

Kane Bidco Limited
Interim Report and the condensed consolidated
financial statements
for the 3 month period ended 30 June 2022
Unaudited

Jersey registered number 137782

Kane Bidco Limited Interim Report and the condensed
consolidated financial statements
for the 3 month period ended 30 June 2022

Contents

Directors and advisers for the 3 month period ended 30 June 2022	1
Interim management report for the 3 month period ended 30 June 2022	2
Condensed consolidated profit and loss account for the 3 month period ended 30 June 2022	4
Condensed consolidated balance sheet as at 30 June 2022	6
Condensed consolidated statement of changes in equity for the 3 month period ended 30 June 2022	7
Condensed consolidated statement of cash flows for the 3 month period ended 30 June 2022	8
Notes to the financial statements for the 3 month period ended 30 June 2022	9
Directors' responsibilities report for the 3 month period ended 30 June 2022	19

Kane Bidco Limited

Directors and advisers for the 3 month period ended 30 June 2022

Directors

Rebecca Hunter (Appointed 27 August 2021)

Andrea Bertolini (Appointed 27 August 2021)

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Kane Bidco Limited

Interim management report for the 3 month period ended 30 June 2022

These condensed consolidated interim financial statements for the 3 month period ended 30 June 2022 comprise the Kane Bidco Group representing the consolidated group of Kane Bidco Ltd (the ‘Company’), its subsidiary True Potential Group Ltd (TPGL) and TPGL’s subsidiaries (True Potential Group). True Potential Group’s principal activities are the provision of financial advisory, investment management services and support services to financial advisers and retail investors.

The purpose of these statements is to show the financial performance of the True Potential Group for the 3 month period ended 30 June 2022 and the financial position of the Kane Bidco Group post acquisition.

The Company was incorporated on 27 August 2021 for the purpose of acquiring and holding equity investment in True Potential Group Limited. The Company acquired the entire share capital of True Potential Group Limited on 21 January 2022. The Company is a wholly owned subsidiary of Kane Midco Limited.

On completion of the transaction True Potential Group’s existing financing arrangements of £604m were fully repaid in accordance with the “change of control” terms in the agreement. These have been replaced by a high yield bond of £700m and revolving credit facility of £100m, of which £65m was drawn at the period ended 30 June 2022.. The high yield bond and revolving credit facility are held by Kane Bidco Limited (note 7b).

True Potential Group business review

The True Potential Group continued 2022 with another strong quarter, recording £1.7 billion in asset sales during the 3-month period that ended on 30 June 2022. Total asset sales for the 6-month period ended 30 June 2022 is £3.6 billion (6 month period ended 30 June 2021 £3.2 billion).

The continued increase in asset sales over the period have been driven by excellent productivity from our existing True Potential Wealth Management and Directly Authorised financial advisers, continued innovation from our development team in supporting direct sales and client engagement through in-house technology, and ongoing recruitment activities. As of 30 June 2022, 959 financial advisers were appointed in TPGL’s subsidiary, True Potential Wealth Management LLP, an increase of 42 over the previous quarter.

Asset sales through financial advisers and directly from clients resulted in £20.9 billion of client assets on the True Potential Platform as of 30 June 2022 (30 June 2021: £17.4 billion) and £18.8 billion of assets under management within True Potential Investments own funds (30 June 2021: £15.1 billion).

True Potential Group has generated gross revenue of £82.5 million in the 3 month period ending on 30 June 2022 (3 month period ending 30 June 2021: £68.3 million). Earnings before interest, taxes, depreciation and amortisation for the 3 month period to 30 June 2022 was £41.6 million, with profit before taxation was £32.4 million (3 month period ending 30 June 2021: £33.2 million and £18.0 million respectively).

Following on from our biggest ever upgrade to client technology at the end of 2021, the second quarter of 2022 has seen a further 1,444,831 logins by clients, with 1,050,783 being through our mobile apps. This engagement also saw clients make 12,496 impulseSave® top ups to the value of £62 million and complete 9,511 Digital Direct Offers to the value of £830 million.

