During the year ended 31 December 2019, the incumbent Chief Financial Officer of the Group announced he was stepping down from the role and a successor was recruited. An orderly handover of responsibilities took place between the previous Chief Financial Officer and the new Chief Financial Officer. Costs associated with this transitional period incurred during the year ended 31 December 2019, including recruitment costs and costs of associated senior staff changes, have been treated as non-recurring administrative costs.

In-specie contributions
As previously reported, the Group has been in correspondence with HMRC regarding processes and documentation in respect of in specie contributions. HMRC have alleged that incorrect procedures were followed and is seeking to reclaim tax reliefs granted and interest thereon. This is an industry wide issue affecting other SIPP operators and has been challenged by the sector as a whole. Following a favourable ruling for HMRC in a case affecting another SIPP operator, and having taken further legal advice, the Directors now consider it more likely than not that some cost associated with this issue will be incurred by the Group. See provisions note 18 for further detail.

Other acquisition related costs
During the year ended 31 December 2020, the Group incurred some further final costs in relation to deferred consideration payable on the client portfolio acquired from Friends Life Limited in 2015.

Treasury solution implementation
During the year ended 31 December 2020, the Company invested in a new strategic treasury solution with a global provider of back office operational cash management software. The investment is designed to innovate and improve the Company's treasury management function through provision of a system that provides a multibank facility. Costs associated with this investment that did not meet the criteria for capitalisation have been treated as non-recurring cost.

Data cleansing provision
As part of the consolidation and integration exercise undertaken during the year ended 31 December 2018 management initiated a review of data records relating to commercial properties held within SIPPs administered by the Company. A small amount of further cost, over and above amounts previously provided, associated with this process arose during the year ended 31 December 2020.

6 Profit and total comprehensive income for the year

Profit and total comprehensive income for the year is arrived at after:

	2020 £'000	2019 £'000
Charging:		
Amortisation and impairment of intangible assets	966	818
Depreciation of property, plant and equipment	511	546
Auditors remuneration:		
-audit of the annual financial statements of the Company	96	86

7 Employees and directors

	2020 £'000	2019 £'000
Wages and salaries	8,330	9,499
Social security costs	876	822
Other pension costs	556	552
Share based payments	202	341
	9,964	11,214

The above costs exclude redundancy and restructuring costs of £1,138k (2019: £432k) shown separately within note 5.

The monthly average number of employees during the year was:

	2020 £'000	2019 £'000
Directors	9	9
Administration	268	266
	277	275

Details of emoluments (including pension) paid to the directors are as follows:

	2020 £'000	2019 £'000
Total emoluments paid to directors:		
Wages and salaries	601	553
Social security costs	92	68
Post-employment costs	27	29
Share-based incentive awards	71	133
Total directors' compensation	791	783

	2020 £'000	2019 £'000
Highest paid director		
Aggregate emoluments and benefits of highest paid director	89	89
Company pension contributions to money purchase schemes	6	6

All employees and directors' contracts of service (with the exception of the non-executive directors of the ultimate parent company, Curtis Banks Group PLC) are with either Curtis Banks Limited or Suffolk Life Pensions Limited. The employees and directors' remuneration expenses are included in the Statement of Comprehensive Income of the respective company with which their contract of service exists.

During the year ended 31 December 2020, 7 directors (2019: nil) including the highest paid director exercised options under Long Term Incentive Plan share based payment schemes.

7 Employees and directors (continued)

The above disclosure reflects the proportional value of services received from the directors by Curtis Banks Limited. The ultimate parent company discloses the full consolidated remuneration for each of these directors in its consolidated financial statements. Short term employee benefits include wages and salaries. Long term employee benefits include share-based incentive awards.

8 Finance income

	2020 £'000	2019 £'000
Interest income	22	52
	22	52

9 Finance costs

	2020 £'000	2019 £'000
Interest and finance costs on lease liabilities	5	16
	5	16

10 Tax on profit

	2020 £'000	2019 £'000
UK Corporation tax		
Current tax	374	854
Under provision in prior years	117	21
	491	875
Deferred tax		
Origination and reversal of temporary differences	95	(37)
	95	(37)
Total tax	586	838
Factors affecting the tax charge for the year		
Profit before tax	4,071	5,554
Profit before tax multiplied by standard rate of UK Corporation tax of 19.00% (2019: 19.00%)	773	1,055
Effects of:		
Group relief surrendered	(246)	(119)
Adjustment in respect of prior years	117	21
Non-deductible expenses	1	9
Other tax adjustments	(59)	(128)
Total tax charge	586	838

The 2020 Budget announced that UK Corporation Tax would remain at 19% from 1 April 2020 rather than reduced to 17% as originally planned in the 2016 Budget. Following the most recent post year end budget announcement, the rate is expected to remain at 19% before rising to 25% on 1 April 2023.

