

Kane Bidco Limited

Interim Report and the condensed consolidated
financial statements

for the 3 month period ended 30 September

2022

Unaudited

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

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Kane Bidco Limited

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

These condensed consolidated interim financial statements for the 3 month period ended 30 September 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 September 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 These have been replaced by a high yield bond of £700m and revolving credit facility of £100m, of which £85m was drawn at the period ended 30 September 2022.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 £1.6 billion in asset sales during the 3-month period that ended on 30 September 2022. Total asset sales for the 9-month period ended 30 September 2022 is £5.2 billion (9 month period ended 30 September 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 September 2022, 993 financial advisers were appointed in TPGL’s subsidiary, True Potential Wealth Management LLP, an increase of 34 over the previous quarter.

Asset sales through financial advisers and directly from clients resulted in £21.5 billion of client assets on the True Potential Platform as of 30 September 2022 (30 September 2021: £18.8 billion) and £19.5 billion of assets under management within True Potential Investments own funds (30 September 2021: £16.5 billion).

True Potential Group has generated gross revenue of £85.7 million in the 3 month period ending on 30 September 2022 (3 month period ending 30 September 2021: £71.3 million). Earnings before interest, taxes, depreciation and amortisation for the 3 month period to 30 September 2022 was £44.3 million, with profit before taxation was £33.9 million (3 month period ending 30 September 2021: £33.6 million and £14.4 million respectively).

Following on from our biggest ever upgrade to client technology at the end of 2021, the third 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 September 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 16,919 phone calls, 9,106 live chats and 9,592 emails over the quarter.

Finally, our charitable work continued over the quarter with staff raising money for great causes including the Speed of Sight, Children with Challenges & Rob Burrows MND. 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 programs. True Potential Group's subsidiary, True Potential Wealth Management LLP, has continued to make significant investment during the 3 month period ended 30 September 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 £540.7 million at 30 September 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 September 2022 there was £7.3 billion of assets under management being advised by the Central Advice Team.



Rebecca Hunter

Director

5 December 2022

Jersey registered number 137782

Kane Bidco Limited

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

		Kane Bidco Limited	True Potential Group Limited	
		3 months to 30 Sep 2022	3 months to 30 Sep 2022	3 months to 30 Sep 2021
	Note	£'000	£'000	£'000
Turnover	1	85,677	85,677	71,323
Cost of sales		(28,529)	(28,529)	(26,291)
Gross profit		57,148	57,148	45,032
Administration expenses		(18,533)	(18,529)	(14,947)
Operating profit before goodwill and brand amortisation		38,615	38,619	30,085
Goodwill and brand amortisation		(51,515)	(3,857)	(3,857)
Operating (loss)/profit		(12,900)	34,762	26,228
Exceptional items		(921)	(875)	-
Interest payable and similar charges		(13,643)	(2)	(11,850)
(Loss)/profit before taxation		(27,464)	33,885	14,378
Tax on profit	2	(5,634)	(5,634)	(4,745)
(Loss)/profit for the period		(33,098)	28,251	9,633
EBITDA reconciliation				
(Loss)/profit before taxation		(27,464)	33,885	14,378
Add back: Interest payable		13,643	2	11,850
Add back: Amortisation and depreciation including goodwill and brand		57,182	9,524	7,404
Add back: Exceptional items		921	875	-
Earnings before interest, taxation, depreciation and amortisation		44,282	44,286	33,632

The consolidated profit and loss account for Kane Bidco Group includes income and expenses incurred from the 1 July 2022 to the period ended 30 September 2022. Costs classified as exceptional items during the period 1 July 2022 to 30 September 2022 predominantly relate to the reassessment of carrying values for capitalised project cost held as intangible assets, which is not reflective of transactions in the Group's ordinary course of business.

