Registered number: 07225997

SRC TRANSATLANTIC LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

SRC TRANSATLANTIC LIMITED

COMPANY INFORMATION

Directors	Donald Francis Gayhardt (Chairman) *Julian Graham-Rack (Chief Executive Officer)* Philip John Anderson (Chief Financial Officer) William Baker (appointed 4 February 2016) Eugene Marvin Thomas IV (appointed 7 April 2016)
Registered number	07225997
Registered office	First Floor 30 - 34 Hounds Gate Nottingham Nottinghamshire NG1 7AB
Independent auditors	Grant Thornton UK LLP Statutory Auditor, Chartered Accountants 30 Finsbury Square London EC2P 2YU
Bankers	Barclays Bank plc 10 Market Street Bradford West Yorkshire BD1 1EG
Solicitors	Shulmans LLP 10 Wellington Place Leeds West Yorkshire LS1 4AP

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

This Strategic Report for SRC Transatlantic Limited (the Group) has been prepared in the year when the Group received full authorisation from the Financial Conduct Authority (FCA) – 20 February 2016. The year has been one of consolidation when the new management team sought to embed many of the policies and procedures adopted in the previous year and introduce two new variants of the High Cost Short Term Loan (HCSTL).

Business review

UK Regulation

On 1 April 2014, the FCA assumed responsibility for regulating consumer credit from the Office of Fair Trading (OFT) as required under the 2012 Financial Services Act. Firms operating with consumer credit licences, issued by the OFT, were granted Interim Permission by the FCA until they were granted Full Authorisation. In the case of the Group this process took a year with Full Authorisation being granted on 20 February 2016.

On 2 January 2015, the FCA implemented a cap on the price of High Cost Short Term Credit (HCSTC) which included three components:

- an initial cost cap of 0.8% per day of the outstanding principal;
- a single default fee fixed at £15; and
- the cost of the credit cap of 100% of the total amount borrowed applying to all interest, fees, and charges.

HCSTC is defined as any unsecured credit product with an APR of over 100% which must be repaid, substantially within 12 months.

Market Structure

Customers in the non standard market typically fail to meet high street financial institution lending requirements for a number of different reasons. A loan applicant may be credit impaired; they might be self employed; their income may be too low; or they may not like the typical mainstream approach.

It is estimated that approximately 12 million adults in the UK do not meet credit requirements set by mainstream financial institutions or choose not to borrow from them. Many of these adults are able to service debt when products are tailored to meet their particular circumstances.

Following the financial crisis as far back as 2008, mainstream banks and lenders have continued to exclude this sector and the market now comprises, mainly, specialist businesses and entrepreneurial start-ups. The combination of a lack of mainstream financing and increased expertise required by new regulation presents an exciting opportunity for an experienced management team backed by a well-funded and sector-experienced parent company.

Results

The post tax loss of £24,188,000 for the financial year ended 31 December 2016 against a post tax loss of £26,546,000 for the same period in 2015 include parent company charges and foreign exchange movements on a group loan. When these items, amortisation, store closure costs, and other items listed in note 6, are eliminated management operational losses of £5,125,000 for the financial year ended 31 December 2016 show a significant turaround on losses of £10,150,000 reported for the same period in 2015. Improvements have arisen in several areas:

- Where the Group carried out a number of initiatives in 2015 to provide comfort to the FCA that it was operating on or above its Threshold Conditions. These initiatives have not been required in 2016 and consequently the cost base has reduced;
- Improvements in credit risk scoring has led to improvements in the gross margin;
- Introduced two new instalment HCSTLs; and
- *Changes to the operational model have led to improvements in the cost base.*

Board

The Board of SRC Transatlantic Limited includes some of the most knowledgeable and experienced professionals in the sector. The Board brings together the blend of experience of non standard consumer finance, digital marketing and regulated financial services.

Outlook

Having established the foundations upon which the Group will grow, with responsible lending at its heart, in 2015 the management team have modified the strategic business model and continued to embed many of the policies and procedures in 2016. In addition to these initiatives in 2016, the management team have developed plans to introduce additional product lines beyond HCSTL that will further extend the product range in the non-standard consumer credit market. Together with the backing of a strong and experienced parent company the future provides significant opportunities.