11 Intangible assets

	Development costs £'000	Purchased Client Portfolios £'000	Computer software £'000	Total £'000
Cost				
At 1 January 2019	152	15,070	456	15,678
Additions	-	-	84	84
Disposals	-	(1)	-	(1)
At 1 January 2020	152	15,069	540	15,761
Additions	-	-	-	-
Disposals	-	-	(2)	(2)
At 31 December 2020	152	15,069	538	15,759
Accumulated Amortisation				
At 1 January 2019	(152)	(3,676)	(280)	(4,108)
Charge for the year	-	(751)	(67)	(818)
At 1 January 2020	(152)	(4,427)	(347)	(4,926)
Impairment in the year	-	(152)	-	(152)
Charge for the year	-	(749)	(65)	(814)
At 31 December 2020	(152)	(5,328)	(412)	(5,892)
Net book value				
31 December 2018	-	11,394	176	11,570
31 December 2019	-	10,642	193	10,835
31 December 2020	-	9,741	126	9,867

Development Costs

Development costs represent costs incurred for the development of new SIPP products. Amortisation is provided as products are released to the market. The costs are being amortised over their useful economic life of four years on a straight-line basis.

Client Portfolio acquisitions

Client portfolios represent individual client portfolios acquired through business combinations and accounted for under the acquisition method. The client portfolios are being amortised over a period of 20 years. Impairment charges totalling £152,000 against the intangible asset relating to client portfolios have been recognised during the year (2019: £nil). This relates to changes in the estimate of future cash flows expected on these assets over their remaining useful economic lives owing to increased uncertainty over the longevity of the current low interest rate environment.

The brought forward balance relates to the purchase of the trade and assets of Montpelier Pension Administration Services Limited on 13 May 2011, the full SIPP business of Alliance Trust Savings Limited on 18 January 2013, the full SIPP business and certain assets of Pointon York SIPP Solutions Limited on 31 October 2014, the full SIPP business of Rathbones Pension & Advisory Services Limited on 31 December 2014, a book of full SIPPs from Friends Life Limited on 13 March 2015 and a book of 578 SIPPs from Hargreave Hale Limited in 2018. These acquisitions have been accounted for under the acquisition method of accounting as per IAS27.

11 Intangible assets (continued)

Computer Software

Computer software contains costs that meet the recognition criteria under IAS 38 as Intangible Assets. General small computer software costs are amortised over their useful economic life of four years on a straight-line basis. Computer software costs for significant projects are amortised over an estimated UEL on a project by project basis.

12 Property, plant, and equipment

	Right of Use Assets £'000	Computer equipment £'000	Office equipment, fixtures, and fittings £'000	Total £'000
Cost				
At 1 January 2019	-	1,866	366	2,232
Arising on transition to IFRS 16	589	-	-	589
Additions	-	109	26	135
At 1 January 2020	589	1,975	392	2,956
Additions	-	249	-	249
At 31 December 2020	589	2,224	392	3,205
Accumulated Depreciation				
At 1 January 2019	-	(1,389)	(208)	(1,597)
Charge for the year	(244)	(229)	(73)	(546)
At 1 January 2020	(244)	(1,618)	(281)	(2,143)
Charge for the year	(245)	(206)	(60)	(511)
At 31 December 2020	(489)	(1,824)	(341)	(2,654)
Net book value				
31 December 2018	-	477	157	634
31 December 2019	345	357	111	813
31 December 2020	100	400	51	551

13 Investments

	Shares in group undertakings £'000	Total £'000
Cost		
At 1 January 2019	93	93
At 1 January 2020	93	93
At 31 December 2020	93	93
Net book value		
At 31 December 2018	93	93
At 31 December 2019	93	93
At 31 December 2020	93	93

The directors are satisfied that no impairment has occurred in the carrying value of the non-current asset investments at 31 December 2020.