Kane Bidco Limited

Interim management report for the 3 month period ended 30 June 2022 (continued)

True Potential Group business review (continued)

The Group also saw high levels of support for our clients, with our Customer Care team answering 15,188 phone calls, 9,798 live chats and 10,478 emails over the quarter.

Finally, our charitable work continued over the quarter with staff raising money for great causes including the Durham Deafened Support, Sunderland Carers and Marie Curie. In addition, we partnered with Newcastle United Foundation to open a new Harrison Centre for Social Mobility where we will provide new opportunities at the cutting edge of eSTEM (science, technology, engineering, and mathematics) education across Tyneside and beyond.

Recruitment and customer relationships

The Group continues to build its customer relationships through its adviser recruitment programmes. True Potential Group's subsidiary, True Potential Wealth Management LLP, has continued to make significant investment during the 3 month period ended 30 June 2022 in its intangible assets relating to customer relationships. This has increased the intangible assets on the True Potential Wealth Management LLP balance sheet to £489.8 million at 30 June 2022, contributing to an increase in the intangible assets at True Potential Group (see note 4). By bringing new advisers to True Potential Wealth Management LLP we are able to increase the assets under management of our Central Advice Team as new clients are onboarded. As at 30 June 2022 there was £6.9 billion of assets under management being advised by the Central Advice Team.



Rebecca Hunter

Director

15 September 2022

Jersey registered number 137782

Kane Bidco Limited

Condensed consolidated profit and loss account for the 3 month period ended 30 June 2022

		Kane Bidco Limited	True Potential Group Limited	
		3 months to 30 Jun 2022	3 months to 30 Jun 2022	3 months to 30 Jun 2021
	Note	£'000	£'000	£'000
Turnover	1	82,496	82,496	68,324
Cost of sales		(28,098)	(28,098)	(24,697)
Gross profit		54,399	54,399	43,627
Administration expenses		(18,180)	(18,091)	(13,099)
Operating profit before goodwill and brand amortisation		36,219	36,308	30,528
Goodwill and brand amortisation		(51,515)	(3,857)	(3,857)
Operating (loss)/profit		(15,296)	32,451	26,671
Exceptional items		(973)	-	-
Interest payable and similar charges		(13,638)	(22)	(8,721)
(Loss)/profit before taxation		(29,908)	32,429	17,950
Tax on profit	2	(5,084)	(5,084)	(4,763)
(Loss)/profit for the period		(34,992)	27,344	13,186
EBITDA reconciliation				
(Loss)/profit before taxation		(29,908)	32,429	17,950
Add back: Interest payable		13,638	22	8,721
Add back: Amortisation and depreciation including goodwill and brand		56,774	9,116	6,562
Add back: Exceptional items		973	-	-
Earnings before interest, taxation, depreciation and amortisation		41,478	41,567	33,233

The consolidated profit and loss account for Kane Bidco Group includes income and expenses incurred from the 1 April 2022 to the period ended 30 June 2022. All costs classified as exceptional items during the period 1 April to 30 June 2022 were incurred in relation to the Company acquiring equity investment in True Potential Group Limited (also the costs of the high yield bond and revolving credit facility). These costs are not incurred during ordinary operating activities of the True Potential Group.