Financial and other key performance indicators

The key financial and other performance indicators for the Group during the year were as follows:

- Management operating loss: £5,125,000 *(2015 - £10,150,000)*
- Customer loan balances: £8,227,000 *(2015 - £7,510,000)*
- Gross profit margin: 43.15% *(2015 - 33.34%)*
- Net profit/(loss) margin: (97.28)% *(2015 - (74.54)%)*
- Average number of employees: 303 *(2015 - 432)*

Principal risks and uncertainties

Risk	*Definition*	*Detail*	*Mitigation*
Conduct risk	The risk of poor customer outcomes due to:	• Failing to assess affordability. • Failing to identify vulnerable customers. • Failure to show forbearance when customers struggle with repayment. • Offering inappropriate products.	• Agent and staff training in place. • Applications of appropriate affordability assessment and independent checking of system algorithms. • Comprehensive internal Quality Assurance program in place. • Comprehensive policies and procedures in place relating to vulnerable customers.
Regulatory risk	The risk of loss to the Company due to changes in regulation and/or compliance with relevant regulations.	• Regulator sanctions. • Restrictions on activities or product features.	• Advice from market leading regulatory advisers. • In-house compliance team with many years experience of regulated financial services. • Independent review by parent company Risk Committee.
Credit risk	The risk of losses due to higher than expected default due to:	• Poor understanding of loans. • Macroeconomic changes to lending environment. • Extension to product suite.	• Best in class credit risk team with many years relevant experience in credit risk. • Detailed daily, weekly and monthly management information on credit performance. • Ongoing development of credit decisioning process.
Business risk	The risk of loss from the failure of the Company's strategy or management action due to:	• Increase complaints costs. • Management over-stretch. • Competition.	• Board members review delivery of executive actions on a bi-monthly basis. • The management team monitor direct and indirect competitors on a regular basis.

Principal risks and uncertainties *(continued)*

Risk	*Definition*	*Detail*	*Mitigation*
Operational risk	The risk of loss resulting from:	• IT systems failure. • Failure to retain key people.	• The company ensures that IT policies and procedures are in place to minimise risks to IT systems. • IT development led by the UK. • The Company has UK-based disaster recovery plans in place.
Liquidity risk	The risk that the Company may not be able to meet its obligations as they fall due as a result of:	• The inability of its parent company to provide suitable funds. • The failure to renew or replace existing debt facilities as they become payable.	• The Company's short term loans to customers provide a natural maturity hedge. • The Company carries out monthly cash flow forecasts to ensure suitable liquidity and solvency.

This report was approved by the board on 12 April 2017 and signed on its behalf.

Philip John Anderson (Chief Financial Officer)
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the Group is the provision of; short term cash advance loans; cheque cashing services; retail foreign currency exchange facilities; and gold purchasing. SRC Transatlantic Limited provides these services to individuals through a UK based stores network under the brand name Speedy Cash. CURO Transatlantic Limited (formerly, Wage Day Advance Limited) provides short term cash advance loans to individuals by way of the internet or over the phone and operates under the brand name Wage Day Advance.

In the year the Group had three loan products; the Wage Day Advance loan (a short term loan); the FlexAdvance loan (a loan that could be repaid over 18 months, but which was no longer made available in 2015); and the Advance Plus loan (a loan repayable by individuals in periods up to 6 months). The two products made available in 2015 operate within the price cap for HCSTC set by the FCA.

Results and dividends

The loss for the year, after taxation, amounted to £24,188,000 *(2015 - loss £26,546,000.*

There were no dividends paid in the year under review (2016 - £NIL).

The Directors do not recommend a dividend.

Directors

The Directors who served during the year were:

Donald Francis Gayhardt (Chairman)
Julian Graham-Rack (Chief Executive Officer)
Philip John Anderson (Chief Financial Officer)
William Baker (appointed 4 February 2016)
Eugene Marvin Thomas IV (appointed 7 April 2016)
Timothy Morgan Trailor (resigned 11 October 2016)
Michael Charles (resigned 26 January 2016)
Philip Lawrence Mazzini (resigned 4 February 2016)

Political contributions

The Company made no political donations and incurred no political expenditure during the year *(2015* - £NIL).
The Company made no charitable donations *(2015* - £NIL).

Future developments

The Group operates in the sub-prime and near-prime consumer credit markets and works very closely with its ultimate parent company to develop new suitable and affordable products for its target customer base. In 2017 the Group expect to introduce new innovate products that allow their target market access to lines of credit whilst continuing to lend responsibly.

Financial instruments

Details of financial risk management are set out in the Principal risks and uncertainties section of the Strategic Report on pages 3-4 under the headings "Credit risk" and "Liquidity risk".

Research and development activities

Research and Development was carried out throughout the year in relation to product development.

