Kane Bidco Limited

Condensed Consolidated Interim Financial Statements

For the three months ended 31 March 2025 (unaudited)

Jersey Registered Number: 137782

Kane Bidco Limited

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Kane Bidco Limited

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Kane Bidco Limited

Interim management report for the three months ended 31 March 2025

Introduction
Kane Bidco Limited ("the Company") is the sole equity investor in True Potential Group Limited, the parent company of the True Potential Group ("TPG"). These condensed consolidated interim financial statements for the three month period ended 31 March 2025 comprise the Kane Bidco Group ("the Group", "KBG") representing the consolidated group of the Company and TPG. The Group's principal activities are the provision of financial advisory, investment management services and support services to retail investors and financial advisers.

The purpose of these statements is to show the financial performance and the financial position of the Group for the three month period ended 31 March 2025.

Kane Bidco Group business review
The Group recorded £1.0bn gross inflows during the three months ended on 31 March 2025 (three months to 31 March 2024 £1.5bn). Total gross inflows for the year ended 31 December 2024 were £4.7bn.

The client service proposition continues to be innovated by our in-house development team, who build client focused technology and provide support for financial advisers, encouraging direct gross inflows. Asset inflows through financial advisers and directly from clients resulted in £32.8bn of client assets on the True Potential Wealth Platform (the "Platform") as of 31 March 2025 (31 March 2024: £30.6bn) and £30.3bn (31 March 2024: £28.2bn) of assets under management within the True Potential Investment Funds ("the Funds").

The Group generated gross revenue of £127.0m in the three months to 31 March 2025 (three months to 30 March 2024: £114.6m). Total revenue for the year ended 31 December 2024 was £498.9m.

The Kane Bidco Group generated adjusted earnings before interest, taxes, depreciation, amortisation and exceptional items ("adjusted EBITDA") for the three months to 31 March 2025 of £64.4m (three months to 31 March 2024: £61.1m). This resulted in a profit before taxation in the three months to 31 March 2025 of £18.7m (restated three months to 31 March 2024: £21.3m).

The Group recorded a total of 2,816,456 client logins, with 2,353,363 of those being through our True Potential app in the three months to 31 March 2025. This high level of engagement also led to sales directly to clients, with 16,132 top ups through our unique impulseSave® technology to the value of £83.3m in the three months to 31 March 2025.

The Group support standards for clients remained high, with our Customer Care team answering 36,851 phone calls, 8,888 live chats and 8,459 emails over the three months to 31 March 2025 (30,411 phone calls, 10,003 live chats and 8,088 emails respectively for the three months to 31 March 2024). Our average answer time was 48 seconds (three months to 31 March 2024: 13 seconds) for phone calls. As a result of our levels of service, we maintained our 'Excellent' rating on Trustpilot and our rating on Google Reviews of 4.9 out of 5.

Finally, our charitable work continued over the quarter with staff raising money for great causes including Willow Wood Hospice and Lymphoma Action.

Interim management report for the three months ended 31 March 2025 *(continued)*

Principal risks and uncertainties
The principal risks and uncertainties identified by Management in the most recent annual financial statements continue to be prevalent in the current reporting period. The Group contains FCA regulated subsidiaries offering wealth management advice, investment management and fund administration. Robust systems of control are implemented within regulated subsidiaries to ensure ongoing compliance with regulatory requirements. Management continues to engage with the regulator on a variety of topics which are relevant to the Group to help navigate the changing and complex regulatory environment.

The Group continues to hold significant external debt and complies with debt covenants, giving credit risks arising on borrowings. Management closely monitor covenant compliance and borrowing levels, utilising cash flow forecasting to ensure that the associated risks are managed appropriately. Management are confident that the Group has sufficient liquidity to service its external borrowings and is well-positioned to utilise available facilities to continue expanding the business.

Impairment of assets
The Group holds significant intangible and tangible asset balances including goodwill, brand, customer relationships, client onboarding assets and property, plant and equipment. Impairment of some non-current assets is a critical accounting estimate with related key judgements discussed in more detail within the Notes to the financial statements. Management review indefinite-life intangible assets for impairment at least annually. Goodwill and other assets are reviewed for impairment on an ad hoc basis where potential indicators of impairment exist. Management have determined that no such impairment indicators exist up to the date of signing the interim financial statements.

Suitability of client transfer provision
Following ongoing engagement with the FCA, a Skilled Person was appointed to review the suitability of client transfers into the Group. This review was undertaken during 2024, and is now complete, however, our work on the outcomes of the review is ongoing. The recruitment programme has been revised, with new processes put in place in 2024 to ensure good client outcomes.

The Skilled Person review identified that there may have been clients whose investments were not appropriately transferred into the Group. Management has therefore undertaken a risk assessment of all transfer contracts offered and concluded that the risk was present in investment products that were transferred through the adviser recruitment programme that commenced in 2018. With the support of external specialists, the clients transferred in under this programme have been analysed into different cohorts considering a range of risk factors to establish the suitability of transfer and, if appropriate, the cohort has been considered for potential redress.

