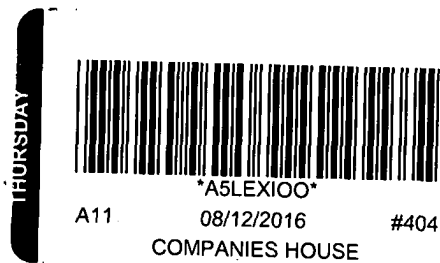


Curo Enterprise Ltd.

Directors' report and financial statements

For the year ended 31 March 2016

Registered number 08103621



Directors' report and financial statements

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Registered Office:

The Maltings
River Place
Lower Bristol Road
Bath BA2 1EP
Tel: 01225 366000

Board Members and Executive Management Team

Board members who served during the year and to the date of signing the financial statements were:

Board members

John Weir, Chair	(Resigned 18 April 2016)
Victor da Cunha	
C. Roger Thomas	(Resigned 16 May 2016)
Brian Tapp	
Robert Durie	
David Ashmore	

Executive Management Team

Victor Da Cunha	Group Chief Executive
Simon Gibbs	Executive Director – Finance & Strategy
Louise Swain	Executive Director – Customer Services (left 20 th May 2016)
Donna Baddeley	Executive Director – Corporate Services
Gerraint Oakley	Managing Director – Curo Homes

Directors' Report for the year ended 31 March 2016

The directors present their annual report and the audited financial statements of Curo Enterprise Ltd. ("the company") for the year ended 31 March 2016.

Principal activities

Curo Enterprise Limited is a commercial company limited by shares. The principal activity of the company is to carry out commercial activity, primarily building housing for sale, to subsidise Curo Group's social housing objectives.

Business review and future developments

Curo Enterprise made a loss for the financial year of £3.9 million (2015: £3.2 million loss). During the year the company commenced construction of a housing development in Wiltshire. The first house sales will be in the year ended 31 March 2017. Construction has also commenced on the landmark development site 'Mulberry Park' in Bath.

A fellow group subsidiary, Curo Places Ltd., has provided an arms length loan to the Company to finance its activities. As a result of this facility, the directors have concluded that the company is well placed to manage its business risks successfully and can continue to pay its operational debts as they fall due for the foreseeable future, and therefore they have concluded that it is a going concern.

Directors and directors' interests

The directors who held office during the year and up to the date of signing these financial statements are listed on page 1.

None of the directors had any interest in the share capital of the company as of 31 March 2016 (2015 nil).

Directors' indemnity statement

All Board Members, Committee Members and staff of Curo Enterprise Ltd. are provided with Directors and Officers Liability insurance through the National Housing Federation (NHF) to protect them from claims made against them in their capacity as representatives of the organisation.

Dividends

The directors have not recommended the payment of a dividend (2015 nil). The loss for the financial year will be transferred to reserves.

Provision of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under section 418 of the Companies Act 2006, the following applies

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Risk management

Curo Enterprise Ltd.'s operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. Curo Enterprise Ltd has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

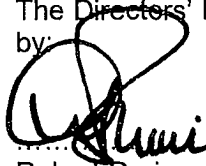
Annual General Meeting

The Annual General Meeting will be held on 19 September 2016.

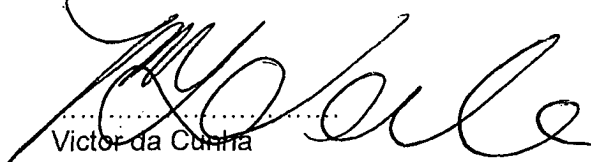
Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

The Directors' Report was approved by the Board on 18 July 2016 and signed on its behalf by:



Robert Durie
Chair



Victor da Cunha
Director

Independent auditors' report to the members of Curo Enterprise Limited

Report on the financial statements

Our opinion

In our opinion, Curo Enterprise Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss and cash flows 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.
-

What we have audited

The financial statements, included within the Annual Report, comprise:

- the company balance sheet as at 31 March 2016;
- the company statement of comprehensive income for the year then ended;
- the statement of changes in reserves for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent 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.