Employee involvement

The Group operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year, the policy of providing employees with information about the group has been continued through the 'The Hub' and our internal communication email. Employees are encouraged to present their suggestions and views on the Group's performance through the 'Was that fair?' employee suggestion scheme. The CEO is present during quarterly store management meetings and facilitates regular 'Ops Natters' in our call centres to provide an open forum for discussion. Employees are also encouraged to discuss issues with local management to allow a free flow of information and ideas.

Disabled employees

It is the Group's policy to treat all workers and job applicants equally and fairly irrespective of their sex, marital status, civil partnership status, trans-gender status, sexual orientation, race, colour, nationality, ethnic origin, national origin, culture, religion, age, or disability ("protected characteristics" as per the Equality Act 2010).

The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

The abilities of disabled people are recognised and valued at all levels of the organisation through:

- focusing on what people can do rather than on what they cannot;
- challenging stereotypes about people with disabilities; and
- making appropriate adjustments in the workplace to help people with disabilities achieve their full career potential.

Where existing employees become disabled, it is the Group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 12 April 2017 and signed on its behalf.

Philip John Anderson (Chief Financial Officer)
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SRC TRANSATLANTIC LIMITED

Grant Thornton

We have audited the financial statements of SRC Transatlantic Limited for the year ended 31 December 2016, which comprise the consolidated statement of comprehensive income, the consolidated and company statements of changes in equity, the consolidated and company statements of financial position, the consolidated statement of cashflows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2016 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SRC TRANSATLANTIC LIMITED

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Grant Thornton UK LLP

William Pointon (Senior Statutory Auditor)

for and on behalf of
Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

12 April 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £000	2015 £000
Turnover	4	24,867	35,614
Cost of sales		(14,137)	(23,741)
Gross profit		10,730	11,873
Administrative expenses		(26,436)	(35,822)
Operating loss		(15,706)	(23,949)
Interest receivable and similar income	9	20	26
Interest payable and expenses	10	(843)	(712)
Foreign exchange loss		(7,680)	(1,991)
Loss before taxation		(24,209)	(26,626)
Tax on loss	11	21	80
Loss for the year		(24,188)	(26,546)
Total comprehensive income for the year		(24,188)	(26,546)
(Loss) for the year attributable to:			
Owners of the parent Company		(24,188)	(26,546)
		(24,188)	(26,546)
Total comprehensive income for the year attributable to:			
Owners of the parent Company		(24,188)	(26,546)
		(24,188)	(26,546)

The notes on pages 18 to 43 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note		2016 £000		2015 £000
Fixed assets					
Intangible assets	12		8,210		15,778
Tangible assets	13		2,314		2,930
			10,524		18,708
Current assets					
Stocks	15	19		30	
Debtors: amounts falling due within one year	16	10,132		9,418	
Cash at bank and in hand	17	12,176		14,135	
		22,327		23,583	
Creditors: amounts falling due within one year	18	(21,605)		(40,023)	
Net current assets/(liabilities)			722		(16,440)
Total assets less current liabilities			11,246		2,268
Creditors: amounts falling due after more than one year	19		(245)		(368)
Provisions for liabilities					
Other provisions	8,22	(1,045)		(1,756)	
			(1,045)		(1,756)
Net assets			9,956		144

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016

	Note	2016 £000	*2015* *£000*
Capital and reserves			
Called up share capital	23	**92,400**	*58,400*
Profit And Loss Account		**(82,444)**	*(58,256)*
Equity attributable to owners of the parent Company		**9,956**	*144*
		9,956	*144*

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £13,581,000 (2015 - £11,291,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 April 2017.

Philip John Anderson (Chief Financial Officer)
Director

The notes on pages 18 to 43 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note		2016 £000		2015 £000
As restated					
Fixed assets					
Intangible assets	12		-		3
Tangible assets	13		1,507		1,874
Investments	14		51,425		51,425
			52,932		53,302
Current assets					
Stocks	15	19		30	
Debtors: amounts falling due within one year	16	1,544		2,913	
Cash at bank and in hand	17	3,481		3,249	
		5,044		6,192	
Creditors: amounts falling due within one year	18	(15,985)		(36,939)	
Net current liabilities			(10,941)		(30,747)
Total assets less current liabilities			41,991		22,555
Creditors: amounts falling due after more than one year	19		(135)		(368)
Provisions for liabilities					
Other provisions	22	(588)		(1,338)	
			(588)		(1,338)
Net assets			41,268		20,849
Capital and reserves					
Called up share capital	23		92,400		58,400
Profit And Loss Account			(51,132)		(37,551)
			41,268		20,849

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 April 2017.

