

True Potential Group Ltd

Annual Report and

Financial Statements

For the year ended 31 December 2024

Registered number: 09917444



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Directors and advisers	120

Clients

518,000

Clients have benefited from our products and technology

Logins

10.7M

Client logins by app and online

Partners

1,080

Financial advisers partnered with the Group

Calls

126,078

Calls answered by dedicated team

Hybrid Advice

79,900

Clients have received our Hybrid Advice

Pensions

446,500

Pensions managed

Employees

659

Employees as at 31 December 2024

Business highlights





Chairman's foreword

Andrew Sibbald
Chairman
True Potential
8 April 2025

We continue to operate in a period of heightened political, economic, and market instability, and our commitment to deliver for our clients who have entrusted their savings with us has never been greater. We seek to navigate the investment markets for the benefit of our customers to provide them with the financial resources to help meet their goals throughout their lives and most especially in retirement. I'm pleased to say that in 2024 True Potential achieved its 17th consecutive year of growth - with assets under management up 15.1% during the year, to £32.8bn and gross revenue strong at £499m.

Last year signalled the start of a new chapter for True Potential as we announced that Daniel Harrison, who has been an integral part of the business since it was founded, would step down as Chief Executive Officer to be succeeded by Gerry Mallon in early 2025. Building on the entrepreneurial spirit and disrupter mindset of our founders, Gerry's excellent credentials and customer-centric experience in banking ensure we remain focused on being the wealth manager of choice for our customers and able to play a key role in addressing the UK's savings and advice gap.

On behalf of the Board, I would like to take this opportunity to thank Daniel Harrison for his significant contribution to True Potential's success over the last 17 years and we wish him well. I would also like to thank Jeff Casson, CEO of True Potential Investments LLP, who, as Interim CEO, provided excellent and thoughtful leadership prior to Gerry joining us in February 2025.

As all of our customers will recognise, it has been another challenging 12 months for the UK economy and there have been a number of important political changes here and in the US which are already having material impacts on markets and the outlook for the global economy. We are watching and analysing all these events carefully and as I write we see risk around international trade tariffs stoking inflation and slowing the pathway to a material reduction in interest rates. However, it is our job to manage these risks for our customers and I'm pleased to report that our investment solutions delivered strong returns for our clients in 2024.

We put excellent service to customers at the heart of our business. During the year, we determined that a number of our customers may not have been appropriately transferred to True Potential through our onboarding processes. We are obviously very disappointed that we didn't meet our own high

standards of care but we have set aside a provision in our accounts to redress this for the specific customers who may have been impacted, all of whom will be contacted directly. During 2024 we have made changes to our client onboarding processes with the introduction of new adviser loans.

We are proud to help more people across the UK do more with their money and with many of our customers facing continued pressure on their finances, it is increasingly important we remain focused on putting their needs at the heart of our business. Our Board has always believed strongly that there is a significant opportunity for a differentiated, customer centric, highly technology-enabled business to revolutionise the way wealth management is delivered in the UK. True Potential is that business and we will continue to enhance our proposition so that we remain at the forefront of this revolution. We see True Potential as having an important role to play in providing accessible and good value-for-money wealth management services and advice for the broader UK population, and we are pleased to have support from our key stakeholders for our vision to address the scale of the opportunity that we see is within our reach.

2025 will be a year of further evolution for our business. Through our Reaching our True Potential programme, we are focused on enhancing our services, ensuring we further strengthen our systems and processes.

This investment in our platform paves the way for continued sustainable growth and delivery of our commitment to make True Potential the best it can be for our customers, advisers, colleagues and shareholders - both today and in the future.

I would like to express sincere thanks on behalf of the Board to all our advisers and colleagues who work tirelessly as we seek to deliver the best possible outcomes for our customers.



Chief Executive Officer's report

Gerry Mallon
Chief Executive Officer
True Potential
8 April 2025

I am pleased to be writing my first CEO statement since joining True Potential in February 2025.

I am delighted to have joined such an exciting and growing business, with a clear focus on helping close the UK's savings and financial advice gaps.

Our mission of closing these financial advice gaps remains an important one, as the inability to access regulated and qualified financial advisers can affect the financial stability and wellbeing of millions of citizens.

Since joining the firm, I have been impressed by the passion to do the very best for our customers and advisers.

I believe the continued evolution and success of True Potential – the ability to enhance results, drive growth and create long-term value – lies in the business combining that passion with a deep understanding of customers' and advisers' needs and innovating this with our leading in-house technology to meet them better than our competitors.

Our performance, and the operational changes that we made in 2024 provide the strong foundation upon which we will build the UK's wealth manager of choice.

Against a sector backdrop of increasing regulatory pressure, rising business costs and ongoing global socio-economic turbulence, True Potential reports robust performance in 2024, with our adjusted earnings before interest, taxes, depreciation, amortisation and exceptional costs ("adjusted EBITDA") showing 22% growth year on year growth, with improvements in operational efficiency.

We continue to work closely and positively with the Financial Conduct Authority ("FCA") to ensure our processes are evolved to align with the important principles of Consumer Duty and the focus on suitability across the wealth management industry. We have set aside a provision of £100.4m, the majority of which relates to the redress of a number of customers who may have not been appropriately transferred through our historic recruitment process, prior to the new process being put in place in 2024. We will be contacting those customers impacted so that we may put in place appropriate redress so that the matter is appropriately addressed. £4.9m of the provision relates to client refunds following our holistic review of Annual Suitability Review ("ASR") completions between 2018 and 2024.

As a result of setting aside these provisions, profit before income tax was £111.3m, down 37% from £175.5m in the prior year. We are pleased to have acted quickly following the FCA's review and are confident in the changes that have been made to ensure good client outcomes.

Overall, our 2024 performance reflects a year of change and investment in the future. And as I look ahead, I am struck by the scale of the opportunity for True Potential's differentiated, technology-enabled strategy to help customers across the UK do more with their money.

↑ 22.0%

Adjusted EBITDA growth year on year

Financial highlights



Gross revenue

£498.9M

(2023: £406.5m)
Group gross revenue

Assets under management

£32.8BN

(2023: £28.5bn assets)
Assets on the True Potential Platform

Exceptional costs

£111.9M

(2023: £4.3m of exceptional costs)
Exceptional costs including £100.4m in relation to suitability of client transfer and ASR provisions

Onboarding

£144.8M

(2023: £250.5m)
Cash paid for client onboarding assets

Adjusted EBITDA

£269.3M

(2023: £220.2m)
Adjusted EBITDA – Adjusted earnings before interest, tax, depreciation, amortisation and exceptional costs

Adjusted EBITDA margin

54.0%

(2023: 54.2%)
Adjusted EBITDA margin

Profit before tax

£111.3M

(2023: £175.5m)
Statutory profit before tax

Profit before tax margin

22.3%

(2023: 43.2%)
Underlying profit margin, before tax

Business model

True Potential is a group of financial services companies and partnerships dedicated to the delivery of simple, effective and unique ways for people to manage their finances, invest their money, and plan for their futures. The core of our business model is centred around providing clear financial advice, leveraging cutting-edge technology, and fostering strong client relationships.