What an audit of financial statements involves

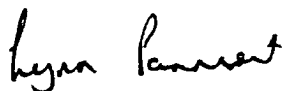
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Lynn Pamment (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

22 July 2016

- (a) The maintenance and integrity of Curo Places Ltd. website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of comprehensive income for the year ended 31 March 2016

		2016	2015
	Note	£000	£000
Turnover	5	715	111
Cost of sales	6	(2,527)	(1,900)
Loss on ordinary activities before interest and taxation		(1,812)	(1,789)
Interest receivable and similar income	7	-	1
Interest payable and similar charges	8	(2,119)	(1,405)
Loss on ordinary activities before taxation		(3,931)	(3,193)
Tax on loss on ordinary activities	21	-	-
Loss for the financial year		(3,931)	(3,193)

Statement of changes in reserves for the year ended 31 March 2016

<u>Comprehensive Income Reserve</u>	£000
At 1 April 2014	(7,429)
Loss for the financial year	(3,193)
At 31 March 2015	(10,622)
Loss for the financial year	(3,931)
At 31 March 2016	(14,553)

Statement of financial position

As at 31 March 2016

	Note	2016 £000	2015 £000
Fixed Assets			
Other fixed assets	12	113	176
Total fixed assets		<u>113</u>	<u>176</u>
Current assets			
Stocks	13	61,812	57,002
Debtors	14	181	851
Cash and cash equivalents	15	5,892	1,463
		<u>67,885</u>	<u>59,316</u>
Creditors: amounts falling due within one year	16	(5,201)	(24,473)
Net current assets		<u>62,684</u>	<u>34,843</u>
Total assets less current liabilities		<u>62,797</u>	<u>35,019</u>
Creditors: amounts falling due after more than one year	17	(77,350)	(45,641)
Net liabilities		<u>(14,553)</u>	<u>(10,622)</u>
Capital and reserves			
Called up share capital	22	-	-
Revenue reserves		(14,553)	(10,622)
Total shareholders' deficit		<u>(14,553)</u>	<u>(10,622)</u>

The financial statements on pages 7 to 21 were authorised for issue by the Board of Directors on 18 July 2016 and were signed on its behalf.

These financial statements were approved by the Board on 18 July 2016 and were signed on its behalf by:



Chair –
Robert Durie



Director –
Victor da Cunha

Notes to the Financial Statements for the Year ended 31 March 2016

1) General information

Curo Enterprise Limited ('the Company') is a commercial company limited by shares. The principal activity of the company is to carry out commercial activity, primarily building housing for sale, to subsidise Curo Group's social housing objectives.

Curo Enterprise Ltd. registered office is The Maltings, River Place, Lower Bristol Road, Bath BA2 1EP.

2) Statement of compliance

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for the Company includes, the Companies Act 2006 and FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland".

3) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Details of the transition to FRS 102 are disclosed in note 23.

a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

b) Going concern

The Company's principal activities and business review for the year are set out on page 2. During the year the Company reported a loss £3.9m (2015: £3.2 million loss). This loss was a result of set up costs and is in line with its financial plan which is initially predicated on developing and selling land and homes at Mulberry Park, Bath.

The Company has financed the purchase of this land using a loan facility provided by a fellow subsidiary company, Curo Places Limited. Curo Places Limited has provided an arm's length facility of up to £100m, the funding facility is available for up to 10 years from its funding date in 2013, at a cost of 1.0% above the Curo Places cost of funding. At the end of the year the Company had net liabilities of £14.6m (2015: £10.6).

As a result of the loan facility outlined above, the directors have concluded that the Company is well placed to manage its business risks successfully and can continue to pay its operational debts as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Directors' report and financial statements. The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

3) Summary of significant accounting policies (continued)

c) Exemptions for qualifying entities under FRS 102

In preparing the separate financial statements of the parent company, advantage has been taken not to disclose a cash flow statement under FRS 102.

d) Revenue recognition

Turnover

The Company generates and recognises turnover from the following material income streams:

Income Stream	Revenue Recognition
Rental income (net of losses from voids)	Recognised from the point when properties under development reach practical completion or otherwise become available for letting. Rental income is deferred to a future period where it does not relate to the current period.
Disposal proceeds of current assets such as properties developed for outright sale.	Proceeds on property sales are recognised on legal completion of the sale.

e) Employee benefits

Pensions

Defined contribution scheme

The Company participates in a defined contribution schemes facilitated through Aviva Group Life where the amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. All existing and new colleagues are eligible to join these schemes. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Under the scheme, colleagues have been allocated their own personal pension policy and can choose their own investment fund from the many offered. The assets of the scheme are separate from the Company and are invested by independent investment managers. The assets of the scheme are held separately from those of the company, invested in an independently administered fund.

f) Taxation

Corporate tax

The charge for taxation is based on the profit for the period and it takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

3) Summary of significant accounting policies (continued)

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

g) Tangible assets

Other fixed assets

Computer equipment and IT software is stated at historic cost less accumulated depreciation and any provision for impairment. Expenditure under £1,000 is not capitalised.

Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Other fixed assets

Computer equipment and IT software	3-5 years
------------------------------------	-----------

h) Stocks

Stocks

Stocks represent properties under construction and completed properties and land for outright sale. Stocks are recognised at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Assessing net realisable value requires use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

i) Cash and cash equivalents

Cash

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less. Bank overdrafts, when applicable, are shown within current liabilities.

j) Financial instruments

Financial assets

Basic financial assets such as rent arrears, trade and other receivables and cash and cash equivalents are initially recorded at transaction price. If the arrangement constitutes a financing transaction then the transaction is measured at the present value of future receipts discounted at a market rate. The assets are subsequently carried at amortised cost using the effective interest rate method. At the end of each reporting period the amortised cost is assessed for evidence of impairment. Any impairment is recognised in the profit and loss account. A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

3) Summary of significant accounting policies (continued)

Financial Liabilities

Basic financial liabilities such as trade and other payables, bank loans and intercompany loans are initially recognised at transaction price. If the arrangement constitutes a financing transaction then the debt instrument will be measured at the present value of the future receipts discounted at a market rate of interest. The debt instrument is subsequently carried at the amortised cost, using the effective interest rate method.

Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in surplus or deficit immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in surplus or deficit depends on the nature of the hedge relationship.

4) Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements and estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- **Stock value:** the anticipated costs to complete on a development scheme based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, they then determine the recoverability of the cost of properties developed for outright sale and land held for sale. This judgement is also based on the Company's best estimate of sales value based on economic conditions within the area of development.

5) Turnover

	Total 2016 £000	Total 2015 £000
External property sales proceeds	400	-
Market rental income	215	111
Inter company management charges	100	-
	<u>715</u>	<u>111</u>

6) Operating costs

	Total 2016 £000	Total 2015 £000
Impairment of land	-	726
Management and site costs	2,527	1,174
	<u>2,527</u>	<u>1,900</u>

7) Interest receivable and other income

	Total 2016 £000	Total 2015 £000
Bank interest received	-	1
	<u>-</u>	<u>1</u>

8) Interest payable and similar charges

	Total 2016 £000	Total 2015 £000
Interest payable to group undertakings	2,119	1,405
	<u>2,119</u>	<u>1,405</u>

9) Loss on ordinary activities before taxation

	2016 £000	2015 £000
This is stated after charging:		
Depreciation of other tangible fixed assets	24	-
Auditors' remuneration in their capacity as statutory auditors	3	3
Auditors' remuneration for audit related assurance	3	-

10) Directors' Emoluments

Directors are defined as the members of the Board (non-Executive Directors), the Group Chief Executive and the Executive Management Team as disclosed on page 1.

The Managing Director of Curo Homes is the only member of the Executive Management Team remunerated through Curo Enterprise.

Details of remuneration for Curo Enterprise are as follows:	2016 £	2015 £
Aggregate emoluments paid or receivable by the Managing Director - Curo Homes (Including pension contributions and benefits in kind)	153,333	148,443
Aggregate pension contributions paid for the Managing Director – Curo Homes	11,917	9,533

All other members of the Executive Management Team are remunerated from Curo Group (Albion) Ltd with the associated costs presented in their entity financial statements.

These costs are apportioned to member organisations based on a combination of drivers including turnover and number of units managed. Costs totalling £28,000 were apportioned to Curo Enterprise Ltd. during the financial year in respect of these services (2015: £19,000).

Non-executive members of the Board receive emoluments during the year totalling £4,000 (2015: £4,000). Expenses and compensation for group-wide Board members within the Curo Group are charged to Curo Group (Albion) Ltd and are presented in its financial statements.