Philip John Anderson (Chief Financial Officer)
Director

The notes on pages 18 to 43 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£000	£000	£000	£000
At 1 January 2015	58,400	(31,710)	26,690	26,690
Comprehensive income for the year				
Loss for the year	-	(26,546)	(26,546)	(26,546)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	(26,546)	(26,546)	(26,546)
Total transactions with owners	-	-	-	-
At 1 January 2016	58,400	(58,256)	144	144
Comprehensive income for the year				
Loss for the year	-	(24,188)	(24,188)	(24,188)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	(24,188)	(24,188)	(24,188)
Shares issued during the year	34,000	-	34,000	34,000
Total transactions with owners	34,000	-	34,000	34,000
At 31 December 2016	92,400	(82,444)	9,956	9,956

The notes on pages 18 to 43 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2015	58,400	(26,260)	32,140
Comprehensive income for the year			
Loss for the year	-	(11,291)	(11,291)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(11,291)	(11,291)
Total transactions with owners	-	-	-
At 1 January 2016	58,400	(37,551)	20,849
Comprehensive income for the year			
Loss for the year	-	(13,581)	(13,581)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(13,581)	(13,581)
Contributions by and distributions to owners			
Shares issued during the year	34,000	-	34,000
Total transactions with owners	34,000	-	34,000
At 31 December 2016	92,400	(51,132)	41,268

The notes on pages 18 to 43 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £000	*As restated* *2015* *£000*
Cash flows from operating activities		
Loss for the financial year	**(24,188)**	*(26,546)*
Adjustments for:		
Amortisation of intangible assets	**7,576**	*7,575*
Depreciation of tangible assets	**646**	*964*
Loss on disposal of tangible assets	**-**	*1,510*
Interest received	**(20)**	*(30)*
Taxation charge	**(21)**	*(80)*
Decrease in stocks	**9**	*48*
(Increase)/decrease in debtors	**(691)**	*3,410*
Increase/(decrease) in creditors	**240**	*(480)*
Increase in amounts owed to groups	**10,118**	*5,094*
(Decrease)/increase in provisions	**(711)**	*642*
Net cash generated from operating activities	**(7,042)**	*(7,893)*
Cash flows from investing activities		
Purchase of intangible fixed assets	**(7)**	*-*
Purchase of tangible fixed assets	**(30)**	*(105)*
Interest received	**20**	*30*
Net cash from investing activities	**(17)**	*(75)*
Cash flows from financing activities		
New loans from group companies	**5,100**	*-*
Net cash used in financing activities	**5,100**	*-*
Net (decrease) in cash and cash equivalents	**(1,959)**	*(7,968)*
Cash and cash equivalents at beginning of year	**14,135**	*22,103*
Cash and cash equivalents at the end of year	**12,176**	*14,135*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**12,176**	*14,135*
	12,176	*14,135*

The notes on pages 18 to 43 form part of these financial statements.

Cash at bank and in hand at the beginning and end of year in the prior period are restated due to the reclassification of a restricted deposit of £100,000 from debtors.

1. General information

SRC Transatlantic Limited (the Company) is a private company limited by shares and is incorporated in England. The address of its registered office is First Floor, 30-34 Hounds Gate, Nottingham, NG1 7AB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, (the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies (set out in 2.2 to 2.15) have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Income and Retained Earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102.

2.3 Going concern

The Group meets its day-to-day working capital requirements through its retained cash and inter-company financing. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquires, the Directors have reasonable expectations that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors have received confirmation from the ultimate parent company that it will continue to provide financial support if required, for the foreseeable future. The Group therefore continues to adopt the going concern basis of preparation in preparing its financial statements.

2. Accounting policies (continued)

2.4 Revenue

Interest income from customer loan balances is recognised in the Statement of Comprehensive Income, presented under Turnover, using the effective interest method. The effective interest method recognises income on an accrued daily interest basis.

Default fees and interest are charged to customers on the WageDayAdvance loan product when they fail to make a repayment within an agreed loan period. Default fees and interest are recognised as revenue when these amounts are recovered.

Retail foreign currency exchange revenue represents the gross profit earned which is recognised at the point the transaction is fully settled by the customer.

Cheque cashing revenue represents fees earned which are recognised at the date the transaction takes place.

Other interest income is recognised in the Statement of Comprehensive Income, presented under interest income, using the effective interest method.

Retail foreign currency, cheque cashing revenue and other interest income are designated in aggregate as "Other Revenue" in Note 4.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life, which is five years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures and fittings	- 7 years
Office equipment	- 5 - 10 years
Computer equipment	- 5 years
Other fixed assets	- lesser of 15 years or term of lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2. Accounting policies (continued)

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.10 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. Due to the short term nature of the Company's loan products, the effective interest is equal to the interest charged to the customer.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in Statement of Comprehensive Income. For customer loan balances the impairment loss is recognised in Cost of sales.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in Profit or Loss. For customer loan balances the impairment reversal is recognised in Cost of sales.