What we do

At True Potential, we offer a comprehensive range of services designed to meet the diverse needs of our clients. Our offerings include:

- **Financial advice:** Helping clients set and achieve their financial goals through tailored advice and planning.
- **Platform services:** Offering a variety of investment products, including pensions, ISAs, bonds, and safeguarding and administration of client assets.
- **Investment management:** To maximise returns for investors within their chosen risk profile and reduce the risk of volatility. Using Advanced Diversification, we blend tried and tested multi-asset strategies.
- **Adviser business support:** As one of the most innovative financial services groups in the UK today, working with UK financial advisers to power their back-office solutions and how they deliver advice to clients, we believe that what we are doing has great value and will help revolutionise the way wealth management is delivered to clients for many years to come. Further details of our work with financial advisers are outlined in our “Adviser proposition” section.

How we do it

Our approach is guided by a commitment to client focus, technology innovation, and excellent service. We achieve this by:

- **Full-service offering:** we provide our clients with financial advice, technology and platform administration, along with access to investment management all from True Potential.
- **Hybrid financial advice:** delivery of personal financial advice, from our Wealth Management Partners or our Head-office Central Advice Team, enabled with the use of technology tools.
- **Proprietary technology:** our technology is purpose built in-house, allowing us to be agile and deliver specifically what our clients need to track their financial goals.
- **Efficient head-office:** the simplicity of one connected head office, with a common data set, allows us to deliver our service with streamlined processes.

How we deliver value

True Potential delivers value to our clients by:

- **Goal based financial advice:** Our bespoke financial advice is designed to specific client goals and aims to achieve long-term financial success for our clients.
- **Comprehensive support:** We offer ongoing support and guidance, ensuring clients are well-equipped to navigate their financial journeys, across the full service offering.
- **Convenience and accessibility:** Our technology platforms provide clients with easy access to their financial information and the ability to manage their investments anytime, anywhere.

True Potential is committed to delivering exceptional value through high-quality financial advice, personalised service and technology innovation, underpinned with a relentless focus on client success. We strive to be the trusted partner in our clients’ financial journeys today, helping them achieve their financial goals of tomorrow.

Overall Group client proposition

As one of the UK's leading wealthtech firms, our mission is to create a powerful client proposition through our approach to financial advice, industry leading technology and product innovation, delivered to clients through the True Potential Wealth Platform ("the Platform"). Our technology, developed in-house by our team in Newcastle, currently offers 518,000 clients 24/7 access to their investments, putting them firmly in control of their money.

We understand that long-term goals are unique to each client, which is why we design financial plans that are personalised to their circumstances and aspirations. Our 1,080 highly qualified financial advisers take a holistic approach to creating, supporting and reviewing each plan. Our specialist expertise covers a range of areas across retirement and pensions, savings and investments, tax and inheritance.

Where an advice proposition is provided, we offer clients a choice between working with a specific financial adviser or a central advice team, using a blend of digital technology and meetings to gather information and agree client goals and solutions to achieve them. These solutions typically use a range of investment funds managed by True Potential and blended on a discretionary basis within a client's agreed risk profile. We offer clients the option to meet our advisers in person and we also offer our products and services via Independent Financial Advisers.

The Consumer Duty is a set of regulations introduced by the FCA in the UK to ensure higher standards of consumer protection across financial services. Consumer Duty requires firms to put their customers' needs first and act to deliver good outcomes for retail customers.

The key elements of the Consumer Duty regulations include:

1

Consumer Principle:

Firms must act to deliver good outcomes for retail customers.

2

Cross-Cutting Rules:

These provide clarity on the FCA's expectations and help firms interpret the four outcomes.

3

Four Outcomes:

These outcomes relate to products and services, price and value, consumer understanding, and consumer support.

True Potential has continued its progress in embedding Consumer Duty across our business in 2024, with the Board completing its first annual consumer duty report in July. On 1 October 2024, we were able to cut fees on 18 funds, with an estimated value to clients of £6.6m per year as we explained in the True Potential Administration LLP Assessment of Value, available on our website. While we have made several key enhancements to our products and services, we recognise that further work is required and this will continue through 2025.

Alongside our financial advice, we are committed to providing comprehensive communications to support all our clients through their investment journey. This includes daily and weekly market update videos from our investment team, along with our highly popular weekly podcast - Do More With Your Money.

All clients can engage with their investments at the touch of a button through our app and online account. In 2024, clients logged in a record 10.7 million times, with 8.8 million through the app. Once logged in, our new AI-powered personal summary provides a bespoke overview of clients' investments and their account, including key performance, market updates and outstanding actions.

Our industry-leading technology has made investing as simple as possible for clients who can utilise impulseSave® to top up in minutes from their mobile device, or regularly through direct debit. In addition, clients have access to our exclusive True Potential Rewards feature, earning free cashback from thousands of popular online retailers. This can be automatically invested into their ISA or withdrawn to a bank account.

As an ever-growing business, we are proud to deliver services to new and existing clients, achieving the best client experience possible. Our specialist range of products combined with expert financial advice puts our clients in the best position possible to do more with their money.

Adviser proposition

With 1,080 qualified financial advisers, we foster a collaborative and supportive environment. We are committed to empowering and supporting financial advisers in delivering exceptional client outcomes while growing their businesses efficiently. Our ecosystem is designed to facilitate business growth, strengthen client relationships, and drive operational efficiency. We provide an integrated and innovative adviser proposition, enabling our advisers to put their clients at the heart of all they do.

Our vertically integrated model enables advisers to benefit from streamlined operations, investment solutions, and advanced technology. Through True Potential Investments and our award-winning True Potential Wealth Platform, advisers can offer a unique, holistic financial planning experience. Client plans are formally reviewed annually to ensure they remain fit for purpose, but ongoing financial advice is available in-person and by video call whenever needed.

Our proprietary platform and client-facing digital solutions provide advisers with tools to engage clients effectively and support their financial goals. We are launching an AI dictation App to record adviser-client conversations, generating a summary and transcript into the App along with the ability to copy the summary into an audit entry. We believe that this investment into client-led solutions will create excellent client outcomes.

Our blend of compliance consultancy, back-office technology and administrative support aims to help financial advisers take their businesses to the next level. We offer extensive support, including compliance guidance, regulatory updates, business development assistance, and marketing resources. Our focus is on enabling advisers to concentrate on providing high-quality financial advice while we handle the operational complexities.