Using an approach which would restore a client's position had the transfer not occurred, including taking account of the investment performance, a provision of £95.5m, inclusive of costs to operate the redress scheme, is held at 31 March 2025 based on current best estimates of the redress payable as at the balance sheet date.

Management is focussed on addressing the review's findings, with a remediation scheme to be implemented over the remainder of the year.

Annual Suitability Reviews ("ASR") provision

The appropriateness of ongoing advice is central to how we operate and annual reviews of client circumstances are completed to ensure that their investments remain suitable. For a limited number of clients, there may be instances where an ASR has not been completed on an annual basis and there is insufficient evidence that appropriate attempts to deliver the suitability review were made.

Since 2021, we have operated a policy to refund ongoing advice fees on an annual basis where sufficient attempts to deliver ASRs cannot be evidenced and if necessary after three years of ASR non-completion switching off all fees. Notwithstanding this policy, a detailed retrospective review of ASR completions from 2018 – 2024 was undertaken at the end of 2024. As a result of this review, a provision of £4.9m is held in respect of fees that may need to be refunded to clients, inclusive of costs to perform the redress of impacted clients.

Detail on the provisions can be found in Note 21 of these accounts and in the annual accounts published on the True Potential website via the investor portal.

On behalf of the Board

Rebecca Hunter
Director
21 May 2025

Kane Bidco Limited
Jersey Registered Number: 137782

Statement of Directors’ responsibilities in respect of the financial statements

The Directors are responsible for preparing the Directors’ report and the condensed interim financial statements for the three months ended 31 March 2025 in accordance with applicable law and regulation.

The Directors can confirm that these condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2024. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

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 (Jersey) Law 1991.

On behalf of the Board

Rebecca Hunter
Director
21 May 2025

Kane Bidco Limited
Jersey Registered Number: 137782

Condensed Consolidated Statement of Comprehensive Income for the three months ended 31 March 2025

	Note	Three months to 31 March 2025 (unaudited) £'000	31 March 2024 Restated (unaudited) £'000
Revenue	4	**127,033**	**114,554**
Fee expenses	5	(40,693)	(36,109)
Net revenue		**86,340**	**78,445**
Total administrative expenses	6	(42,835)	(36,455)
Exceptional costs	7	(3,906)	-
Operating profit		**39,599**	**41,990**
Finance income	9	2,452	1,339
Finance costs	9	(23,375)	(22,051)
Profit before income tax		**18,676**	**21,278**
Income tax expense	10	(6,653)	(6,974)
Profit for the period		**12,023**	**14,304**
Other comprehensive income			
Gain / (loss) on cash flow hedges:			
Gain / (loss) on changes in fair value of hedging instruments during the period	22	1,629	(6,066)
Reclassification of (loss) / gain from OCI to profit or loss	22	(2,280)	5,692
Other comprehensive loss for the period		**(651)**	**(374)**
Total comprehensive income for the period		**11,372**	**13,930**

The notes on pages 10 to 26 are an integral part of these consolidated financial statements. Details relating to the prior period restatement can be found in Note 2.2.

Kane Bidco Limited

Condensed Consolidated Statement of Financial Position as at 31 March 2025
Jersey Registered Number: 137782

	Note	31 March 2025 (unaudited) £'000	31 December 2024 £'000
ASSETS			
Non-current assets			
Goodwill	12	1,400,190	1,400,190
Intangible assets	12	783,472	797,088
Property, plant and equipment	13	2,382	2,532
Client onboarding assets	14	502,083	498,397
Adviser loans	15	5,356	7,110
		2,693,483	**2,705,317**
Current assets			
Derivative assets	16	1,861	-
Adviser loans	15	3,532	-
Trade and other receivables	17	57,726	52,853
Current tax receivable		21,561	28,214
Cash and cash equivalents	18	282,206	216,891
		366,886	**297,958**
Total assets		**3,060,369**	**3,003,275**
LIABILITIES			
Current liabilities			
Trade and other payables	19	(48,256)	(47,396)
Financial liabilities	20	(52,589)	(62,793)
Provisions	21	(100,400)	(100,400)
		(201,245)	**(210,589)**
Non-current liabilities			
Financial liabilities	20	(1,137,793)	(1,082,727)
Deferred tax		(109,417)	(109,417)
		(1,247,210)	**(1,192,144)**
Total liabilities		**(1,448,455)**	**(1,402,733)**
Net assets		**1,611,914**	**1,600,542**
EQUITY			
Share capital		1,795,170	1,795,170
Hedge reserves	22	1,259	1,910
Retained earnings		(184,515)	(196,538)
Total equity		**1,611,914**	**1,600,542**

The notes on pages 10 to 26 are an integral part of these financial statements. The financial statements on pages 6 to 26 were authorised for issue by the Board of Directors on 21 May 2025 and were signed on its behalf by:

Rebecca Hunter (Director)

Condensed Consolidated Statement of Changes in Equity for the three months ended 31 March 2025

	Share capital £'000	Hedge reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 31 December 2024 and 1 January 2025	**1,795,170**	**1,910**	**(196,538)**	**1,600,542**
Comprehensive income for the period:				
Profit for the period	-	-	12,023	12,023
Other comprehensive loss	-	(651)	-	(651)
Total comprehensive income for the period	-	(651)	12,023	11,372
Balance as at 31 March 2025	**1,795,170**	**1,259**	**(184,515)**	**1,611,914**

	Share capital £'000	Hedge reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 31 December 2023 *(restated)* and 1 January 2024	**1,795,170**	**(1,337)**	**42,514**	**1,836,347**
Comprehensive income for the period:				
Profit for the period *(restated)*	-	-	14,304	14,304
Other comprehensive loss *(restated)*	-	(374)	-	(374)
Total comprehensive income for the period *(restated)*	-	(374)	14,304	13,930
Balance as at 31 March 2024 *(restated)*	**1,795,170**	**(1,711)**	**56,818**	**1,850,277**

The notes on pages 10 to 26 are an integral part of these financial statements. Details relating to the prior period restatement can be found in Note 2.2.

Kane Bidco Limited

Condensed Consolidated Statement of Cash Flows for the three months ended 31 March 2025

	Note	Three months to 31 March 2025 (unaudited) £'000	31 March 2024 Restated (unaudited) £'000
Cashflows from operating activities			
Profit before tax		18,676	21,278
Adjustments for:			
Depreciation of property, plant and equipment and right of use assets	6	315	368
Amortisation of intangible assets	6	13,616	13,635
Amortisation of client onboarding costs	6	6,970	5,122
Finance income	9	(2,452)	(1,339)
Finance costs	9	23,375	22,051
Operating cash inflows before movements in working capital		**60,500**	**61,115**
Movements in working capital			
Increase in trade and other receivables	17	(4,873)	(3,285)
Increase in trade and other payables	19	860	1,719
Increase in client onboarding costs	14	(10,654)	(44,779)
Total movements in working capital		**(14,667)**	**(46,345)**
Operating cashflows after movements in working capital		**45,833**	**14,770**
Corporation tax paid		-	(12,821)
Net cash inflows from operating activities		**45,833**	**1,949**
Cashflows from investing activities			
Purchase of property, plant and equipment	13	(165)	(66)
Adviser loans	15	(1,778)	(402)
Interest received	9	2,452	1,339
Net cash inflows from investing activities		**509**	**871**
Cashflows from financing activities			
Repayment of credit agreement		-	(864)
Interest paid		(33,286)	(31,716)
(Repayment) / drawdown of revolving credit facility		(120,000)	30,400
Issuance of listed bonds, net of borrowing costs		172,375	-
Lease principal payments	20	(116)	(630)
Net cashflows from financing activities		**18,973**	**(2,810)**
Net increase in cash and cash equivalents		**65,315**	**10**
Cash and cash equivalents at the beginning of the year		216,891	129,694
Cash and cash equivalents at the end of the year		**282,206**	**129,704**

The notes on pages 10 to 26 are an integral part of these financial statements. Details relating to the prior period restatement can be found in Note 2.2.

1 General information

Kane Bidco Limited (the "Company") is a holding company with sole ownership of True Potential Group Limited. On Consolidation, the Company and its subsidiaries (collectively referred to as the "Group'') specialise in providing financial advisory, investment management services and support services to retail investors and financial advisers. The Company is a private entity limited by shares, incorporated in Jersey. The registered office is located at Aztec Group House, IFC 6, The Esplanade, St Helier, Jersey, JE4 0QH. The immediate parent company is Kane Midco Limited, a Jersey registered company.

2 Material accounting policies

2.1 Basis of preparation

These interim financial statements for the three months ended 31 March 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting and the Companies (Jersey) Law 1991. They should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2024. They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Group's financial position and performance since the last annual financial statements. The policies have been applied consistently to all periods presented.

These financial statements have been prepared on a going concern basis and on a historical cost basis, except for certain debt and equity financial assets that have been measured at fair value. The financial statements are presented in pound sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

2.2 Prior period restatement

As noted in the Group's latest annual consolidated financial statements as at and for the year ended 31 December 2024, the values of the hedge reserve, retained earnings and total equity as at 31 December 2023 have been restated. Details of these restatements can be found in those financial statements, available on the True Potential website, via the investor portal.

For the three months to 31 March 2024, an adjustment has been made due to a prior period error relating to an over-accrual of interest of £5.2m and a £0.8m understatement of the reclassification of the gain from OCI to profit or loss. The tax impact of this adjustment has also been determined, reducing corporation tax expense by £4.0m. This increased total comprehensive income for the three months to 31 March 2024 by £10.0m to £13.9m.