Financial assets are derecognised when:

- the contractual rights to the cash flows from the asset expire or are settled; or
- substantially all the risks and rewards of ownership of the asset are transferred to another party; or
- despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third part without imposing additional restrictions; or
- the Group no longer expects any future cash flows from the customer.

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Financial liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest method.

Trade payables are obligations to pay for goods and 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.14 Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. These estimates and judgements are continually evaluated and are based upon historical experience and other factors.

The main areas where estimates and judgements are applied is:

- In the amortisation and impairment of customer loan balances. The estimation of bad debt requires the combination of assumptions including indicators of impairment and financial difficulties of the borrower, revenue, volumes, sales mix and customer relending and attrition rates; and

- In the impairment of intangible assets and goodwill. The Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGSUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate net present value of those cash flows.

4. Turnover

An analysis of turnover for the Group, wholly sourced from the United Kingdom, by product class is as follows:

	2016 £000	2015 £000
Wage Day Advance loan	**17,014**	*22,122*
Advance Plus loan	**7,151**	*60*
FlexAdvance loan	**166**	*12,445*
Other fees	**537**	*987*
	24,868	*35,614*

Other fees consist of cheque cashing services, retail foreign currency exchange facilities and gold purchasing.

5. Operating profit/(loss)

Operating profit/(loss) for the Group is stated after charging:

	Note		2016 £000		*As restated* *2015* *£000*
Staff costs, including Directors' remuneration			**9,705**		*12,137*
Bad debt write-offs			**7,868**		*14,462*
Depreciation of tangible fixed assets	13		**646**		*964*
Amortisation of intangible assets, including goodwill	12		**7,576**		*7,575*
Operating lease expense			**1,134**		*1,603*
Store closure costs			**755**		*2,863*
Restructuring costs			**130**		*-*
Fees payable to the Group's auditor for:					
The auditing of accounts of the Group pursuant to legislation		**48**		*56*	
The auditing of the accounts of the subsidiary		**48**		*45*	
Other services relating to taxation		**18**		*14*	
Other services		**92**		*-*	
Total fees payable to the Group's auditor			**206**		*115*

Staff costs are restated to include £247,000 of redundancy payments in 2015.

6. Management operating profit/(loss)

		2016 £000		2015 £000
Loss before tax		(24,210)		(26,626)
Intercompany expense				
Intercompany charges and royalties	1,336		2,008	
Irrecoverable VAT on intercompany charges and royalties	270		389	
Interest payable on intercompany balances	843		712	
Foreign exchange loss on intercompany balances	7,680		1,991	
Total intercompany expense	10,129		5,100	
Loss before tax and intercompany expense		(14,081)		(21,526)
Other interest, depreciation, amortisation and exceptionals				
Other interest receivable and similar income	(20)		(26)	
Depreciation of tangible fixed assets	646		964	
Amortisation of intangible assets, including goodwill	7,576		7,575	
Store closure costs	755		2,863	
Total other interest, depreciation, amortisation and exceptionals	8,957		11,376	
Management operating profit/(loss)		(5,124)		(10,150)

Management operating profit/(loss) excludes intercompany related expense associated with CURO Management, LCC (formerly Tiger Financial Management, LLC), a wholly owned subsidiaries of the ultimate parent company, CURO Group Holdings Corp (formerly Speedy Group Holdings Corp). Depreciation, amortisation, other interest income and expense and store closure expense is also excluded to arrive at an earnings before interest, tax, depreciation and amortisation (EBITDA) adjusted for CURO Management, LCC and store closure expense.

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2016 £000	*Group As restated 2015 £000*	Company 2016 £000	*Company As restated 2015 £000*
Wages and salaries	8,683	*10,981*	1,878	*5,779*
Social security costs	854	*983*	198	*490*
Cost of definied contribution scheme	168	*173*	29	*77*
	9,705	*12,137*	2,105	*6,346*

Wage and salaries for the Group are restated to include £247,000 of redundancy payments in 2015.

The average monthly number of employees, for the Group, including the Directors, during the year was as follows:

	Group 2016 No.	*Group 2015 No.*	Company 2016 No.	*Company 2015 No.*
Total number of employees	303	*432*	79	*256*

8. Directors' remuneration

	Group 2016 £000	*Group 2015 £000*	Company 2016 £000	*Company 2015 £000*
Directors' emoluments	711	*900*	-	*284*
Employer contributions to defined contribution pension schemes	11	*12*	-	*1*
	722	*912*	-	*285*

During the year retirement benefits were accruing to no Directors *(2015 - NIL)* in respect of defined contribution pension schemes.