Advisers benefit from a diverse range of investment solutions tailored to meet various client needs. This includes a specialist range of products to assist with future planning, retirement income and tax-efficient investing. Our approach emphasises innovation, flexibility, and enhanced client engagement, ensuring long-term financial success.

Financial advisers can showcase themselves with their very own personalised Partner Profile. This public-facing Profile not only provides them with a True Potential Wealth Management landing page, but also serves as an integrated hub for potential clients to learn about their qualifications and services, whilst enabling clients to get in touch directly.

Looking ahead, we remain dedicated to providing advisers with the infrastructure and resources needed for sustained success. By leveraging our market-leading capabilities, we believe that we are strongly positioned to develop and grow our services, ensuring advisers remain at the forefront of the financial services industry.



1,080

Highly qualified financial advisers



Our marketing proposition

Financial Advisers can showcase themselves with their very own personalised Partner Profile. This public-facing Profile not only provides them with a True Potential Wealth Management landing page, but also serves as a hub for potential clients to learn about their qualifications and services, whilst enabling clients to get in touch directly.

With comprehensive features including a professional photograph, biography, qualifications and testimonials, the profile is Search Engine Optimisation ("SEO") optimised and effortlessly integrated to streamline client connections, ensuring advisers stand out to local leads.

To support this, our Marketing Support Hub is a cutting-edge resource exclusively for Wealth Management Partners with a completed Partner Profile. This industry-first platform provides Partners with marketing materials that are pre-approved and ready to use free of charge, helping them grow their business effortlessly.

We also launched our first national TV advertising campaign, designed to raise awareness of the brand and position True Potential as a trusted name in wealth management. By raising brand awareness across the UK, we're driving more potential clients to engage with our network of Wealth Management Partners. The campaign pulled in 2.7m views during the Rugby World Cup alone, helping to increase national awareness from 14% to 43% in the first 6 months alone.





People

True Potential prides itself on being one of the leading employers based in Newcastle and the wider North East region. We offer stretching careers, great learning and development, and a welcoming and caring culture that balances wellbeing and high performance. We're proud of our heritage and local roots and many of our employees stay with us for significant parts of their careers.

In late 2024, we began building out our People function, with the aim of increasing opportunities for employees to grow their careers and capabilities while enhancing our culture. We saw this as a key driver of business success and a way to ensure employees feel informed, supported, and recognised for their contributions.

To deepen our understanding of employee experiences, we launched our first colleague engagement survey, achieving an impressive 88% completion rate, a testament to the commitment of our employees in shaping the future of our organisation.

The survey showed high levels of engagement amongst our employees but also yielded a broader set of insights that has started a valuable conversation with our people around what they like about True Potential and what could be even better. To find out more, we have introduced focus groups to provide a space for employees to share their thoughts, feelings, and ideas, reinforcing our dedication to listening and taking meaningful action.

As part of this commitment, we have introduced increased core benefits to better support our people, ensuring they feel valued and well-cared for. We are also implementing a more robust, values-aligned performance management framework to drive clarity, fairness, and accountability across the business.

Leadership and development remain central to our strategy, and we have expanded our efforts with core leadership modules and dedicated programmes for high-potential leaders. In addition, we are taking a broader view of how we support and develop talent, ensuring that employees at all levels have access to the tools and opportunities they need to grow.

A key theme from our engagement survey was the importance of consistency in business-wide management and leadership styles. In response, we launched interactive, full-day leadership sessions, equipping managers with frameworks to create a stronger and more positive colleague experience. Furthermore, we are introducing more initiatives to enhance psychological safety and inclusion, nurturing a workplace where every employee feels empowered to contribute and thrive.

A critical focus area is employee communication—ensuring that our people feel connected, informed, and engaged in shaping the future of the business. We are implementing a more extensive and structured approach to communication, designed to create a two-way conversation between employees and leadership. This includes regular updates on company strategy, interactive town halls, leadership Q&A sessions, and dedicated spaces for employees to share their insights and feedback. Our goal is to create a culture where transparency, collaboration, and shared purpose drive everything we do, reinforcing the importance of our people and their contribution to our success.

We are also streamlining our finance and people management systems with Workday, a significant step in future-proofing our infrastructure.

Through these initiatives, we are committed to creating a workplace where people feel valued, developed, heard, and empowered to succeed.



Sustainability

Our mission

We believe it is our responsibility as a business to play our part in working towards a sustainable future for generations to come, and to have a positive impact on our colleagues and the society and communities in which we operate.

Many of our customers invest over the long term, saving for retirement and future security. This future is inextricably linked to climate and society as a whole. So, it is important we ensure our own time horizons and decisions as a business acknowledge and support these goals.

To help our customers achieve their financial goals, we believe a business that considers, and over time enhances, its approach to sustainability will create a stronger foundation from which to deliver better outcomes for our customers, colleagues and other stakeholders.

Wellbeing

We believe that colleague wellbeing is an output of many things done well. If we look after the wellbeing of our colleagues, our customers are more likely to receive a positive outcome, leading to further success for the business.

This year, we have invested in our Human Resources capabilities to enable us to continue to build our skills as a business, support our colleagues and encourage them to develop their careers.

We are committed to receiving feedback from colleagues that we can digest and action in order to make meaningful change. In response to recent feedback, we have now enhanced our staff benefits with an increase in holiday, maternity, paternity and adoptive leave.

Our in-house Training Academy develops colleagues’ knowledge and experience, whilst offering support in obtaining financial qualifications, to ensure we continue to deliver quality service to our customers. Opportunities include joining our adviser academy, as well as providing financial and management course funding and allocated time for study. In 2024, we were delighted to see 75 colleagues add to their financial qualifications, including 32 who qualified as financial advisors.

As a signatory to the Social Mobility Pledge, a coalition of over 800 organisations globally to tackle social mobility, part of our commitment is to help businesses work with schools, offering apprenticeships and adopting fair recruitment policies.

Stewardship & investments

Our customers have entrusted us to help secure their financial futures. Providing effective investment management and advice is a vital part of our responsibility as a business. We believe good corporate governance, engagement and transparency are key to meeting our fiduciary and regulatory responsibilities and enabling positive outcomes for our customers.

Our aim is to be good stewards of the assets in which we invest, either directly or via our oversight of our sub-fund managers. We seek to maximise returns for investors within a client’s risk profile, reduce volatility and drive down the cost of ownership for investors.

At the product level, all True Potential funds are managed by fund managers who are signatories to the United Nations Principles for Responsible Investment (“UNPRI”). We also conduct an annual sustainability assessment of all our delegated sub-fund managers, to evaluate the development of their sustainability approach, engagement strategies with investee companies, and participation in collaborative initiatives. The assessment also considers their progress on climate-related initiatives. Additionally, we monitor engagement activities and proxy voting on a quarterly basis.