2.3 Going concern

Management have considered the Group's current and future prospects, risks and uncertainties and its availability of financing, and are satisfied that the Group can continue to pay its liabilities as they fall due for at least 12 months from the date of signing of these financial statements. The Group is cash generative, there is a net asset position with sufficient cash resources and other financing facilities available. Management has prepared detailed cash flow forecasts which show continued covenant and regulatory capital compliance, with headroom on capital requirements both throughout the period and at the period-end. For this reason, the Directors continue to adopt the going concern basis of preparation for these financial statements.

These interim financial statements were authorised for issue by the Board of Directors on 21 May 2025.

3 Critical accounting estimates and judgements

The preparation of the financial statements requires Management to make judgements, estimates and assumptions in applying the Group's accounting policies to determine the reported amounts of assets, 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. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis, with revisions to accounting estimates applied prospectively. The following critical accounting judgements and estimates have been identified:

- Expected life of client onboarding assets
- Impairment of client onboarding assets
- Impairment of goodwill
- Expected life of customer relationships
- Impairment of customer relationships
- Suitability of client transfer provision

Application of these judgements and estimates is consistent with the approach followed in preparing the Annual Group accounts for the year ended 31 December 2024.

Management monitor and reassess assumptions underlying critical judgements and estimates. Where there are significant changes in these assumptions, it may be considered a potential indicator of impairment of assets, triggering an impairment review of certain asset classes in the period. This includes the Group discount rate used to appraise projects and forward-looking cashflows, attrition of customers receiving Group services, market growth expectations, fee rates charged to customers and the useful economic lives of assets.

No material changes to the core assumptions underpinning critical accounting estimates and judgements have been noted in the three months ended 31 March 2025 or to the date of signing the financial statements. In addition, no other external impairment indicators have been noted by Management during this period.

4 Revenue

Turnover is attributable to the Group's continuing principal activities and arises wholly within the United Kingdom.

	Three months to 31 March 2025 £'000	Three months to 31 March 2024 £'000
Adviser services	826	907
Wealth management advice	49,056	41,662
Platform fees	32,136	27,995
Investment management fees	45,015	43,990
	127,033	**114,554**

Adviser services
Revenue represents fees earned from the provision of back-office services to financial advice companies. Fees are collected daily through firm escrow accounts, or as part of monthly or annual invoicing.

Wealth management advice
Revenue represents fees earned from restricted wealth management advice proposition, generated on both initial and recurring advice services. Advisory revenue is earned over time, with the exception of fees earned through initial advice offered by self-employed advisers and the central advice team, which is recognised at a point in time. Fees are received monthly and quarterly in arrears.

Platform fees
Revenue represents fees earned from provision of the Platform and investment management. Revenue is recognised on an accruals basis and is received monthly in arrears.

Investment management fees
Revenue represents fees and charges earned from investment funds management and performance fees in relation to those funds. From 1 October 2024, the Group will no longer receive performance fees in line with the Assessment of Value available on the True Potential website. Consideration for investment management fees is received monthly in arrears.

5 Fee expenses

Fee expenses include:

	Three months to 31 March 2025 £'000	Three months to 31 March 2024 £'000
Adviser fees	30,421	24,788
Sub-fund manager fees	8,900	9,528
Other fees	1,372	1,793
	40,693	**36,109**

Adviser fees are paid from gross advisory revenue, being the amounts owed to financial advisers who are, either, partnered with the Group or independently deliver advice services to clients. Fees are paid net of rebates, clawbacks and other adjustments.

Sub-fund manager fees are paid to delegates of the Group investment manager for fund management services on the Funds. Sub-fund manager fees are paid in arrears.

Other fund fees include those payable to the fund custodian and depository, as well as fund audit, accountancy and transaction fees.

6 Administrative expenses

Other administrative expenses includes:

	Three months to 31 March 2025 £'000	Three months to 31 March 2024 £'000
Amortisation - intangible assets	13,616	13,635
Amortisation - client onboarding costs	6,970	5,122
Depreciation	315	368
Staff costs	12,133	7,251
Marketing	1,486	1,029
Regulatory fees and levies	2,260	514
Insurance	783	764
Legal and professional costs	562	1,804
Platform and technology running costs	3,139	2,251
Other expenses	1,571	3,717
	42,835	**36,455**

7 Exceptional items

	Three months to 31 March 2025 £'000	Three months to 31 March 2024 £'000
Group transformation	3,038	-
Other exceptional costs	868	-
	3,906	**-**

Exceptional costs of £3.0m incurred in the period relate to the Group transformation project, which is for investment in the operational effectiveness of the Group, Head Office and staff.

Additional exceptional costs include other project costs which do not meet the criteria for capitalisation and ongoing costs related to review of the redress program relating to the suitability of client transfers and historic annual suitability reviews.

Further costs are expected to be incurred on these items throughout 2025.