Name of entity	Registered Office Address	Principal activity	Country of Incorporation	% of Ordinary Shares held by Company
CB 2019 Limited	A	Dormant	England and Wales	90
Colston Trustees Limited	A	Dormant	England and Wales	100
Montpelier Pension Trustees Limited	A	Dormant	England and Wales	100
Tower Pension Trustees Limited	A	Dormant	Scotland	100
SPS Trustees Limited	A	Dormant	England and Wales	100
Crescent Trustees Limited	A	Dormant	England and Wales	100
Tower Pension (S-B) Trustees Limited	B	Dormant	England and Wales	100
Bridgewater Pension Trustees Limited	A	Non-Trading	England and Wales	100
Temple Quay Pension Trustees Limited	A	Dormant	England and Wales	100

The registered office address indicator included in the table above reflects the following current registered offices for each company:

(A) 3 Temple Quay, Temple Back East, Bristol, BS1 6DZ

(B) Suite 3, West Port House, 144 West Marketgait, Dundee, DD1 1NJ

14 Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables	4,413	3,766
Other receivables	1,503	755
Prepayments and accrued income	2,665	2,243
Loss allowance	(935)	(579)
Amounts owed by group undertakings	552	266
	8,198	6,451

Trade receivables are amounts due from customers for services performed in the normal course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of the consideration due. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Information about the Company's impairment policies is provided in note 2 to the financial statements.

Due to the short term nature of the trade receivables, their carrying amount is considered to be the same as their fair value.

15 Cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	7,359	11,122
	7,359	11,122

16 Trade and other payables

	2020 £'000	2019 £'000
Trade payables	39	113
Amounts owed to group undertakings	1,056	129
Taxes and social security cost	270	603
Other payables	113	142
Accruals	1,682	1,320
	3,160	2,307

17 Deferred tax asset

As a result of the taxation position set out in note 10, a deferred tax asset has arisen as follows:

	2020 £'000	2019 £'000
Deferred tax on temporary differences	330	316
Non-trade tax losses available throughout the year	7	7
Brought forward asset	337	323
Net change in temporary differences on equity share based payments	(232)	47
Net change in temporary differences on plant and equipment	2	(33)
Total movement in deferred tax asset	(230)	14
Deferred tax on temporary differences	100	330
Non-trade tax losses available throughout the year	7	7
Carried forward asset	107	337

The deferred tax asset with respect to temporary differences is analysed as follows:

	2020 £'000	2019 £'000
Temporary differences on equity share based payments	175	407
Temporary differences on plant and equipment	(75)	(77)
	100	330

18 Provisions for liabilities

Provisions	In-Specie contributions provision £'000	Other provision £'000	Restructuring provision £'000	Total £'000
Balance as at 1 January 2019	-	500	-	500
Amounts introduced	-	-	307	307
Amounts utilised	-	(254)	-	(254)
Balance as at 31 December 2019	-	246	307	553
Amounts introduced	274	-	-	274
Amounts utilised	-	(238)	(170)	(408)
Amounts written back unused	-	(8)	(39)	(47)
Balance as at 31 December 2020	274	-	98	372

Other provision

As part of the consolidation and integration exercise undertaken during the year ended 31 December 2018 management initiated a review of data records relating to commercial properties held within SIPPs administered by the Company. A provision arose on costs associated with this of £500,000. Additionally, a contingent liability has arisen as disclosed within note 23 to the financial statements.

As at 31 December 2019, the Company had completed its review enabling identification of the total number of commercial properties potentially requiring remediation. £254,000 was utilised during the year ended 31 December 2019 and a further £238,000 was utilised during the year ended 31 December 2020, with the remaining £8,000 written back unused.

As at 31 December 2020, 100% of the original provision had been utilised, and there were no material variances to the estimate of future remaining direct costs the Company may have to bear.

Restructuring provision

During the year ended 31 December 2019, the wider Group progressed its strategy to deliver its Target Operating Model by deciding to centralise commercial property administration within one office location. Redundancy costs associated with this decision for the Company are included as amounts utilised and amounts written back unused to the restructuring provision for the current year.

In-specie provision

The wider Group has been in correspondence with HMRC regarding processes and documentation in respect of in specie contributions. HMRC have alleged that incorrect procedures were followed and is seeking to reclaim tax reliefs granted and interest thereon. This is an industry wide issue affecting other SIPP operators and has been challenged by the sector as a whole. Following a favourable ruling for HMRC in a case affecting another SIPP operator, and having taken further legal advice, the Directors now consider it more likely than not that some cost associated with this issue will be incurred by the Group and Company.

The total exposure for affected clients is estimated at £825k inclusive of interest. However, in recognition of the possibility that some clients may have insufficient assets to settle their share of the cost, the Company has recognised a provision of £274k and treated this amount as a non-recurring administrative cost during the year ended 31 December 2020.

19 Issued capital

	2020 £'000	2019 £'000
Allotted, issued, and fully paid		
11,285,000 (2019: 11,285,000) Ordinary shares of £1 each	11,285	11,285
	11,285	11,285

There is one class of ordinary shares. The ordinary shares rank equally for voting purposes. On a show of hands each member shall have one vote and on a poll each member shall have one vote per share held. Each ordinary share ranks equally for any dividend declared and rank equally for any distribution made on a winding up.