11) Employee Information

The average number of full time equivalents (37 hour) employed during the year was as follows:

	2016 Number	2015 Number
Management and administration	17	6
Total	17	6

Staff costs

	2016 £000	2015 £000
Wages and salaries	1,038	481
Social security costs	117	58
Other pension costs	60	30
Total	1,215	569

11) Employee Information (continued)

The number of colleagues who received emoluments, including pension contributions and payments for loss of office, during the year were:

	2016 Number	2015 Number
£60,000 - £69,999	2	-
£70,000 - £79,999	-	-
£80,000 - £89,999	1	-
£90,000 - £99,999	1	1
£100,000 - £109,999	2	1
£110,000 - £119,999	-	-
£120,000 - £129,999	-	-
£130,000 - £139,999	-	-
£140,000 - £149,999	-	1
£150,000 - £159,999	1	-
Total	7	3

12) Tangible fixed assets - other

	IT Equipment & software 2016 £000
Cost	
At 1 April 2015	176
Additions	10
Disposals	(49)
At 31 March 2016	137
Accumulated depreciation	£000
At 1 April 2015	-
Charges for the year	24
At 31 March 2016	24
Net book value	
At 31 March 2016	113
At 31 March 2015	176

13) Stocks

	2016 £000	2015 £000
Land & property for outright market sale		
Work in progress	61,812	57,002
Total	61,812	57,002

14) Debtors

	2016	2015
	£000	£000
Other debtors	119	851
Prepayments and accrued income	62	-
	<u>181</u>	<u>851</u>

15) Cash and cash equivalents

	2016	2015
	£000	£000
Bank current account	5,892	1,463
	<u>5,892</u>	<u>1,463</u>

16) Creditors: amounts falling due within one year

	2016	2015
	£000	£000
Land Vendor	3,737	23,588
Trade creditors	698	-
Amounts owed to group undertakings	6	30
Accruals and deferred income	760	855
	<u>5,201</u>	<u>24,473</u>

17) Creditors: amounts falling due after more than one year

	2016	2015
	£000	£000
Amounts owed to group undertakings	77,350	45,641
	<u>77,350</u>	<u>45,641</u>

Curo Places Ltd. has provided an arm's length facility of up to £100m, the funding facility is available for up to 10 years at a cost of 1.0% above the Curo Places Ltd. cost of funding. As at 31 March 2016, Curo Enterprise Ltd. had drawn down £77.4m (2015: £45.6m) of the loan facility. Collectively Curo Group had a loan facility of £350.4m of 31 March 2016 of which £293.4m was drawn.

	2016	2015
	£000	£000
Between two and five years	-	-
In more than five years	77,350	45,641
	<u>77,350</u>	<u>45,641</u>

18) Financial instruments

The company has the following financial instruments:

i). Financial instruments that are debt instruments measured at amortised cost.

	2016	2015
	£000	£000
Other receivables	181	851
	<u>181</u>	<u>851</u>

ii). Financial liabilities measured at amortised cost.

	2016	2015
	£000	£000
Bank loans and overdrafts	77,350	45,641
Trade creditors	4,435	23,588
Amounts owed to group undertakings	6	-
	<u>81,791</u>	<u>69,229</u>

19) Related party transactions

Curo Group consists of Curo Places Ltd (registered provider), Curo Choice Ltd (specialist support provider), Curo Enterprise Ltd (commercial) and Curo Group (Albion) Ltd. Curo Group (Albion) Ltd is the parent undertaking and controlling party of Curo Enterprise Ltd. It is incorporated in the United Kingdom. It owns one share in Curo Enterprise and has the right to appoint and remove members of Curo Enterprise Ltd.

The consolidated financial statements of Curo Group (Albion) Ltd., which include Curo Enterprise, are available from The Maltings, River Place, Lower Bristol Road, Bath, BA2 1EP.

Transactions with associated companies

Curo Group (Albion) Ltd provide management services to the companies within the Group. The most significant element of this is staff costs for the provision of group-wide central services including the Executive Management Team, Finance, IT, Human Resources, Development, Communications etc. Costs are apportioned within the group based on a combination of turnover and units in management. Group services are provided at arm's length based on commercial terms.

Curo Choice Ltd and Curo Places Ltd provide housing management services to group members. Inter company charges are based on pre-agreed resources required to deliver this service. Charges are calculated on a management cost per property basis.

Curo Places Ltd has provided an arm's length loan facility of up to £100m to Curo Enterprise Ltd. The funding facility is available for up to 10 years at a cost of 1.0% above the Curo Places cost of funding. Loans drawn as at 31 March 2016 totalled £77.4m (2015 £45.6m).

The table below summarises the intra company charges by services and by legal entity that relate to Curo Enterprise Ltd. for the year:

19) Related party transactions (continued)

Intra Group Service Provided Income/(costs) - 2000	Curo Group (Albion) Ltd	Curo Places Ltd	Curo Choice Ltd	Curo Enterprise Ltd
Group management services	6,987	(6,637)	(175)	(175)
Development services	553	(653)	-	100
Housing management services	-	(281)	298	(17)
Intra group interest charges	-	2,119	-	(2,119)
Total	7,540	(5,452)	123	(2,211)

20) Dividends

No dividends are proposed or have been paid (2015: nil).