8 Alternative performance measures

	Three months to 31 March 2025 £'000	Three months to 31 March 2024 £'000
Operating profit	39,599	41,990
Add back: Exceptional items	3,906	-
Add back: Amortisation	20,586	18,757
Add back: Depreciation	315	368
Adjusted EBITDA	**64,406**	**61,115**

Adjusted earnings before interest, depreciation, amortisation and exceptional costs ("adjusted EBITDA") as an alternative performance measure (“APM”) is used by Management as an industry comparator by removing Group specific accounting estimates, financing arrangements and tax laws applicable to the jurisdiction in which the Group operates. The closest relevant metric under International Financial Reporting Standards to start with is operating profit as per the Consolidated Statement of Comprehensive Income adding back exceptional items, amortisation and depreciation.

9 Finance income and costs

	Three months to 31 March 2025 £'000	Three months to 31 March 2024 £'000
(i) Finance income		
Interest on liquidity funds	2,089	1,261
Other interest income	363	78
Total finance income	**2,452**	**1,339**

Deposits in liquidity funds are money market funds which are short-term and highly liquid. Interest is accrued on these funds daily and is recognised as finance income. Other interest income includes interest earned on loans to financial advisers and on other bank deposits.

	Three months to 31 March 2025 £'000	Three months to 31 March 2024 Restated £'000
(ii) Finance costs		
Finance charges payable on borrowings	23,366	22,038
Interest on lease liabilities	9	13
Total finance costs	**23,375**	**22,051**

A loss (three months to 31 March 2024: gain) on the change in fair value of the cash flow hedge was reclassified to profit or loss from other comprehensive income in the period within finance charges payable on borrowings.

10 Taxation

Reconciliation of tax charge

The permanent establishment of the Company and all Management decisions are made wholly within the UK. The Company is tax resident in the UK and is bound by UK tax laws.

	Three months to 31 March 2025 £'000	Three months to 31 March 2024 Restated £'000
Profit before taxation	18,676	21,278
Profit before taxation multiplied by standard effective rate of corporation tax in the UK of 25% (2024: 25%)	4,669	5,320
Effect of:		
Disallowed expenses, non-taxable income, movement on intangible assets, adjustments in respect of prior periods and Group relief as applicable	1,984	1,654
Total tax charge for the year	**6,653**	**6,974**

During 2024 and 2025, the main rate of corporation tax was 25.0%. The effective tax rate in the three months ended 31 March 2025 was 35.6% (three months ended 31 March 2024 restated: 32.8%)

11 Dividends

No dividends were paid or payable during the three months ended 31 March 2025 (year ended 31 December 2024: £nil).

12 Goodwill and other intangible assets

The carrying value of goodwill is £1,400.2m (31 December 2024: £1,400.2m). Goodwill arose entirely on the acquisition of True Potential Group Limited (“TPG”) in 2022. Goodwill is allocated to the Kane Bidco Group as the sole reportable operating segment of the Group. The Group has been identified as the smallest group of assets which generates cash flows that are independent, due to the interlinked nature of income generation within the Group.

Other intangible assets form part of the residual assets held by the Group, with carrying value at 31 March 2025 of £783.5m (31 December 2024: £797.1m).

12 Goodwill and other intangible assets *(continued)*

(i) Impairment assessment

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. Residual assets held by the Group are tested where there are indicators that they may be impaired, but form part of the annual goodwill impairment assessment.

As at 31 March 2025 and to the date of this report, Management have not identified any factors that could trigger a full impairment assessment of goodwill or other intangible assets. The assumptions in critical accounting estimates and judgements in relation to these areas are discussed in Note 3.

No impairments have been recognised in the period (year ended 31 December 2024: £221.5m).

(ii) Intangible assets other than goodwill:

	Brand	Customer relationships	Internally generated assets	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2025	49,861	885,207	21,167	956,235
At 31 March 2025	**49,861**	**885,207**	**21,167**	**956,235**
Accumulated amortisation and impairment				
At 1 January 2025	(22,740)	(129,095)	(7,312)	(159,147)
Amortisation	(1,937)	(11,065)	(614)	(13,616)
At 31 March 2025	**(24,677)**	**(140,160)**	**(7,926)**	**(172,763)**
Net book value				
At 31 March 2025	**25,184**	**745,047**	**13,241**	**783,472**
At 31 December 2024	27,121	756,112	13,855	797,088

Brand includes the True Potential brand which was recognised at fair value on Kane acquisition of the True Potential Group (“TPG”).

Customer relationships were acquired at fair value on purchase of the True Potential Group, representing the economic relationship and future net income acquired with historic clients. Subsequently, they are held at cost less accumulated amortisation and any accumulated impairment. The useful life of these relationships is 20 years based on the age profile of customers obtained, life expectancy in the UK and Management’s experience of customer practices and average client pension drawdown arrangements. This is the term over which future income is expected to be earned from customer relationships.

Internally generated assets are primarily capitalised staff costs allocated to development projects, including costs allocated to the development of the Platform and fund set-up costs.