To highlight our further commitment to integrate sustainability, we became a signatory to the UNPRI in 2022. As a signatory, we publicly commit to adopt and implement six Principles, each contributing to the overall aim of creating a long-term economically efficient and sustainable global financial system.

Climate & nature

We believe that capital can be a powerful tool for change, and that thoughtful choices made in accordance with agreed investment guidelines can help deliver financial goals for our customers as well as benefit the planet and nature.

In 2024, we published our first Task Force on Climate-related Financial Disclosures (“TCFD”) reports at entity level for True Potential Investments LLP and True Potential Administration LLP. TCFD disclosures are designed to improve transparency on climate-related reporting and financial information and promote consideration of material climate-related risks and opportunities associated with climate change.

Emissions at our Head Office in 2024 decreased for the second consecutive year, and we monitor gas and electric use and our carbon footprint around business travel.

Gas consumption in 2024 fell by 33.5% compared to 2023, and electricity consumption also decreased by 9.4%, supported by improvements to the office heating system. The use of private vehicles for company business also declined by 38.7% in 2024.

In summary, while we believe we are making good progress across our business on sustainability overall, we also believe we can continue to improve. The creation of a new Group Sustainability Committee is a reflection of the importance of this area to our business and we have identified specific areas of focus for the year ahead.

2024 usage reductions

Gas consumption

(33.5)%

Electricity consumption

(9.4)%

Use of private vehicles

(38.7)%

Strategic report

potential



Portfolio performance



Our True Potential Portfolios are a suite of fully-diversified, discretionary-managed investment solutions.

With wide exposure to world-class investment managers, investments are further diversified by asset class and geographic region. Our clients continue to benefit from having more potential to grow their money and manage volatility, all in a single Portfolio.

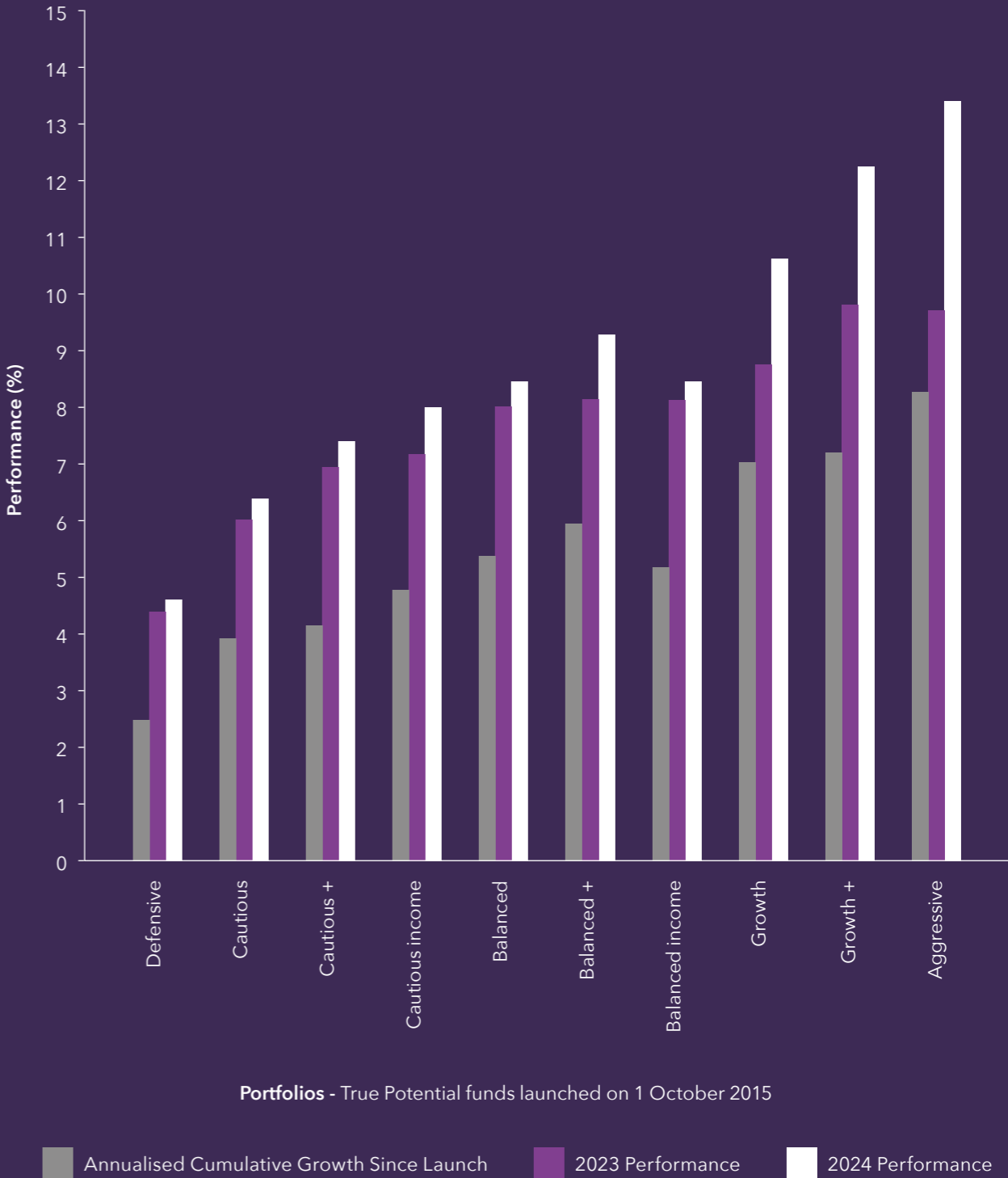
As we remain committed to helping our clients reach their financial goals, we continually monitor our Portfolios to make sure they perform as expected and remain within the expected risk profile. We also rebalance for the future, rather than the past, taking an active approach to allocating client money where we see the greatest potential for growth.

The results of this strategy are shown below across our True Potential Portfolio range, 10 discretionary-managed investment solutions across the five risk categories. Our 'Client First' approach aims to change UK investing and we base everything we do on what clients want, need and expect. We believe the funds provide the most appropriate combination of investment style, performance, diversification and value, all under the direction of True Potential Investments LLP.

In our 2024 Assessment of Value report, it was concluded that 24 of our 41 funds are delivering value to our clients, with 15 of those providing particularly good value. Specific actions to improve value were identified for 11 funds. Some of these changes were to reduce the Annual Management Charge ("AMC") on our funds, and this became effective for 18 funds in October 2024. Performance fees have been discontinued from 1 October 2024.

6 of our funds deliver insufficient value to our clients. This is disappointing and fundamental actions have been agreed to ensure good value going forward.