21) Tax on loss on ordinary activities

There is no charge for corporation tax for the current year (2015: nil), because no taxable profit was generated. No deferred tax asset is recognised in the financial statements on the trading losses incurred to date. The following details the deferred tax position:-

	2016 £000	2015 £000
<u>Deferred Tax Asset</u>		
Fixed asset timing difference	(105)	(176)
Losses and other deductions	14,633	10,772
	<u>14,528</u>	<u>10,596</u>
 Deferred tax asset as at 18% / 20%:	 <u>2,615</u>	 <u>2,119</u>

22) Called up share capital

	2016 £	2015 £
Allotted and fully paid:		
1 ordinary share at £1 each	1	1

23) Transition to FRS 102

This is the first year that Curo Enterprise Ltd has presented its results under FRS 102, restated effective from 1st April 2014. The last financial statements prepared under the previous UK GAAP were for the year ended 31 March 2015. Set out below are the changes in accounting policies which reconcile surplus for the financial year ended 31 March 2015 and the total equity as at 1 April 2014 and 31 March 2015 between UK GAAP as previously reported and FRS 102.

a). Nature of changes in accounting policy

i). Holiday pay accrual

FRS 102 requires short term employee benefits to be charged in surplus or deficit to the Statement of Comprehensive Income as the employee service is received. Previously holiday pay accruals were not recognised and were charged to the Income and Expenditure account as they were paid.

Curo Enterprise Ltd has not recognised any liability for holiday pay on transition to FRS 102 as at 31 March 2014 as the company had only just started trading and no liability arose. In the year to 31 March 2015 a charge of £5,000 was recognised in the Statement of Comprehensive Income and the liability at 31 March 2015 was £5,000.

23) Transition to FRS 102 (continued)

b). Statement of changes to Statement of Financial Position

	At 1 April 2014			At 31 March 2015		
	As previously stated £000	Effect of transition £000	FRS 102 (restated) £000	As previously stated £000	Effect of transition £000	FRS 102 restated) £000
Fixed assets						
Other property, plant and equipment	-	-	-	176	-	176
Total fixed assets	-	-	-	176	-	176
Current assets						
Stocks	42,697	-	42,697	57,002	-	57,002
Debtors: amounts falling due within one year	198	-	198	851	-	851
Cash and cash equivalents	-	-	-	1,463	-	1,463
	42,895	-	42,895	59,316	-	59,316
Creditors: amounts falling due within one year	(4,072)	-	(4,072)	(24,468)	(5)	(24,473)
Net current assets	38,823	-	38,823	34,848	(5)	34,843
Total assets less current liabilities	38,823	-	38,823	35,024	(5)	35,019
Creditors: amounts falling due after one year	(46,252)	-	(46,252)	(45,641)	-	(45,641)
Net Liabilities	(7,429)	-	(7,429)	(10,617)	(5)	(10,622)
Capital and reserves						
Revenue reserve	(7,429)	-	(7,429)	(10,617)	(5)	(10,622)
	(7,429)	-	(7,429)	(10,617)	(5)	(10,622)

23) Transition to FRS 102 (continued)

c). Statement of changes to Income & Expenditure account

	Year ended 31 March 2015		
	As previously stated	Effect of transition	FRS 102 (restated)
	£000	£000	£000
Turnover	111	-	111
Operating costs	(1,895)	(5)	(1,900)
Operating loss	(1,784)	(5)	(1,789)
Interest receivable and other income	1	-	1
Interest payable and similar charges	(1,405)	-	(1,405)
Loss for the financial year	(3,188)	(5)	(3,193)

d). Statement of other comprehensive income

	Year ended 31 March 2015		
	As previously stated	Effect of transition	FRS 102 (restated)
	£000	£000	£000
Loss for the financial year	(3,188)	(5)	(3,193)
As stated in accordance with FRS 102	(3,188)	(5)	(3,193)

e). Statement of changes in equity

<u>Revenue Reserves</u>	Year ended 31 March 2015		
	As previously stated	Effect of transition	FRS 102 (restated)
	£000	£000	£000
Balance as at 31 March 2014	(7,429)	-	(7,429)
Loss for the financial year	(3,188)	(5)	(3,193)
Balance as at 31 March 2015	(10,617)	(5)	(10,622)