13 Property, plant and equipment

	Fixtures, fittings, and equipment £'000	Short leasehold buildings £'000	Total £'000
Cost			
At 1 January 2025	3,820	1,815	5,635
Additions	165	-	165
At 31 March 2025	**3,985**	**1,815**	**5,800**
Accumulated depreciation and impairment			
At 1 January 2025	(2,240)	(863)	(3,103)
Depreciation	(211)	(104)	(315)
At 31 March 2025	**(2,451)**	**(967)**	**(3,418)**
Net book value			
At 31 March 2025	**1,534**	**848**	**2,382**
At 31 December 2024	1,580	952	2,532

14 Client onboarding costs

Client onboarding assets and liabilities are as follows:

Non-current assets		
Client onboarding assets	**502,083**	**498,397**
Financial liabilities		
Client onboarding liabilities (Note 20)	**(10,799)**	**(10,801)**

Client onboarding assets represent the incremental costs to obtain revenue contracts with clients, obtained through client acquisition programmes. Client onboarding cost liabilities are shown as part of financial liabilities, representing amounts outstanding to financial advisers where a corresponding client onboarding cost has been capitalised as an asset. All client onboarding cost liabilities fall due within one year.

Significant changes in client onboarding assets are:

	31 March 2025 £'000	31 December 2024 £'000
At 1 January 2025 and 1 January 2024	**498,397**	**405,739**
Additions	10,792	121,343
Adviser clawbacks	(136)	(3,829)
Amortisation	(6,970)	(24,856)
At 31 March 2025 and 31 December 2024	**502,083**	**498,397**

14 Client onboarding costs *(continued)*

In the three months ended 31 March 2025, £10.7m of client onboarding costs have been added to the Statement of Financial Position net of adviser clawbacks (year-ended 31 December 2024: £117.5m). This represents Management's best estimate of expected payments for the onboarding of revenue contracts. Management use estimates to assess the carrying value of client onboarding costs, as discussed in Note 3. Management have determined that significant judgements and assessments used in assessing this carrying value have not materially changed in the period ended 31 March 2025.

15 Adviser loans

	31 March 2025 £'000	31 December 2024 £'000
Non-current assets		
Adviser loans	**5,356**	**7,110**
Current assets		
Adviser loans	**3,532**	**-**

Loan assets are loans to financial advisers which are repayable after two years. The loans accrue interest income at the Bank of England base rate plus 6.0%. Loans to advisers are recognised in line with IFRS 9, at amortised cost less any provision for expected credit loss.

16 Derivative assets / (liabilities)

	31 March 2025 £'000	31 December 2024 £'000
Current assets		
Cross currency swap assets	**1,861**	**-**
Non-current liabilities		
Cross currency swap liabilities (Note 20)	**-**	**(2,565)**

The Group hedges the foreign currency risk on high yield Eurobonds (nominal €360.0m at a 5.0% rate) with three fixed-for-fixed cross currency swaps (in total paying a fixed GBP £300.0m at 6.8% and receiving a fixed EUR €360.0m at 5.0%). The foreign currency basis spread and forward elements are excluded from the designation of the hedging instrument. The Group has elected, in accordance with IFRS 9:6.5.16 to apply IFRS 9:6.5.15 and recognise the excluded elements in OCI (to the extent they relate to the hedged item). Because the hedged item is a time-period related item, the excluded elements are amortised from OCI to profit or loss on a rational basis over the period during which the hedge adjustment for the included element could affect profit or loss.

The cross-currency swaps are designated and effective as hedging instruments and are carried at fair value. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The swaps mature in February 2026.

17 Trade and other receivables

	31 March 2025 £'000	31 December 2024 £'000
Prepayments and accrued income	6,491	4,773
Platform fees	10,457	10,148
Investment management fees	15,385	15,345
Wealth management advice fees	16,394	15,790
Other receivables	8,999	6,797
	57,726	**52,853**

Trade receivables is made up of Platform fees, investment management and advice fees which are satisfied in the month following the reporting date.

Other receivables include interest receivable on deposits in liquidity funds and amounts due from financial advisers partnered with the Group including refunds and other clawbacks which are recoverable.

18 Cash and cash equivalents

	31 March 2025 £'000	31 December 2024 £'000
Cash held at bank	86,402	42,404
Deposits in liquidity funds	195,804	174,487
	282,206	**216,891**

Deposits in liquidity funds are money market funds which are short-term and highly liquid. They are readily convertible to known amounts of cash.

19 Trade and other payables

	31 March 2025 £'000	31 December 2024 £'000
Trade payables	-	101
Other taxes and social security	3,481	6,035
Accruals and deferred income	15,467	10,298
Sub-fund manager fees	8,173	9,743
Adviser fees	9,957	9,342
Intercompany payable – Kane Midco Limited	1,300	1,338
Other payables	9,878	10,539
	48,256	**47,396**

19 Trade and other payables *(continued)*

Sub-fund manager fees represent payments to sub-fund managers for the investment management of the True Potential funds with settlement being made between 30 and 120 days.