Kane Bidco Limited

Condensed consolidated profit and loss account for the 9 months to 30 September 2022

		Kane Bidco Limited	True Potential Group Limited	
		Period from 21 Jan to 30 Sep 2022	9 months to 30 Sep 2022	9 months to 30 Sep 2021
	Note	£'000	£'000	£'000
Turnover	1	230,469	248,517	203,027
Cost of sales		(77,361)	(83,288)	(74,294)
Gross profit		153,108	165,229	128,733
Administration expenses		(49,829)	(53,507)	(39,592)
Operating profit before goodwill and brand amortisation		103,279	111,722	89,141
Goodwill and brand amortisation		(142,912)	(11,570)	(11,570)
Operating (loss)/profit		(39,633)	100,152	77,571
Exceptional items		(38,644)	(11,864)	-
Interest payable and similar charges		(55,585)	(19,097)	(28,869)
(Loss)/profit before taxation		(133,862)	69,191	48,702
Tax on profit	2	(11,402)	(11,402)	(13,590)
(Loss)/profit for the period		(145,264)	57,789	35,112
EBITDA reconciliation				
(Loss)/profit before taxation		(133,862)	69,191	48,702
Add back: Interest payable		55,585	19,097	28,869
Add back: Amortisation and depreciation including goodwill and brand		157,642	27,380	19,999
Add back: Exceptional items		38,644	11,864	-
Earnings before interest, taxation, depreciation and amortisation		118,009	127,532	97,570

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 September 2022. Costs classified as exceptional items during the period 21 January 2022 to 30 September 2022 predominantly relate 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 September 2022

		Kane Bidco Limited	True Potential Group Limited	
		30 Sep 2022	30 Sep 2022	31 Dec 2021
	Note	£'000	£'000	£'000
Non-Current Assets				
Goodwill	4	1,870,685	39,778	47,561
Intangible assets	4	565,854	565,854	416,307
Tangible assets	5	2,927	2,927	3,040
Debtors: amounts falling due after more than one year	6a	40,706	40,706	26,397
Non-Current Assets		2,480,172	649,265	493,305
Current assets				
Debtors: amounts falling due within one year	6b	35,334	61,074	37,135
Cash at bank and in hand		100,291	100,161	28,469
Current assets		135,625	161,235	65,604
Creditors: amounts falling due within one year	7a	(132,877)	(123,088)	(86,039)
Net current assets/(liabilities)		2,748	38,147	(20,435)
Creditors: amounts falling due after more than one	7b	(833,014)	(28,780)	(626,773)
Net assets/(liabilities)		1,649,906	658,632	(153,903)
Capital and reserves				
Called up share capital		1,795,170	26	26
Share premium		-	763,930	-
Revaluation reserve		-	18	18
Accumulated losses		(145,264)	(105,342)	(153,947)
Total shareholders' funds/(deficit)		1,649,906	658,632	(153,903)

These interim financial statements on pages 4 to 19 were approved by the board of directors on 11 November 2022 and are signed on their behalf by:



Rebecca Hunter

Director

5 December 2022

Jersey registered number 137782

Kane Bidco Limited

Condensed consolidated statement of changes in equity for 9 month period ended 30 September 2022

True Potential Group Limited

	Called up share capital £'000	Other Reserves £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 January 2022	26	18	(153,947)	(153,903)
Issue of share premium	763,930	-	-	763,930
Profit for the Period	-	-	57,789	57,789
Dividend paid	-	-	(9,184)	(9,184)
Balance as at 30 September 2022	763,956	18	(105,342)	658,632

	Called up share capital £'000	Other Reserves £'000	Accumulated losses £'000	Total equity £'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 £'000	Other Reserves £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 January 2022	-	-	-	-
Ordinary share capital	1,795,170	-	-	1,795,170
(Loss) for the Period	-	-	(145,264)	(145,264)
Balance as at 30 September 2022	1,795,170	-	(145,264)	1,649,906

Kane Bidco Limited

Condensed consolidated statement of cash flows for the 9 months 30 September 2022