True Potential Portfolio performance



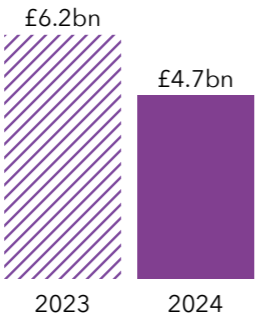
Key performance indicators

The Board monitors the financial performance of the Group by reference to the following key performance indicators (“KPIs”) in addition to the statutory financial metrics reported in these financial statements. They are used to review the progress of the Group’s strategy of deployment of our hybrid advice model to UK investors. Some of these represent alternative performance measures (“APMs”) considered by the Group.

Key:

△ APMs

Gross inflows △



Definition: Client assets introduced and invested on the Platform in the year.

Significance: Measures the new growth introduced to the Group via all onboarding channels.

Net inflows △



Definition: Client assets introduced, market performance and withdrawals from the Platform in the year.

Significance: Measures the net growth introduced to the Group via all onboarding channels.

Assets under management △



Definition: True Potential client assets invested on the Platform.

Significance: Assets under management has a direct correlation to revenue streams.

Gross revenue



Definition: Revenue from customers for investment management, advisory, platform and other services.

Significance: Overall Group revenue is a growth indicator and is determined by underlying fees.

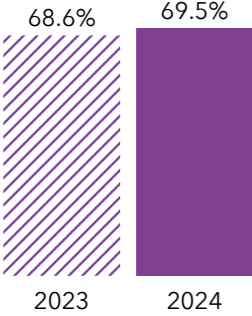
Net revenue



Definition: Gross revenue less fee expenses, including adviser and sub-fund manager fees.

Significance: Again, a growth indicator accounting for direct costs related to services.

Net revenue margin △



Definition: Net revenue as a percentage of gross revenue.

Significance: A key profitability performance measure, taking into account direct costs of providing our services.

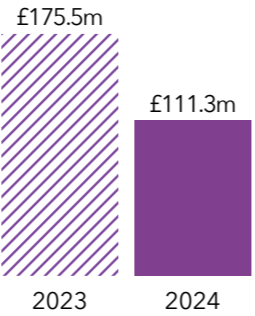
Adjusted EBITDA △



Definition: Adjusted earnings before interest, taxation, depreciation, amortisation, as well as exceptional items.

Significance: A key measure of ongoing operating profitability.

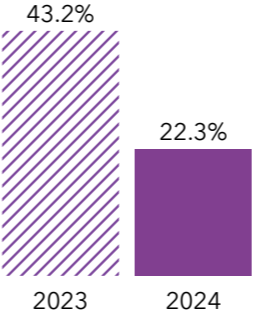
Profit before tax



Definition: Profit generated by the Group before corporation tax expense.

Significance: A measure of financial performance and indicator of the earnings the Group has to invest for the future.

Profit margin before tax △



Definition: Profit before tax as a percentage of gross revenue.

Significance: Measures profitability performance and indicates the efficiency of the Group’s activities.

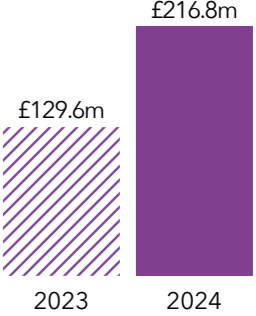
Total net assets



Definition: The gross assets less gross liabilities of the Group, per the Consolidated Statement of Financial Position.

Significance: Shows the strength of the Group’s balance sheet.

Cash and cash equivalents



Definition: Underlying cash held by the Group, including amounts invested in short term, highly liquid investments.

Significance: An indicator of the Group’s ability to grow organically through future investment.

Chief Financial Officer's review



Summary

The True Potential Group continued to deliver robust financial results, in the face of significant business and industry change. Our focus across 2024 has been to ensure that we deliver good outcomes for our customers, to adapt our adviser recruitment offer to market and regulatory requirements and to invest in our foundations to support a rapid return to market leading levels of growth.

The Group, and in particular True Potential Wealth Management LLP, has been focused on working with the FCA and a Skilled Person, to deal with issues related to its historic client onboarding practices. The work with the Skilled Person has now concluded, however, further work on providing redress to the cohort of impacted clients will be required. Therefore, one of the most significant accounting estimates in this year's accounts relates to the provision of the £95.5m required to resolve this matter. Further details on the provision can be found in Note 23 to the Financial Statements. We will reach out to impacted clients in due course and no action is required by them or their adviser at this time.

This focus, and the transition to a new adviser recruitment contract, has impacted net flows performance in the year, however, financial performance has remained robust with many financial KPIs reaching record levels. This resilience in the business model shows the broad strength of the Group and its ability to adapt whilst still delivering for clients and advisers.

Our diversified multi-channel model has seen total Group gross inflows of £4.7bn (2023: £6.2bn), which along with market performance of £2.5bn (2023: £1.4bn), has delivered a record gross revenue total at £498.9m, up 22.7% on the prior year, with adjusted earnings before interest, tax, depreciation, amortisation and exceptional costs ("adjusted EBITDA") in the year of £269.3m (including £23.0m of performance fees). The summary performance of the Group is shown on page 33.

The Group has reported strong growth in recent years, particularly via our new adviser recruitment offers. Our approach to adviser recruitment has been reviewed, with new processes put in place in 2024 and we are confident that the changes made will ensure good client outcomes.

The FCA's recent review into ongoing advice was published in February 2025 and we have taken this opportunity to complete a review of the adequacy of client advice reviews. Client circumstances are reviewed annually to ensure that their investments remain suitable and we are aware of the importance of strengthening this process to protect our client and adviser interests. This review has resulted in an additional provision of £4.9m relating to refunds, the details of which are explained in Note 23 of the financial statements. We support in full the FCA's review of ongoing advice and continue to monitor the changing advice landscape to ensure the most appropriate advice outcomes for our customers.

A performance fee was recognised in 2024 where the unit price of individual True Potential Growth Aligned Funds exceeded their high watermark at the anniversary date of 30 April. In line with our 2024 Assessment of Value, available on the True Potential website, performance fees have been discontinued from 1 October 2024 in order to deliver more value to clients. Adjusted EBITDA excluding this fee was £246.4m, an increase from 2023 of 11.9%, providing a strong platform on which to deliver sustainable growth. Overall profit before tax of £111.3m was achieved (2023: £175.5m), following exceptional costs in the year of £111.9m (2023: £4.3m). The key driver behind this profitability is the continued inflow of client assets, contributing to the increase in assets under management, the value of which determines the revenue received by the Group.