Kane Bidco Limited

Condensed consolidated profit and loss account for the 6 months to 30 June 2022

		Kane Bidco Limited	True Potential Group Limited	
		Period from 21 Jan to 30 Jun 2022	6 months to 30 Jun 2022	6 months to 30 Jun 2021
	Note	£'000	£'000	£'000
Turnover	1	144,792	162,840	131,387
Cost of sales		(48,832)	(54,759)	(48,003)
Gross profit		95,960	108,081	83,384
Administration expenses		(31,296)	(34,977)	(24,645)
Operating profit before goodwill and brand amortisation		64,664	73,104	58,739
Goodwill and brand amortisation		(91,397)	(7,714)	(7,714)
Operating (loss)/profit		(26,733)	65,390	51,026
Exceptional items		(37,723)	(10,989)	-
Interest payable and similar charges		(41,942)	(19,095)	(17,019)
(Loss)/profit before taxation		(106,398)	35,306	34,007
Tax on profit	2	(5,769)	(5,769)	(8,845)
(Loss)/profit for the period		(112,167)	29,537	25,162
EBITDA reconciliation				
(Loss)/profit before taxation		(106,398)	35,306	34,007
Add back: Interest payable		41,942	19,095	17,019
Add back: Amortisation and depreciation including goodwill and brand		100,460	17,856	28,568
Add back: Exceptional items		37,723	10,989	-
Earnings before interest, taxation, depreciation and amortisation		73,727	83,246	79,594

The consolidated profit and loss account for Kane Bidco Group includes income and expenses incurred from the date of acquisition (21 January 2022) to the period ended 30 June 2022. All costs classified as exceptional items during the period 21 January 2022 to 30 June 2022 were incurred in relation to the Company acquiring equity investment in True Potential Group Limited (also the costs of the high yield bond and revolving credit facility). These costs are not incurred during ordinary operating activities of the True Potential Group.

Kane Bidco Limited

Condensed consolidated balance sheet as at 30 June 2022

		Kane Bidco Limited	True Potential Group Limited	
	Note	30 Jun 2022 £'000	30 Jun 2022 £'000	31 Dec 2021 £'000
Non-Current Assets				
Goodwill	4	1,920,937	42,372	47,561
Intangible assets	4	517,224	517,224	416,307
Tangible assets	5	3,048	3,048	3,040
Debtors: amounts falling due after more than one year	6a	35,819	35,819	26,397
		2,477,028	598,463	493,305
Current assets				
Debtors: amounts falling due within one year	6b	36,571	36,417	37,135
Cash at bank and in hand		120,608	120,427	28,469
Current assets		157,179	156,844	65,604
Creditors: amounts falling due within one year	7a	(119,672)	(96,425)	(86,039)
Net current assets/(liabilities)		37,507	60,419	(20,435)
Creditors: amounts falling due after more than one year	7b	(831,532)	(48,502)	(626,773)
Net assets/(liabilities)		1,683,003	610,380	(153,903)
Capital and reserves				
Called up share capital		1,795,170	26	26
Share premium		-	743,930	-
Revaluation reserve		-	18	18
Accumulated losses		(112,167)	(133,594)	(153,947)
Total shareholders' funds/(deficit)		1,683,003	610,380	(153,903)

These interim financial statements on pages 4 to 17 were approved by the board of directors on 15 September 2022 and are signed on their behalf by:



Rebecca Hunter

Director

15 September 2022

Jersey registered number 137782

Kane Bidco Limited

Condensed consolidated statement of changes in equity for 6 month period ended 30 June 2022

True Potential Group Limited

	Called up share capital	Other Reserves	Accumulated losses	Total equity
	£'000	£'000	£'000	£'000
Balance as at 1 January 2022	26	18	(153,947)	(153,903)
Issue of share premium	743,930	-	-	743,930
Profit for the Period	-	-	29,537	29,537
Dividend paid	-	-	(9,184)	(9,184)
Balance as at 30 June 2022	743,956	18	(133,594)	610,380

	Called up share capital	Other Reserves	Accumulated losses	Total equity
	£'000	£'000	£'000	£'000
Balance as at 1 January 2020	26	18	(170,838)	(170,794)
Profit for the Period	-	-	45,041	45,041
Dividend paid	-	-	(28,150)	(28,150)
Balance as at 31 December 2021	26	18	(153,947)	(153,903)

Kane Bidco Limited

	Called up share capital	Other Reserves	Accumulated losses	Total equity
	£'000	£'000	£'000	£'000
Balance as at 1 January 2022	-	-	-	-
Ordinary share capital	1,795,170	-	-	1,795,170
(Loss) for the Period	-	-	(112,167)	(112,167)
Balance as at 30 June 2022	1,795,170	-	(112,167)	1,683,003