20 Equity share based payments

Curtis Banks Group PLC, the ultimate parent company, seeks to facilitate equity ownership by employees of the Company through schemes that encourage and assist the purchase of shares in Curtis Banks Group PLC.

The Group operates several share option and share award plans. Employees of the Company participate in the Save As You Earn scheme ("SAYE"), the Long Term Incentive Plan ("LTIP"), the Company Share Option Plan scheme ("CSOP") and the Executive Bonus Scheme ("EBS"). Awards granted under these schemes vest over periods of 3-4 years.

The weighted average exercise price of all options outstanding at 31 December 2020 was 158.73p (2019: 87.12p).

The following table reflects further information about share options outstanding as at the end of the year:

Scheme Name	Exercise Price	Latest Exercise Date
EMI Share Option Scheme	62.54p	8 April 2025
SAYE Share Option Scheme 2017	213.60p	1 February 2021
SAYE Share Option Scheme 2018	268.80p	1 February 2022
SAYE Share Option Scheme 2019	244.80p	1 February 2023
SAYE Share Option Scheme 2020	212.80p	1 February 2024
LTIP Long Term Incentive Plan Scheme 2018	0.00p	18 September 2028
LTIP Long Term Incentive Plan Scheme 2020A	217.00p	14 September 2030
LTIP Long Term Incentive Plan Scheme 2020B	217.00p	14 September 2030
Executive Bonus Scheme 2020	0.00p	8 April 2030
Company Share Option Plan 2020	217.00p	8 April 2030

21 Pension costs - defined contribution

	2020 £'000	2019 £'000
Contributions payable by the Company for the year	556	552

22 Dividends

	2020 £'000	2019 £'000
Ordinary share dividends paid	6,000	4,000
	6,000	4,000

The dividends paid were 53.17 pence per share (2019: 35.45 pence per share).

23 Contingent liabilities

Data cleansing

During the year ended 31 December 2018 management initiated a review of data records related to properties held within SIPPs administered by the Group.

This review required a case by case assessment of each of the properties within the population in order to assess whether any remedial action was required by the Group in respect of that property or the associated SIPP.

The Directors' best estimate of this contingent liability is £1.4m (31 December 2019: £2.3m). The decrease in estimate has arisen following a reduction in the total value of cases remaining.

There remain inherent uncertainties in the estimate due to the potential for variations in the assumed action required to rectify individual positions. This estimate continues to be reviewed regularly, and any changes or refinements will be reported as appropriate. The Directors currently expect that, with COVID-19 related working limitations and also additional forbearance having been permitted in connection with the COVID-19 pandemic, any potential material follow up actions will be completed by 2021.

24 Related parties

At the year end, Curtis Banks Investment Management Limited, a subsidiary of the Company, owed £74,287 to the Company (2019: £74,287) arising as a result of expenses recharged by either party. The total amount of expenses recharged by Curtis Banks Limited in the year amounted to £97,000 (2019: £63,327). During the year ended 31 December 2020 the company received an ordinary dividend of £nil from Curtis Banks Investment Management Limited (2019: £nil).

At the year end, the Company was due £344,000 (2019: £167,593) from Curtis Banks Group PLC, the ultimate parent company. This relates to expenses paid by the Company on behalf of Curtis Banks Group PLC. The total amount of expenses recharged by Curtis Banks Limited in the year amounted to £72,000 (2019: £141,007).

During the year, the Company paid £45,513 (2019: £50,000) gross emoluments to Chris Banks, a strategic advisor and significant shareholder of Curtis Banks Group PLC during the year.

Under a service agreement, Suffolk Life Pensions Limited, a fellow group company, provides an administration service to the Company for administration of properties within pension products. The agreement specifies the amounts payable to Suffolk Life Pensions Limited in respect of administration expenses. The amount of this service charge during the year ended 31 December 2020 was £567k (2019: £nil) and, along with an obligation assumed for future servicing, amounts totalling £885k as at 31 December 2020 (2019: £nil) were owed to Suffolk Life Pensions Limited.

25 Control

The Company is a wholly owned subsidiary of Curtis Banks Group PLC a company incorporated in United Kingdom and domiciled in England and Wales and is included in the consolidated financial statements of Curtis Banks Group PLC which are available on the Group website, www.curtisbanks.co.uk or from the Company Secretary at the Registered Office, 3 Temple Quay, Bristol, BS1 6DZ. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.