Summary financial performance

	2024 £'000	2023 £'000	Movement £'000	%
Revenue	498,894	406,451	92,443	22.7%
Fee expenses	(152,006)	(127,729)	(24,277)	19.0%
Net revenue	346,888	278,722	68,166	24.5%
Net revenue margin	69.5%	68.6%		
Administrative expenses:	(130,777)	(101,122)	(29,655)	29.3%
Exceptional items	(111,915)	(4,275)	(107,640)	2,517.9%
Operating profit	104,196	173,325	(69,129)	(39.9)%
Adjusted EBITDA	269,332	220,172	49,160	22.3%
Adjusted EBITDA margin	54.0%	54.2%		
Finance income	7,358	2,266	5,092	224.7%
Finance costs	(262)	(141)	(121)	85.8%
Profit before income tax	111,292	175,450	(64,158)	(36.6)%
Statutory profit margin before tax	22.3%	43.2%		

Inflows and Assets under Management

The Group defines gross inflows as client assets introduced and invested in the True Potential Wealth Platform (“the Platform”) in the year and is not a statutory financial measure. Gross inflows for the year were 24.2% lower compared to 2023, which is directly attributable to changes to adviser recruitment as we transitioned to a new contract. The take up of this new contract has, however, been encouraging for us to continue growth into the future. Inflows from existing advisers and clients was stable year-over-year, at £2.6bn. Net inflows were comparatively lower in the year at £1.8bn (2023: £3.9bn).

	2024 £’bn	2023 £’bn	Movement £’bn	%
Assets under Management	32.8	28.5	4.3	15.1%
Gross Inflows	4.7	6.2	(1.5)	(24.2)%
Net inflows	1.8	3.9	(2.1)	(53.8)%

We continued on our growth journey, paying £144.8m for client onboarding assets in 2024. The process to introduce new clients onto the Platform and the Funds continues to evolve, with a new adviser offering introduced in 2024. £7.1m of new adviser loans have been made in the year to bridge funding requirements for advisers introducing clients to the True Potential restricted advice proposition. The introduction of new adviser loans has seen the rate of capitalisation of client onboarding assets fall, with a 36.7% reduction in capitalised costs between 2023 and 2024.

AUM bridge

	£’bn
2023 AUM	28.5
Client onboarding and recruitment	2.1
Inflows from existing advisers and clients	2.6
Outflows	(2.9)
Market performance	2.5
2024 AUM	32.8

The Group defines assets under management (“AuM”) as True Potential client assets invested on the Platform. The combined effect of sustained net inflows and robust investment performance (our Balanced Portfolio delivered c.8% returns) has led to a 15.1% increase in AuM, reaching a record high of £32.8bn (2023: £28.5bn).

Interest rates have remained high through much of 2024, driving investors towards short-term high cash holdings and debt repayment. We continue to convey the significance of long-term investment importance and this is reflected in our investments and advisory proposition. In this context, the Board are satisfied with the performance.

Gross revenue

Gross revenue was £498.9m, a 22.7% increase from prior year (2023: £406.5m). Gross revenue was £475.9m adjusting for performance fees of £23.0m, which reduces the increase from prior year to 17.1%.

This is a slight decline in growth rate from the 20.3% achieved in 2023. Revenue is recognised across the following lines of service:

Revenue, average AuM and annualised fee rates

	2024			2023			Movement		
	Revenue £’000	Closing AuM £’m	Annualised Fee (bps) ¹	Revenue £’000	Closing AuM £’m	Annualised Fee (bps) ¹	Revenue %	Average AuM %	Annualised Fee (bps) ¹
Adviser services	3,343	3,070	N/A	3,892	3,285	N/A	(14.1)%	(6.5)%	N/A
Wealth management advice	173,310	26,321	77	146,813	22,554	83	18.0%	16.7%	(6)
Platform and other related fees	120,984	28,912	39	102,515	25,147	39	18.0%	15.0%	-
Investment management fees	178,287	30,345	62	153,231	26,357	66	16.4%	15.1%	(4)
Performance fee	22,970	N/A	N/A	-	N/A	N/A	100.0%	N/A	N/A
Total	498,894			406,451			92,443		

¹Gross annualised fee rates based on average monthly or daily AuM.

Adviser services are fees earned from the provision of back-office intermediation services to financial advice companies. Adviser services fees showed a decline in 2024 of 14.1% to £3.3m (2023: £3.9m). Despite this, the compliance services provided by the business continues to be used by repeat customers who value the award-winning technology employed.

Wealth management advice fees reached £173.3m up 18.0% from £146.8m in 2023, with a minor reduction in the growth seen in 2023 of 18.6%. Clients benefit from our restricted wealth management advice proposition and hybrid offering, where advice can be delivered alongside an integrated investment solution utilising the Platform.

Platform and other fees, being those earned through the provision of our Platform and other related activities grew strongly in line with underlying AuM, with continued positive returns on the Funds.

Following Consumer Duty and other regulatory guidance, we are pleased to have adopted a new client money interest income policy. In March 2024, a new policy was introduced where the Group retains a proportion of interest income on cash

in transit as a fee to cover costs. For the period 1 March 2024 to 31 December 2024 the cost recovery was 70 basis points. The remainder of interest income is passed back to clients.

Investment management fees are earned through services provided to investment funds on which client assets are held. Higher investment management fees have been earned in 2024 of £178.3m, up 16.4% from £153.2m in 2023 in line with AuM growth. Underlying annualised investment management fees have decreased slightly, as expected, following assessment of value activities in 2024 aiming to deliver further benefits to our clients.

A performance fee of £23.0m was recognised in 2024 (2023: £nil), generated where the unit price of individual funds administered by the Group exceed their high watermark annually at 30 April. The fee earned is recognised as the difference between the new and historic high watermark unit price and highlights an exceptional achievement in our fund values. As noted earlier, in line with our 2024 Assessment of Value, available on the True Potential website, performance fees have been discontinued from 1 October 2024.

Net revenue

Net revenue increased 24.5% in 2024 to £346.9m, giving a net revenue margin of 69.5% up from 68.6% in 2023, with our hybrid advice offering providing the most competitive benefit to clients. The annualised fee

retained on average AuM declined slightly as part of our commitments to deliver value to customers and through the Group benefiting from scale economies.

Underlying costs

Underlying costs represent the administrative expenses within the business and exclude exceptional items.

Underlying costs increased 29.3% in 2024 to £130.8m, from £101.1m in 2023. The significant movements are set out below.

	£'000
Administrative expenses bridge	
2023	101,122
Staff costs	8,219
Technology costs	2,093
Amortisation and depreciation	10,650
Regulatory, legal and consultancy	4,324
Other	4,369
2024	130,777

Growth in the Group was mirrored by expansion of average staff numbers by 21.3% from 508 in 2023 to 616 in 2024. The Group strengthened its senior management structure in the period and a number of executives were brought on board to support the development of the Group and allow the founders to step away. Inflationary impacts were noted strongly

in the cost base in 2023 and continued partly into 2024, mainly impacting staff costs and technology costs. Many of the Group’s staff are paid the real living wage plus a discretionary bonus, therefore changes to the level of real living wage have a material impact on staff cost inflation. In the year, the real living wage increased by 5.0%.