		Kane Bidco Limited	True Potential Group Limited	
		Period from 21 Jan to 30 Sep 2022 £'000	9 months to 30 Sep 2022 £'000	Year to 31 Dec 2021 £'000
	Note			
Net cash from operating activities		86,554	97,967	61,350
Taxation paid		(14,362)	(14,362)	(18,971)
Net cash generated from operating activities		72,192	83,605	42,379
Cash flow on investing activities				
Purchase of tangible assets		(541)	(541)	(2,238)
Purchase of intangible assets	4	(130,680)	(130,680)	(118,852)
Interest receivable		41	41	-
Proceeds from disposal of intangible assets		-	-	634
Increase in Cash Loans to Other Parties		(16,558)	(16,558)	-
Acquisition of subsidiary, net of cash acquired		(1,774,099)	-	-
Net cash used in investing activities		(1,921,837)	(147,738)	(120,456)
Cash flow from financing activities				
Issue of share capital		1,795,170	-	-
Issue of share premium		-	763,931	-
High yield bond		700,000	-	-
High yield bond transaction costs		(20,354)	-	-
Revolving credit facility		85,000	-	-
Shareholder loan		36,500	-	-
(Decrease) / increase in Senior Finance Loan		(588,466)	(588,466)	143,378
Interest on Finance Loan		(54,944)	(27,500)	(35,315)
Increase / (Decrease) in Finance Loan		(2,970)	(2,956)	2,785
Dividends paid	3	-	(9,184)	(28,150)
Net cash generated from in financing activities		1,949,936	135,825	82,698
Net increase in cash and cash equivalents in the period		100,291	71,692	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		100,291	100,161	28,469

Kane Bidco Limited

Notes to the financial statements for the 3 month period ended 30 September 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 September 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 September 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 September 2021: nil).

Kane Bidco Limited

Notes to the financial statements for the 3 month period ended 30 September 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 Sep 2022 (unaudited) £'000	3 months to 30 Sep 2022 (unaudited) £'000	3 months to 30 Sep 2021 (unaudited) £'000
Turnover	85,677	85,677	71,323
<i>True Potential Adviser Services LLP</i>	1,036	1,036	1,240
<i>True Potential Wealth Management LLP</i>	30,862	30,862	26,266
<i>True Potential Investments LLP</i>	21,127	21,127	17,534
<i>True Potential Administration LLP</i>	32,646	32,646	26,283
<i>True Potential Group Limited</i>	6	6	-

	Kane Bidco Limited	True Potential Group Limited	
	Period from 21 Jan to 30 Sep 2022) £'000	9 months to 30 Sep 2022 (unaudited) £'000	9 months to 30 Sep 2021 (audited) £'000
Turnover	230,469	248,517	203,027
<i>True Potential Adviser Services LLP</i>	2,999	3,287	3,693
<i>True Potential Wealth Management LLP</i>	84,158	90,768	72,179
<i>True Potential Investments LLP</i>	56,544	60,987	90,177
<i>True Potential Administration LLP</i>	86,762	93,469	36,978
<i>True Potential Group Limited</i>	6	6	-

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 an 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 an 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 September 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		Year to 31 Dec 2021 £'000
	3 months to 30 Sep 2022 £'000	Period from 21 Jan to 30 Sep 2022 £'000	3 months to 30 Sep 2022 £'000	9 months to 30 Sep 2022 £'000	
(Loss)/profit before taxation	(27,464)	(133,862)	33,885	69,191	63,387
Profit before taxation multiplied by the standard rate of corporation tax for the UK of 19%	(5,218)	(25,434)	6,438	13,146	12,043
Effects of:					
Disallowed expenses and non taxable income	10,852	36,836	(804)	(1,744)	292
Tax rate changes	-	-	-	-	1,614
Movement on intangibles	-	-	-	-	4,397
Taxation	5,634	11,402	5,634	11,402	18,346

3 Dividends paid

	Kane Bidco Limited		True Potential Group limited		Year to 31 Dec 2021 £'000
	3 months to 30 Sep 2022 £'000	Period from 21 Jan to 30 Sep 2022 £'000	3 months to 30 Sep 2022 £'000	9 months to 30 Sep 2022 £'000	
Ordinary equity - Interim paid	-	-	-	9,184	28,150
Total	-	-	-	9,184	28,150

No interim dividend was paid in the 3 month period to 30 September 2022. 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 September 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 2021						
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 September 2022						
Opening net book value	47,561	23,146	386,357	6,804	416,307	463,868
Additions	-	-	168,685	681	169,366	169,366
Amortisation	(7,783)	(3,787)	(14,350)	(807)	(18,944)	(26,727)
Disposals	-	-	-	(875)	(875)	(875)
Net book value	39,778	19,359	540,692	5,803	565,854	605,632