The highest paid Director for the Group and Company received remuneration of £328,000 *(2015 - £284,000)*.

The value of the employer contributions paid to a defined contribution pension scheme in respoect of the highest paid Director for the Group and Company amounted to £7,000 *(2015 - £7,000)*.

9. Interest receivable

	2016 £000	*2015* *£000*
Other interest receivable	20	*26*
	20	*26*

10. Interest payable and similar charges

	2016 £000	*2015* *£000*
Loans from group undertakings	843	*712*
	843	*712*

11. Taxation

	2016 £000	*2015 £000*
Corporation tax		
Current tax on profits for the year	(6)	-
Adjustments in respect of previous periods	(15)	*(2)*
	(21)	*(2)*
Total current tax	(21)	*(2)*
Deferred tax		
Origination and reversal of timing differences	-	*(58)*
Changes to tax rates	-	*(20)*
Total deferred tax	-	*(78)*
Taxation on loss on ordinary activities	(21)	*(80)*

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2015 - higher than)* the standard rate of corporation tax in the UK of 20% *(2015 - 20.25%)*. The differences are explained below:

	2016 £000	*2015 £000*
Profit on ordinary activities before tax	(24,209)	*(26,626)*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	(4,842)	*(5,392)*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	115	*10*
Fixed asset differences	34	*103*
Non-tax deductible amortisation of goodwill and impairment	1,514	*1,533*
Impact of tax rate changes - unrecognised deferred tax	486	*43*
Adjustments to tax charge in respect of prior periods	(15)	*(22)*
R&D expenditure credit	(6)	-
Unrecognised deferred tax	2,693	*3,724*
Miscellaneous and other items	-	*(79)*
Total tax charge for the year	(21)	*(80)*

11. Taxation (continued)

Factors that may affect future tax charges

Following Budget 2016 announcements, there will be a reduction in the main rate of corporation tax to 17% from 1 April 2020.

12. Intangible assets

Group

	Domain names £000	Goodwill £000	Total £000
Cost			
At 1 January 2016	8	48,733	48,741
Additions	8	-	8
At 31 December 2016	16	48,733	48,749
Amortisation			
At 1 January 2016	5	32,958	32,963
Charge for the year	4	7,572	7,576
At 31 December 2016	9	40,530	40,539
Net book value			
At 31 December 2016	7	8,203	8,210
At 31 December 2015	*3*	*15,775*	*15,778*

12. Intangible assets (continued)

Company

	Domain name £000
Cost	
At 1 January 2016	8
At 31 December 2016	8
Amortisation	
At 1 January 2016	5
Charge for the year	3
At 31 December 2016	8
Net book value	
At 31 December 2016	-
At 31 December 2015	*3*

13. Tangible fixed assets

Group

	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Leasehold improvements £000	Total £000
Cost or valuation					
At 1 January 2016	509	573	1,299	2,844	5,225
Additions	-	-	30	-	30
At 31 December 2016	509	573	1,329	2,844	5,255
Depreciation					
At 1 January 2016	255	168	823	1,049	2,295
Charge for the period on owned assets	64	83	229	270	646
At 31 December 2016	319	251	1,052	1,319	2,941
Net book value					
At 31 December 2016	190	322	277	1,525	2,314
At 31 December 2015	*254*	*405*	*476*	*1,795*	*2,930*

13. Tangible fixed assets (continued)

Company

	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Leasehold improvements £000	Total £000
Cost or valuation					
At 1 January 2016	510	81	395	2,480	3,466
At 31 December 2016	510	81	395	2,480	3,466
Depreciation					
At 1 January 2016	255	42	302	993	1,592
Charge for the period on owned assets	64	12	59	232	367
At 31 December 2016	319	54	361	1,225	1,959
Net book value					
At 31 December 2016	191	27	34	1,255	1,507
At 31 December 2015	*255*	*39*	*93*	*1,487*	*1,874*

14. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
CURO Transatlantic Limited (formerly, Wage Day Advance Limited)	Ordinary	100 %	Provider of short term cash advances

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2016	**51,425**
At 31 December 2016	**51,425**
Net book value	
At 31 December 2016	**51,425**
At 31 December 2015	*51,425*

15. Stocks

	Group 2016 £000	*Group 2015 £000*	Company 2016 £000	*Company 2015 £000*
Finished goods and goods for resale	**19**	*30*	**19**	*30*
	19	*30*	**19**	*30*

The difference between purchase price and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £33,000 (*2015 - £150,000*).