Profit before tax

Profit before tax has decreased 36.6% to £111.3m in 2024, following high exceptional costs relating to provisions in the year offsetting the otherwise high

performance of the Group as outlined above. Statutory profit margins before tax have decreased to 22.3% (2023: 43.2%).

Exceptional items

Exceptional costs of £111.9m were incurred during the year (2023: £4.3m). This includes the £95.5m provision relating to the suitability of client transfers and £4.9m provision relating to ASRs, which are shown in Note 7 of the Financial Statements. It also includes £4.9m of costs relating to the Group transformation with significant investment into systems which are not capitalised, as well as other legal and consultancy costs. Historic VAT payments

of £3.5m have also been recognised and are due on both historic intercompany recharges and overseas supplies following registration for VAT, as well as the associated penalties and interest. Other exceptional costs incurred in 2024 included senior staff sign-on and severance bonuses and fees incurred relating to the transition of the Group fund depository. Full details of our exceptional items are found in Note 7 of the Financial Statements.

Cash and cash equivalents

At 31 December 2024 the Group held £216.8m cash and cash equivalents, an increase of 67.3% compared to 2023, primarily to support regulatory capital requirements in regulated subsidiaries and to give

operational flexibility in funding adviser recruitment contracts. Investments are made using surplus cash in short-term, highly liquid money market funds.

Cash and cash equivalents

	2024 £'000	2023 £'000	Movement £'000	%
Cash held at bank	42,346	21,396	20,950	97.9
Deposits in liquidity funds	174,487	108,248	66,239	61.2
Total	216,833	129,644	87,189	67.3

Positive operating cashflow generation of £62.6m in the Group has helped to fund significant recruitment activities, including outflows relating to client onboarding assets and new adviser loans introduced

in the year. Capital injections in the year amounted to £68.1m, from the parent, Kane Bidco Limited, supporting growth initiatives.

Underlying cash bridge and investment activity

	£'000
2024 opening cash balance	129,644
Operating cash flow before movement in working capital Net working capital movement	157,417
Corporation tax paid	(46,438)
Cash flow from operating activities	(48,428)
Cash flow from investing activities	62,551
Cash flow from financing activities	(172)
2024 closing cash balance	24,810
	216,833

Regulatory capital

Throughout 2024, the Group and its three FCA-regulated subsidiaries have remained fully compliant with all regulatory capital requirements. The Group utilises a robust capital management framework that governs the determination of capital requirements and own funds, capital planning processes, stress and scenario testing, and ongoing capital monitoring and performance.

As of 31 December 2024, the Group held total eligible own funds of £152.4m (2023: £91.0m) to meet its capital requirements. The Group's own funds, including those of each of its three regulated subsidiaries, are wholly comprised of Common Equity Tier 1 ("CET1") capital resources, ensuring a high-quality capital base.

As an FCA-designated investment firm group, the Group's capital requirements are determined in accordance with the MIFIDPRU framework. At 31 December 2024, the Group's minimum capital requirements stood at £18.6m (2023: £15.5m), resulting in an overall capital surplus of £133.8m (2023: £75.5m), reinforcing its strong capital position.

The Group proactively participates in periodic meetings and interactions with its regulators as appropriate to fully understand regulatory views and feedback, including full and active participation in industry thematic reviews and application of any resulting learnings to drive business improvements. We follow horizon-scanning processes to ensure that upcoming regulatory change, consultations, guidance and "hot topics" are known and understood by the business, enabling any resulting internal actions to be taken.

Market opportunities and future outlook

We believe that the market opportunity for financial advice, investment management and platform solutions remains significant, particularly those underpinned by an integrated digital solution. Access to financial advice is still limited in the UK, and the "advice gap" continues to grow. The Group is well-positioned to help close this gap. We remain confident in our ability to deliver innovative solutions and drive sustainable growth in the coming years. Our client and adviser propositions continue to evolve in line with changes in the market and the adoption of Consumer Duty, and we look forward to launching several new client and adviser initiatives in the year ahead. True Potential prides itself on anticipating the needs of clients to provide a differentiated adviser and customer experience.

Going concern

The Group consolidated financial statements for 2024 show a net asset position of £1,148.4m (2023: net assets £1,027.7m). In 2024, the Group received £68.1m of equity funding. This additional investment, cash and cash equivalents at 31 December 2024, and the underlying cash generation of the business, gives the Board confidence that there are sufficient resources available to meet ongoing operation and capital requirements.

Management has carried out a going concern assessment taking into account a number of scenarios that could occur, including a material decrease in sales, a material increase in attrition rates, a material decrease in asset values and a general change to the sentiment and appetite of the UK market for investment products and pension savings. The Group considers the possibility of these scenarios to be remote and the analysis confirmed the Group's current and forecast liquidity position would enable the Group to operate for at least 12 months from the date of signing the consolidated financial statements. Having due regard to these matters and after making appropriate enquiries, Management has a reasonable expectation that the Group has adequate resources to remain in operation for at least 12 months after the approval of these financial statements. The Board has, therefore, continued to adopt the going concern basis in preparing the consolidated financial statements.

The Group's business model, which saw continued success and growth last year, has enabled the Group to perform robustly over the period ended 31 December 2024. Our focus in 2025, will be to further enhance our proposition and deliver the best possible outcomes for our advisers and clients.



Ben Thorpe
Chief Financial Officer
8 April 2025



Principal risks and uncertainties

Risk management framework

Our risk and control framework is built upon a strong culture of accountability and responsibility. The Group’s business activities generate exposure to a wide range of inherent internal and external risks which we aim to manage efficiently to ensure the continued success of the business and to generate positive outcomes for customers. Risk management is championed by the Risk and Compliance representatives in each of the Group’s subsidiaries. Our governance and compliance structures have set out the Group’s risk policies to guide staff in their daily actions, meaning the interests of key stakeholders including customers, advisers, shareholders, employees and wider society are considered in all business decisions.

We continue to develop our governance and risk oversight. Our governance structure allows the Group to respond to evolving risk factor and trends, which are impacted by macroeconomic factors, changes in regulation and legislation, ESG developments, political changes and technological and cyber innovation. Obtaining current and accurate data is essential to identifying new risks and responding to them appropriately. We analyse our past actions and events to develop the risk framework and learn from mistakes, including quantifying the financial impact to stakeholders of these issues.