Kane Bidco Limited

Condensed consolidated statement of cash flows for the 6 months 30 June 2022

		Kane Bidco Limited	True Potential Group Limited	
	Note	Period from 21 Jan to 30 Jun 2022 £'000	6 months to 30 Jun 2022 £'000	Year to 31 Dec 2021 £'000
Net cash from operating activities		40,988	78,251	61,350
Taxation paid		(11,863)	(11,863)	(18,971)
Net cash generated from operating activities		29,125	66,388	42,379
Cash flow on investing activities				
Purchase of tangible assets		(441)	(441)	(2,238)
Purchase of intangible assets	4	(79,938)	(79,938)	(118,852)
Interest receivable		8	8	-
Proceeds from disposal of intangible assets		-	-	634
Increase in Cash Loans to Other Parties		(10,015)	(10,015)	-
Acquisition of subsidiary, net of cash acquired		(1,774,099)	-	
Net cash used in investing activities		(1,864,485)	(90,386)	(120,456)
Cash flow from financing activities				
Issue of share capital		1,795,170	-	-
Issue of share premium		-	743,931	-
High yield bond		700,000	-	-
High yield bond transaction costs		(20,354)	-	-
Revolving credit facility		65,000	-	-
Shareholder loan		36,500	-	-
Decrease in Senior Finance Loan		(588,466)	(588,466)	143,378
Interest on Finance Loan		(29,042)	(27,498)	(35,315)
Increase / (Decrease) in Finance Loan		(2,840)	(2,826)	2,785
Dividends paid	3	-	(9,184)	(28,150)
Net cash generated from in financing activities		1,955,968	115,957	82,698
Net increase in cash and cash equivalents in the period		120,608	91,959	4,621
Cash and cash equivalents at the beginning of the period		-	28,469	23,848
Cash and cash equivalents at the end of the period		120,608	120,427	28,469

Kane Bidco Limited

Notes to the financial statements for the 3 month period ended 30 June 2022

General information and basis of preparation

Statement of compliance

The condensed interim financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 104, 'The Financial Reporting Standard' applicable in the United Kingdom and the Republic of Ireland and the Companies Act (Jersey) Law 1991.

Going Concern

These condensed consolidated financial statements are prepared on a going concern basis. This is appropriate due to the cash generative nature of the Group and expectations of future levels of activity and profit. There are sufficient cash resources and other financing facilities available. Management have prepared detailed cash flow forecasts which demonstrate that the entity will be able to continue as a going concern for a period of at least twelve months from the date of signing these interim financial statements.

Throughout the period management have monitored cashflow very closely, running daily forward-looking modelling on both cashflow to stress the market volatility impacts on the financial results and the level of debt held by the Group. The forecasts positively show significant headroom to cashflow and capital requirements both throughout the year and at the period ended 30 June 2022. The financial position of the Group is continued to be monitored closely to ensure there are sufficient funds in order to meet liabilities as they fall due.

Accounting policies

The accounting policies and methods of calculation used in these interim financial statements is consistent with those applied in the 2021 annual financial statements of True Potential Group Limited.

Critical estimates and critical judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

The key estimates in preparing these interim financial statements are:

i. Carrying value of intangibles

Intangible assets represent the value of the customer relationships purchased by the firm. In calculating the value of the intangible asset to be capitalised a conversion rate has been calculated based on a historical average conversion observed on transactions completed by the year end date. Conversion rates are adjusted to reflect updated actual experience at each reporting date and at the date of completion of the purchase. Intangible asset balances are stated at cost less accumulated amortisation. Intangible assets are reviewed annually for impairment by the company. Any potential impairment is calculated as the expected future cashflows less the carrying value of the intangible asset at the reporting date. Management are comfortable with the carrying value of intangible assets supported by the future benefits of the client relationship.