An impairment loss of £23,000 (2015- £57,000) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

16. Debtors

	Group 2016 £000	*Group 2015 £000*	Company 2016 £000	*Company 2015 £000*
Customer loan balances	8,227	*7,510*	737	*938*
Amounts owed by group undertakings	-	-	-	*997*
Other debtors	15	*15*	1	*1*
Prepayments	1,359	*1,383*	806	*977*
Tax recoverable	531	*510*	-	-
	10,132	*9,418*	1,544	*2,913*

Amounts owed by group undertakings of £997,000 have been reclassified in 2015 from creditors (see note 18) on the Company note.

Other debtors have been restated by £100,000 due to a restricted deposit reclassified to cash and cash equivilents (see note 17).

17. *Cash and cash equivalents*

	Group 2016 £000	*Group As restated 2015 £000*	Company 2016 £000	*Company As restated 2015 £000*
Cash at bank and in hand	9,439	*10,035*	3,381	*3,149*
Restricted deposits	2,737	*4,100*	100	*100*
	12,176	*14,135*	3,481	*3,249*

The restricted deposits relate to a guarantees in place with Barclays Bank plc. A guarantee of £2,637,000 *(2015 - £4,000,000)* in CURO Transatlantic Limited relates to the direct debit indemnity scheme. A guarantee of £100,000 *(2015 - £100,000)* in SRC Transatlantic Limited relates to the chargeback scheme.

Restricted deposits are restated due the £100,000 guarantee in SRC Transatlantic Limited reclassified from debtors (see note 17).

18. Creditors: Amounts falling due within one year

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Trade creditors	190	95	28	72
Amounts owed to group undertakings	20,026	38,808	15,071	36,257
Corporation tax	-	-	434	434
Other taxation and social security	125	132	53	66
Accruals and deferred income	1,264	988	399	110
	21,605	40,023	15,985	36,939

Amounts owed to group undertakings for the Group relate to amounts owed to CURO Management, LLC (formerly Tiger Financial Management, LLC), a wholly owned subsidiary of the ultimate parent company, CURO Group Holdings Corp (formerly, Speedy Group Holdings Corp). The loan is unsecured and interest bearing and the consideration to be provided is cash.

Amounts owed to group undertakings for the Company relate to amounts owed to CURO Management, LLC and CURO Transatlantic Limted. The loan with CURO Transatlantic Limted is unsecured and interest bearing and the consideration to be provided is cash.

Amount owed to group undertakings of £997,000 have been reclassified in 2015 to debtors (see note 16) on the Company note.

19. Creditors: Amounts falling due after more than one year

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Accrual for deferred rent	245	368	135	368
	245	368	135	368

20. Financial instruments

	Group 2016 £000	*Group 2015 £000*	Company 2016 £000	*Company 2015 £000*
Financial assets				
Customer loan balances	8,227	*7,510*	737	*938*
Bank and cash balances	12,176	*14,135*	3,481	*3,249*
	20,403	*21,645*	4,218	*4,187*
Financial liabilities				
Amounts owed to group companies	(20,026)	*(38,808)*	(15,071)	*(36,257)*
Trade creditors	(190)	*(95)*	(28)	*(72)*
	(20,216)	*(38,903)*	(15,099)	*(36,329)*

Financial assets measured at amortised cost comprise customer loan balances, bank and cash balances. Income earned on customer loan balances was £24,330,000 (2015 - £34,627,000). Impairment of customer loan balance expensed was £7,868,000 (2015 - £14,462,000). Interest income on bank and cash balances was £20,000 (2015 - £26,000).

Financial liabilities measured at amortised cost comprise amounts owed to group companies, trade creditors are measured at amortised cost. Interest expense on amounts owed to group companies was £843,000 (2015 - £712,000). No interest was charged on trade creditor balances.

21. Deferred taxation

Group

	2015
	£000
At beginning of year	*(77)*
Charged to the profit or loss	*77*

	2015
At beginning of year	*(55)*
Charged to the profit or loss	*55*

Deferred taxation provided for at 17% (2015 - 20%) is made up as follows:

	Group 2016 £000	*Group 2015 £000*	**Company 2016 £000**	*Company 2015 £000*
Accelerated capital allowances	**358**	*178*	**282**	*199*
Dilapidations provision	**5**	*3*	**-**	*-*
Long term deferred compensation plan	**3**	*-*	**-**	*-*
Deferred tax on trading losses	**8,156**	*6,628*	**6,450**	*5,089*
Deferred tax not provided	**(8,522)**	*(6,809)*	**(6,732)**	*(5,288)*
	-	*-*	**-**	*-*

The Group has an unrecognised deferred tax asset of £8,522,000 at 31 December 2016 *(2015 - £6,809,000)*. These deferred tax assets have not been recognised due to the uncertainty of future profits.