Adviser fees represent payments to wealth management partners for the servicing of customer advice with settlement being made within 30 days.

Other payables include other fund fees included as part of fee expenses. Also included is interest earned on client money held by the Group which is due to clients. Further, refund liabilities due to clients in relation to advice fees and rebates owed to wealth management partners incurred in the ordinary course of business are included.

Intercompany payables with Kane Midco Limited are related party intercompany transactions which are repayable on demand.

20 Finance liabilities

	31 March 2025 £'000	31 December 2024 £'000
Current		
Lease liabilities	437	433
Client onboarding liabilities	10,799	10,801
Trust loan	30,772	30,095
Accrued interest	10,581	21,464
	52,589	**62,793**
Non-current		
Lease liabilities	332	452
Cross currency swap liability	-	2,565
High yield bonds	693,767	689,064
Revolving credit facility	-	119,686
Other listed bonds	443,694	270,960
	1,137,793	**1,082,727**

(i) *Trust loan*

The Trust loan is payable to the True Potential LLP Discretionary Trust 2009 (“the Trust”), has no maturity date and is repayable on demand. Interest on the trust loan compounds annually at the HMRC preferential borrowing rate.

(ii) *Listed Bonds (high yield bonds and other listed bonds)*

All listed debt, including high yield bonds issued in 2022 and other bonds issued in 2023, were issued on The International Stock Exchange (“TISE”) with various fixed and floating interest coupons. The bonds have various due dates which fall between 2027 and 2030.

In March 2025, the Company issued a £175.0m floating rate bond on TISE. The coupons on the bond are payable quarterly at SONIA plus 5.0%. The bond is due March 2030. The bond can be optionally redeemed at par from March 2027.

20 Finance liabilities (continued)

(iii) *Revolving credit facility*

The revolving credit facility ("RCF") has up to £120.0m available for drawdown. The utilisation of the facility may vary each month provided it does not exceed the maximum facility. Interest on the RCF is accrued at SONIA plus 3.5%. The RCF matures in October 2026. The full RCF balance was paid in March 2025.

(iv) *Other liabilities*

Client onboarding liabilities and cross currency swaps are detailed in Note 14 and Note 16 respectively.

21 Provisions

	Suitability of client transfer provision	ASR provision	Total
	£'000	£'000	£'000
As at 1 January 2025	**95,500**	**4,900**	**100,400**
Provided for in the year	-	-	-
Utilised during the year	-	-	-
Released in the year	-	-	-
At 31 March 2025	**95,500**	**4,900**	**100,400**

(i) Suitability of client transfer

Following ongoing engagement with the FCA, a Skilled Person was appointed to review the suitability of client transfers into the Group. This review was undertaken during 2024, and is now complete, however, our work on the outcomes of the review is ongoing.

The Skilled Person review identified that there may have been clients whose investments were not appropriately transferred into the Group due to payments made to advisers. Management has therefore undertaken a risk assessment of all transfer contracts offered and concluded that the risk was present in investment products that were transferred through the adviser recruitment programme that commenced in 2018 (and ceased in 2024, when modifications to the specific adviser recruitment programme were put in place).

With the support of external specialists, clients transferred in under this programme have been analysed into different cohorts considering a range of risk factors to establish the suitability of transfer and, if appropriate, the cohort has been considered for potential redress. This has resulted in those cohorts where management have determined there to be a higher risk of an unsuitable transfer being considered for potential redress. Where a client's transfer suitability has not been identified as at risk, the client has not been determined to require redress.

The redress provision has been calculated on a net performance basis. This takes into account the difference between a client's current investment position and the estimated position they would have been in had the transfer not taken place. Within this, the performance of the ceding scheme comparator for each client has been calculated with reference to a combination of specific portfolio and industry benchmarked monthly performance results.

21 Provisions *(continued)*

(i) Suitability of client transfer (continued)

The cost to operate the redress scheme has been determined based on an estimated cost of a third party running the scheme, which takes into account a number of variables including case handling times, review times and the length of the programme.

Following the above, a provision of £95.5m is held, inclusive of costs to perform the redress of clients. Management expects to commence the redress exercise within 2025.

(ii) ASR provision

To ensure the appropriateness of ongoing advice, client circumstances are reviewed annually to ensure that their investments remain suitable. For a limited number of clients, there may be instances where an ASR has not been completed on an annual basis and appropriate attempts to deliver the suitability review cannot be evidenced.

Since 2021, the Group has operated a policy to refund ongoing advice fees on an annual basis where sufficient attempts to deliver ASRs cannot be evidenced, going further by switching off fees after three years of ASR non-completion. Under the policy, where it has been determined sufficient attempts to contact clients have taken place, no annual refund would be required.