Kane Bidco Limited

Notes to the financial statements for the 3 month period ended 30 June 2022 (continued)

General information and basis of preparation (continued)

Critical estimates and critical judgements (continued)

ii. Performance fee

The True Potential Growth Aligned Fund Range includes a performance fee that the Group earns if the unit price of the fund is above the high watermark. The high watermark is measured as the highest unit price at each previous 30 April and the performance fee is calculated as 10% of the fund unit price growth above the high watermark. Revenue is recognised when the likelihood that there will be no significant reversal becomes highly probably. Management assess this to be on crystallisation at 30 April each year.

Management have assessed that no performance fee should be recognised in the period (3 month period ended 30 June 2021: £5.0 million).

Kane Bidco Limited

Notes to the financial statements for the 3 month period ended 30 June 2022 (continued)

1 Turnover

Turnover represents fees earned in respect of the financial services activities of the Group. Turnover is attributable to the Group's continuing principal activities and arose wholly within the United Kingdom. The turnover recognised in the period/year splits by class as follows:

	Kane Bidco Limited	True Potential Group Limited	
	3 months to 30 Jun 2022 (unaudited) £'000	3 months to 30 Jun 2022 (unaudited) £'000	3 months to 30 Jun 2021 (unaudited) £'000
Turnover	82,496	82,496	68,324
<i>True Potential Adviser Services LLP</i>	1,110	1,110	1,196
<i>True Potential Wealth Management LLP</i>	30,164	30,164	23,820
<i>True Potential Investments LLP</i>	20,180	20,180	33,106
<i>True Potential Administration LLP</i>	31,042	31,042	10,202

	Kane Bidco Limited	True Potential Group Limited	
	Period from 21 Jan to 30 Jun 2022) £'000	6 months to 30 Jun 2022 (unaudited) £'000	6 months to 30 Jun 2021 (unaudited) £'000
Turnover	144,792	162,840	131,387
<i>True Potential Adviser Services LLP</i>	1,963	2,251	2,452
<i>True Potential Wealth Management LLP</i>	53,296	59,906	45,913
<i>True Potential Investments LLP</i>	35,416	39,860	72,583
<i>True Potential Administration LLP</i>	54,117	60,823	10,439

True Potential Adviser Services LLP

Turnover represents fees earned from the provision of back-office services to financial advice companies. Turnover is recognised on a receivable basis and arises fully within the UK.

True Potential Wealth Management LLP

Turnover represents fees earned from restricted wealth management advice proposition. Turnover is recognised on a accruals basis and arises fully within the UK.

True Potential Investments LLP

Turnover represents fees earned from provision of a wealth platform and investment management. Turnover is recognised on a accruals basis and arises fully within the UK.

True Potential Administration LLP

Turnover represents Annual Management Charges in respect of the True Potential funds.

Kane Bidco Limited

Notes to the financial statements for the 3 month period ended 30 June 2022 (continued)

2 Tax on profit

Income tax is recognised on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

	Kane Bidco Limited		True Potential Group limited		
	3 months to 30 Jun 2022 £'000	Period from 21 Jan to 30 Jun 2022 £'000	3 months to 30 Jun 2022 £'000	6 months to 30 Jun 2022 £'000	Year to 31 Dec 2021 £'000
(Loss)/profit before taxation	(29,908)	(106,398)	32,429	35,306	63,387
Profit before taxation multiplied by the standard rate of corporation tax for the UK of 19%	(5,682)	(20,216)	6,161	6,708	12,043
Effects of:					
Disallowed expenses and non taxable income	10,766	25,985	(1,077)	(939)	292
Tax rate changes	-	-	-	-	1,614
Movement on intangibles	-	-	-	-	4,397
Taxation	5,084	5,769	5,084	5,769	18,346

3 Dividends paid

	Kane Bidco Limited		True Potential Group limited		
	3 months to 30 Jun 2022 £'000	Period from 21 Jan to 30 Jun 2022 £'000	3 months to 30 Jun 2022 £'000	6 months to 30 Jun 2022 £'000	Year to 31 Dec 2021 £'000
Ordinary equity - Interim paid	-	-	1,184	8,000	28,150
Total	-	-	1,184	8,000	28,150