Kane Bidco Limited

	Goodwill	Brand	Customer relationships	Other intangibles	Intangible assets subtotal	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 30 September 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	-	-	168,685	681	169,366	169,366
Amortisation	(139,409)	(3,502)	(13,384)	(748)	(17,634)	(157,043)
Disposals	-	-	-	(875)	(875)	(875)
Net book value	1,870,685	19,359	540,692	5,803	565,854	2,436,538

Kane Bidco Limited

Notes to the financial statements for the 3 month period ended 30 September 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 September 2022 in its intangible assets relating to customer relationships. This has resulted in amounts capitalised in respect of customer relationships £540.7 million at 30 September 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 £7.3 billion in centrally advised assets at 30 September 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 Sep 2022 (unaudited)	31 Dec 2021 (audited)
Customer relationship additions		168,685	182,176
Other intangibles additions		681	1,936
Disposals		(875)	-
Movement in debtors falling due in more than one year		(2,249)	-
Movement in current customer relationships liability	7a	(45,048)	(32,829)
Movement in non-current customer relationships liability	7b	9,486	(32,432)
Payment to acquire intangible assets		130,680	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 September 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 September 2022			
Opening net book amount	3,038	2	3,040
Additions	541	-	541
Disposals	(1)	-	(1)
Depreciation	(651)	(2)	(653)
Closing net book value	2,927	-	2,927

Kane Bidco Limited

	Fixtures, fittings, and equipment	Short Leasehold Buildings	Total
	£'000	£'000	£'000
At 30 September 2022			
Opening net book value	-	-	-
Assets acquired 21 Jan 2022	2,984	1	2,985
Additions	541	-	541
Disposal	(1)	-	(1)
Depreciation	(597)	(1)	(598)
Closing net book value	2,927	-	2,927

Kane Bidco Limited

Notes to the financial statements for the 3 month period ended 30 September 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	16,558	16,558
Movement to customer relationships	(2,249)	(2,249)
Debtors: amounts falling due after more than one year at 30 September	40,706	40,706

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 September 2022 this loan balance was £40.7 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.

Kane Bidco Limited

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

6 Debtors (continued)

b) Debtors: Amounts falling due within one year

	Kane Bidco Limited	True Potential Group Limited	
	30 Sep 2022 (unaudited)	30 Sep 2022 (unaudited)	31 Dec 2021 (audited)
	£'000	£'000	£'000
Other debtors	31,474	31,314	32,979
Kane Bidco intercompany	-	25,900	-
Prepayments and accrued income	3,860	3,860	4,156
	35,334	61,074	37,135

The Kane Bidco intercompany debtor represents cash loaned from True Potential Group Limited to Kane Bidco to make interest payments on the high yield bond and revolving credit facility. The balance will be cleared when the Board declare a dividend.

Kane Bidco Limited

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

7 Creditors

a) Creditors: amounts falling due within one year

	Kane Bidco Limited	True Potential Group Limited	
	30 Sep 2022	30 Sep 2022	31 Dec 2021
	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
Trade creditors	1,186	1,186	881
Other taxation and social security	(2,394)	(2,394)	1,940
Deferred tax liability	960	960	960
Pension contributions	77	77	69
Other creditors	42,358	41,258	34,173
Customer relationships	77,877	77,877	32,829
Finance loan	60	60	2,976
Accruals and deferred income	12,753	4,064	12,211
	132,877	123,088	86,039

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 Sep 2022	30 Sep 2022	31 Dec 2021
	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
High yield bond	700,000	-	-
Transaction costs associated with high yield bond	(17,640)	-	-
Shareholder Loan	36,874	-	-
Super senior loans	-	-	33,400
Senior loans	-	-	525,066
Revolving Credit Facility	85,000	-	30,000
Deferred tax liability	5,767	5,767	5,766
Finance loan	68	68	109
Customer relationships	22,945	22,945	32,432
	833,014	28,780	626,773

Kane Bidco Limited

Directors' responsibilities report for the 3 month period ended 30 September 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 September 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

5 December 2022

Kane Bidco Limited

Jersey registered number 137782