As a deferred tax asset has not been provided for no amounts are expected to unwind during the year beginning after the reporting period.

22 Provisions

Group

	Dilapidations provision £000	Customer redress provision £000	Onerous contract provision £000	Restructuring provision £000	Total £000
At 1 January 2016	138	4	1,396	218	1,756
Charged to profit or loss	-	-	399	130	529
Utilised in year	-	(4)	(1,018)	(218)	(1,240)
At 31 December 2016	138	-	777	130	1,045

22. Provisions (continued)

Company

	Onerous contract provision £000	Restructuring provision £000	Total £000
At 1 January 2016	1,120	218	1,338
Charged to profit or loss	399	-	399
Utilised in year	(931)	(218)	(1,149)
At 31 December 2016	588	-	588

Dilapidation provision

Provision for the obligation to the landlord of the Leeds property to return the property to its original condition. The calculation is based on the cost of the Company's modifications to the property. The provision is expected to be utilised in 2019.

Customer redress provision

The provision was set up in 2015, and consequently utilised substantially, to make redress to certain customers in respect of loans made outside of the Company's normal lending criteria. The scheme was overseen by a skilled person under section 166 of the Financial Services and Markets act 2000. The outstanding balances were settled in 2016.

Onerous contract provision

Provision for the future obligations of several closed stores within the Group. Amounts are based on contractual terms and historic costs incurred on settled stores. It is expected that most of these costs will be incurred in 2017 and all will have been incurred by 2018.

Restructuring provision

Redundancy payments relating to closure of 10 SRC Transatlantic Limited Stores were provided for in 2015 and utilised in full in 2016. A provision for redundancy payments relating to the consolidation of operations and collections teams to a single site was made in 2016 in CURO Transatlantic Limited (formerly, Wage Day Advance Limited). The restructuring was announced by management in December 2016 and the calculation is based on salary costs and contractual redundancy terms. The provision is expected to be fully utilised in 2017.

23. Share capital

	2016 £000	*2015 £000*
Shares classified as equity		
Authorised, allotted, called up and fully paid		
92,400,100 *(2015 - 58,400,100)* Ordinary shares of £1 each	92,400	*58,400*

During the year the Company allotted and issued 34,000,000 ordinary shares of £1. Settlement for the issue of those shares was made by way of a £34,000,000 intra-group account transaction.

24. Capital commitments

The Group had no *(2015 - NIL)* capital commitments for the year ended 31 December 2016.

25. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £168,000 (*2015* - £173,000). Contributions totaling £17,000 *(2015 - £17,000)* were payable to the fund at the balance sheet date.

26. Commitments under operating leases

At 31 December 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £000	*Group 2015 £000*	Company 2016 £000	*Company 2015 £000*
Not later than 1 year	1,560	*1,726*	1,250	*1,545*
Later than 1 year and not later than 5 years	5,517	*7,027*	4,298	*5,757*
Later than 5 years	3,140	*4,551*	2,317	*3,437*
Total	10,217	*13,304*	7,865	*10,739*

Lease payments are in respect of premises in Leeds, Nottingham and stores network. Of these amounts £777,000 (2015 - £1,396,000) relate to onerous leases.

27. Related party transactions

During the year the Group purchased £1,336,000 (2015 - £2,008,000) of services from CURO Management, LLC (formerly, Tiger Financial Management, LLC), a wholly owned subsidiary of the ultimate parent company, CURO Group Holdings Corp (formerly, Speedy Group Holdings Corp). During the year £34,000,000 of debt owed to CURO Management, LLC was transferred to equity. During the year interest of £843,000 (2015 - £712,000) was expensed. At the year end the outstanding balance was £20,026,000 (2015 - £38,808,000). The loan is unsecured and interest bearing and the consideration to be provided is cash. The Company has a Parent Company letter of support from CURO Group Holdings Corp.

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group. The address of CURO Group Holdings Corp. is 3527 North Ridge Road, Wichita, KS 67205, USA. CURO Group Holdings Corp. prepare group accounts.

28. Controlling party

The ultimate parent company of SRC Transatlantic Limited is CURO Group Holdings Corp. (formerly, Speedy Group Holdings Corp), a company incorporated in the USA. The company prepares consolidated accounts.