The interim dividend paid in the 3 month period to 30 June 2022 of £1,183,495 was distribution of profits to parent company Kane Bidco Limited. The interim dividend paid in the 3 month period to 31 March 2022 of £8,000,000 was business as usual pre-completion of the Company acquiring equity investment in True Potential Group Limited

Kane Bidco Limited

Notes to the financial statements for the 3 month period ended 30 June 2022 (continued)

4 Intangible assets and Goodwill

True Potential Group Limited

	Goodwill	Brand	Customer relationships	Other intangibles	Intangible assets subtotal	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 31 December 2022						
Cost	103,397	50,500	403,103	10,661	464,264	567,661
Accumulated amortisation	(55,836)	(27,354)	(16,746)	(3,857)	(47,957)	(103,793)
Net book value	47,561	23,146	386,357	6,804	416,307	463,868
At 30 June 2022						
Opening net book value	47,561	23,146	386,357	6,804	416,307	463,868
Additions	-	-	112,576	574	113,150	113,150
Amortisation	(5,189)	(2,526)	(9,180)	(527)	(12,233)	(17,422)
Net book value	42,372	20,620	489,753	6,851	517,224	559,596

Kane Bidco Limited

	Goodwill	Brand	Customer relationships	Other intangibles	Intangible assets subtotal	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 30 June 2022						
Opening net book value	-	-	-	-	-	-
Assets acquired 21 Jan 2022	2,010,094	22,861	385,391	6,745	414,997	2,425,091
Additions	-	-	112,576	574	113,150	113,150
Amortisation	(89,157)	(2,241)	(8,214)	(468)	(10,923)	(100,080)
Net book value	1,920,937	20,620	489,753	6,851	517,224	2,438,161

Kane Bidco Limited

Notes to the financial statements for the 3 month period ended 30 June 2022 (continued)

4 Intangible assets and Goodwill (continued)

Customer Relationships

The Group continues to build customer relationships through its adviser recruitment programmes. True Potential Group's subsidiary True Potential Wealth Management LLP has continued its significant investment during the 3 month period ended 30 June 2022 in its intangible assets relating to customer relationships. This has resulted in amounts capitalised in respect of customer relationships £489.8 million at 30 June 2022. By bringing new advisers and clients to True Potential Wealth Management LLP has increased the assets under management of its Central Advice Team, with £6.9 billion in centrally advised assets at 30 June 2022.

Under the terms of the customer relationship contracts with advisers, the full value of the intangible asset is recognised at the contract execution date with 100% of the value being paid over to the adviser by the end of the first 6 months.

Intangible asset additions cash reconciliation	Note	30 Jun 2022 (unaudited)	31 Dec 2021 (audited)
Customer relationship additions		112,576	182,176
Other intangibles additions		574	1,936
Movement in debtors falling due in more than one year		(593)	-
Movement in current customer relationships liability	7a	(22,396)	(32,829)
Movement in non-current customer relationships liability	7b	(10,223)	(32,432)
Payment to acquire intangible assets		79,938	118,851

Other Intangibles

The other intangibles balance includes costs incurred in the development of the True Potential Investments platform and other project developments.

Kane Bidco Limited

Notes to the financial statements for the 3 month period ended 30 June 2022 (continued)

5 Tangible assets

True Potential Group Limited

	Fixtures, fittings, and equipment	Short Leasehold Buildings	Total
	£'000	£'000	£'000
At 31 December 2021			
Cost	3,841	5	3,846
Accumulated depreciation	(803)	(3)	(806)
Net book amount	3,038	2	3,040
At 30 June 2022			
Opening net book amount	3,038	2	3,040
Additions	441	-	441
Depreciation	(431)	(2)	(433)
Closing net book value	3,048	-	3,048

Kane Bidco Limited

	Fixtures, fittings, and equipment	Short Leasehold Buildings	Total
	£'000	£'000	£'000
At 30 June 2022			
Opening net book value	-	-	-
Assets acquired 21 Jan 2022	2,984	1	2,985
Additions	441	-	441
Depreciation	(377)	(1)	(378)
Closing net book value	3,048	-	3,048