The ASR provision has been recognised where an ASR has not been completed on an annual basis and appropriate attempts to deliver the suitability review cannot be evidenced, in line with Group policy. A full retrospective review of the period between 2018 and 2024, with the calculation being a refund of 100% of ongoing advice charges paid by a client within a calendar year where an ASR had been due, but not completed, and there have been insufficient attempts to contact the client.

22 Hedging

	31 March 2025 £'000	31 December 2024 £'000
At 1 January 2025 / 1 January 2024	**1,910**	**(1,337)**
Gain / (loss) arising on changes in fair value of hedging instruments during the period	1,629	(16,670)
(Loss) / gain reclassified to profit or loss	(2,280)	19,917
At 31 March 2025 / 31 December 2024	**1,259**	**1,910**

Gains and losses reclassified to profit or loss are recognised within finance costs.

23 Related party transactions

Balances and transactions between Kane Bidco Limited ("the Company") and its subsidiaries have been eliminated on consolidation and are not presented in this note. During the three months ended 31 March 2025, the Group entered into transactions with related parties as follows:

	Transactions with related parties		**Amounts due to related parties**	
	31 March 2025	**31 December 2024**	**31 March 2025**	**31 December 2024**
	£'000	**£'000**	**£'000**	**£'000**
Kane Midco Limited	(38)	(152)	(1,300)	(1,338)
The True Potential LLP Discretionary Trust 2009	677	99	(30,772)	(30,095)
Kane Feeder Limited Partnership	-	-	(1,100)	(1,100)
	639	**(53)**	**(33,172)**	**(32,533)**

Amounts payable to Kane Midco Limited, the parent company, are intragroup transactions payable on demand. They relate to the settlement of administrative and professional fees and the receipt of financing from the intermediate parent, Kane Topco Limited.

The amount payable to Kane Feeder Limited Partnership ("Feeder LP") is a settlement on behalf of other investors for share consideration in the Company. All amounts are repayable on demand.

The only transaction entered into with The True Potential LLP Discretionary Trust 2009 is a trust loan received by the Company. The loan accrues compound interest at the HMRC preferential borrowing rate, has no maturity date and is repayable on demand. These terms are considered preferential to the wider market.

24 Subsidiaries

Subsidiary undertakings	Proportion of ordinary shares held	Nature of business
Directly held:		
True Potential Group Limited	100%	Holding company
Indirectly held (True Potential Group Limited is the Holding Member / shareholder):		
True Potential LLP	100%	Corporate Holding Member
True Potential Holdings Limited	100%	Holding company (dormant)
Indirectly held (True Potential LLP is the Holding Member / shareholder):		
True Potential Adviser Services LLP	100%	Provision of services to financial services distribution firms
True Potential Investments LLP	100%	Provision of the Platform and investment management services
True Potential Wealth Management LLP	100%	Wealth management firm
True Potential Administration LLP	100%	Authorised Corporate Director for the Funds
True Potential Nominee Limited	100%	Platform custodian (dormant)
True Potential Trustee Company Limited	100%	Pension trustee (dormant)

The registered address for these subsidiary undertakings is Newburn House, Gateway West, Newburn Riverside, Newcastle upon Tyne, NE15 8NX.

All subsidiary undertakings above are included within the Group consolidation.

25 Contingent liabilities

Through its normal trading activities, the Group is exposed to certain legal issues that could become disputes and which could develop into litigious proceedings, resulting in contingent liabilities.

A contingent liability may also arise in the event of findings in respect of the Group’s tax affairs which could result in a financial outflow to the tax authorities.

The Group works in a changing and complex regulatory environment. As part of its normal course of business, there is communication with the regulator from time to time on a variety of matters relevant to the business. Interactions with the regulator could lead to the identification of issues that could develop into contingent liabilities.

As set out in Note 21, the Skilled Person review has led to the suitability of client transfer provision being recognised. This provision is based on Management’s conclusion that a risk was present in investment products that were transferred through the historic adviser recruitment programme that commenced in 2018. The Group will implement a redress scheme later in 2025, subject to the oversight of a Skilled Person, which could lead to additional client transfers or investment products being identified as needing redress, resulting in further financial outflows and creating a contingent liability.

25 Contingent liabilities *(continued)*

Separately, uncertainty exists in relation to a specific aspect of the Group's client onboarding process. This relates to the level of information obtained from clients at the point of onboarding via a non-advised route and any potential impact on the Group's ability to subsequently perform suitable ongoing advice. Whilst there may be a probable future outflow to clients in respect of this matter, this cannot reliably be estimated at the reporting date, creating a contingent liability. Further work is required to take place to determine the extent of any issue, with this work expected to commence later within 2025.

26 Ultimate controlling party

The immediate parent undertaking is Kane Midco Limited, a Jersey registered company. There is no single ultimate parent undertaking. Cinven Capital Management (VII) General Partner Limited exercises its power on behalf of various funds, none of which control Kane Bidco Limited.

27 Events after the reporting period

There were no significant subsequent events after 31 March 2025 to the date of this report.