Kane Bidco Limited

Notes to the financial statements for the 3 month period ended 30 June 2022 (continued)

6 Debtors

a) Debtors: Amounts falling due after more than one year

	Kane Bidco Limited	True Potential Group Limited
	£'000	£'000
Debtors: amounts falling due after more than one year at 1 January 2022	-	26,397
Balance acquired 21 January 2022	26,397	-
Loans issued in the period	10,015	10,015
Movement to customer relationships	(593)	(593)
Debtors: amounts falling due after more than one year at 30 June 2020	35,819	35,819

Debtors due after more than one year represent the value of a loans issued by True Potential Wealth Management LLP to its advisers to increase customer relationships.

The value of the loans advanced to new True Potential Wealth Management LLP advisers is based on the value of assets transferred, recognised at the transaction cost. As at 30 June 2022 this loan balance was £35.8 million.

Movement in customer relationships relates to intangible assets acquired through the adviser recruitment programme.

The loans are only advanced once the assets are transferred and management has comfort over the value of assets received to support the loan payments. Robust compliance monitoring of the advisers is in place within True Potential Wealth Management LLP to ensure that the advisers are fit and proper to continue to provide advice and service to clients. Management will continue to monitor the recoverability of the loans closely.

b) Debtors: Amounts falling due within one year

	Kane Bidco Limited	True Potential Group Limited	
	30 Jun 2022 (unaudited) £'000	30 Jun 2022 (unaudited) £'000	31 Dec 2021 (audited) £'000
Other debtors	32,340	32,156	32,979
Prepayments and accrued income	4,232	4,232	4,156
	36,572	36,388	37,135

Kane Bidco Limited

Notes to the financial statements for the 3 month period ended 30 June 2022 (continued)

7 Creditors

a) Creditors: amounts falling due within one year

	Kane Bidco Limited	True Potential Group Limited	
	30 Jun 2022	30 Jun 2022	31 Dec 2021
	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
Trade creditors	633	633	881
Other taxation and social security	(5,114)	(5,114)	1,940
Deferred tax liability	960	960	960
Pension contributions	72	72	69
Other creditors	41,188	40,087	34,173
Customer relationships	55,225	55,226	32,829
Finance loan	177	177	2,976
Accruals and deferred income	26,531	4,384	12,211
	119,672	96,425	86,039

Other creditors contains the amounts payable of £55.2 million in relation to the increase in intangible assets recognised for customer relationships.

Deferred tax is calculated at a rate of 25% on the difference between the accounting base and tax base of the Group's qualifying assets, this is the substantively enacted tax rate at the balance sheet date.

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

True Potential Group Limited

	Kane Bidco Limited	True Potential Group Limited	
	30 Jun 2022	30 Jun 2022	31 Dec 2021
	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
High yield bond	700,000	-	-
Transaction costs associated with high yield bond	(18,658)	-	-
Shareholder Loan	36,688	-	-
Super senior loans	-	-	33,400
Senior loans	-	-	525,066
Revolving Credit Facility	65,000	-	30,000
Deferred tax liability	5,767	5,767	5,766
Finance loan	80	80	109
Customer relationships	42,655	42,655	32,432
	831,532	48,502	626,773

Kane Bidco Limited

Directors' responsibilities report for the 3 month period ended 30 June 2022

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the condensed interim financial statements for the 3 month period ended 30 June 2022 in accordance with applicable law and regulation.

The directors can confirm that these condensed interim financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 104 "Interim Financial Reporting" and the Disclosure and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority). The interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely;

- An indication of important events that have occurred in the period and the impact on the condensed interim financial statements; and
- Material related-party transactions during the period and any material changes in the related-party transactions described in the last annual report.

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

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

On behalf of the Board



Rebecca Hunter

Director

15 September 2022

Kane Bidco Limited

Jersey registered number 137782