Risk appetite

Risk assessment forms a significant part of our Investment and Advisory strategies. The Group does not seek to entirely eliminate risks and part of our culture is to recognise that business advantages may develop by increasing risk appetite, where appropriate. However, we seek to limit non-essential risks by understanding risk sources and employing mitigation strategies. The risk appetite is communicated through our governance structures and in the Group’s strategic objectives. Risk appetites are subject to change depending on wider external conditions and the Group has a range of risk acceptance levels which are dependent on the individual risk scenarios. Regular risk reporting to the Group Risk Committees occurs via risk owners.

The Group’s inherent material risks are set out in the tables below including the controls and processes to mitigate them to an acceptable level. Reputational risks arising from any of the below are expected to develop and would have an adverse impact on business operations, including potential leakage of managed assets and the carrying value of assets on the Group Consolidated Statement of Financial Position.

Inflows and assets under management

Risk	Definition	Changes since last year	Mitigation and Controls
1. Market risk	The risk of loss resulting from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments	Unchanged – there is continued market instability	<p>Our investment management approach is based on advanced diversification, which helps to protect our clients and our business.</p> <p>There is monitoring of fund performance against objectives to identify and control areas where risks may be changing, and there is ongoing market analysis to ensure that resources are allocated efficiently. There are regular reviews of products and services.</p> <p>The Group partners with fund managers who share the goals of creating a long-term sustainable global financial system.</p>
2. Credit risk	The risk of loss resulting from default in obligations due and/or changes in the credit standing of either issuer of securities, counterparties or any debtors to which the Group is exposed	Increasing – the Group has entered into positions where credit risks are more heightened to sustain client acquisition activities	The Group implements a strong credit control environment utilising due diligence of counterparties, and monitors the credit worthiness of counterparties on a regular basis. There is also diversification of holdings of cash balances held with custodians and other parties.
3. Operational risk	The risk of loss due to inadequate or failed internal processes or systems, human error or from external events	Unchanged – there is continued investment to delelop staff skills and capabilities to maintain quality operations	This is partially mitigated through internal controls and regular staff training, as well as the continued investment and enhancement of internal systems. The Group also mitigates any external thresholds through monitoring its oversight framework and enhancing that framework using the Group Risk function.
4. Financial risk	The risk of possibility of inadequate financing which has a negative business outcome	Unchanged – the business continues to be mindful of the risks associated with insufficient capital	<p>The Group retains sufficient cash balances to reduce the exposure to liquidity risk/ cash flow risk, and there is detailed cash forecasting and examination of both the trading marketplace and current economic climate to help to identify liquidity risks.</p> <p>The Group has fixed its energy costs and premises costs where possible, and inflationary effects are built into budgets and forecasts to ensure business continuity.</p>

Risk	Definition	Changes since last year	Mitigation and Controls
5. Strategic risk	The risk of direct or indirect impact on the earnings, capital, or value of the business as a result of the strategies not being optimally chosen, implemented, or adapted to changing conditions	Unchanged – the need to mitigate reputational and business risk caused by the Group’s strategy remains high	The Group maintains an effective governance structure, which has non-executive directors on the Group Board, including its Chairman, who ensure robust challenge over the Group’s strategy. The Group Risk function also includes a record of internal controls and reports to the Audit Committee and Risk Committee to report risks encountered by the business. Training is rolled out to employees to ensure the Group’s strategy is executed in a manner which mitigates strategic risk.
6. Regulatory risk	The risk of reputational damage, regulatory or legal censure, fines or prosecutions and other types of losses arising from non-compliance with regulations and legislation	Increasing – continued development in scope	<p>The Group maintains robust systems and controls to ensure full compliance with all regulatory requirements.</p> <p>The Group’s Regulatory Reporting and Compliance functions monitor and advise others in the business to ensure that non-financial and financial risks, for example capital and liquidity requirements, continue to be met.</p> <p>Internal audit functions complete assurance work over the control environment, including for regulated areas.</p>
7. Consumer outcomes risk	The risk that consumers experience poor outcomes or harm arising from the actions of the Group and its staff	Unchanged – the regulatory requirements in this area remain high, and the need to ensure we serve our clients’ best interests remains high	The Group continues to implement staff training to mitigate the risk of client harm and has appointed Consumer Duty champions. There is an in-house Complaints team, and monitoring of incidences of client harm is reported to the Board.

Section 172 statement

The Directors of the Group are required to act in accordance with a set of duties as detailed in section 172 of the Companies Act 2006 (“the Act”). The Act provides that a Director must act in the way that he or she considers, in good faith, would be most likely to promote the success of the Group for the benefit of its members, having regard to the matters set out in s172 of the Act. Details of how the Directors had regard to s172 are set out below.

The Board has determined the Group’s key stakeholder groups to be: Customers, Regulators, Shareholders and the Community (together, the “Stakeholder Groups”). Each Stakeholder Group plays an important role in the ability of the Group to execute its strategy and deliver on our purpose.

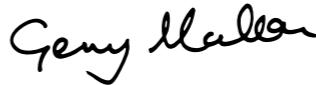
The Group has processes in place to capture and consider the views of its Stakeholder Groups and share their views at relevant levels within the business, including with the Board, to ensure that regard is had to these views in decision-making processes. Examples are provided below of typical methods of engagement with the Stakeholder Groups and how the Board stays appraised of their views to inform its decision-making.

Stakeholder Group	Details
Customers	<p>The Group prides itself on anticipating the needs of the customers it serves so that it can deliver a differentiated customer experience. Various methods are utilised to understand customer needs and feedback including online surveys and customer care calls. The Group also gathers feedback from financial advisers, employers and accountants using its systems. This feedback is collated and reviewed at Management and Board level to agree actions to improve its service. As a result of our continued commitment to delivering quality to customers, the Group has maintained its 4.9 star out of 5 rating on TrustPilot.</p> <p>In 2024, the Group has worked with the FCA and a Skilled Person to deal with issues related to Group historic client onboarding practices, as well as completing an assessment on the adequacy of client investment reviews. The Group acknowledges that historic recruitment practices have not produced the optimal, desired outcomes for some clients. We are aware of the importance of strengthening recruitment and review processes to protect our clients and welcome the FCA's review of ongoing advice to achieve these goals.</p> <p>The Consumer Duty is a set of regulations introduced by the FCA in the UK to ensure higher standards of consumer protection across financial services. The Duty requires firms to put their customers' needs first and act to deliver good outcomes for retail customers. Management has continued its progress in embedding Consumer Duty across the business in 2024 and, while there have been several key product and service enhancements in the year, Management recognise that further work is required and will continue through 2025.</p>
Regulators	<p>The Group proactively participates in regular meetings and interactions with its regulators as appropriate to fully understand regulatory views and feedback, including full and active participation in industry thematic reviews and application of any resulting learnings to drive business improvements. Management operates a horizon-scanning process to ensure that upcoming regulatory change, consultations, guidance and "hot topics" are known and understood by the business, enabling any resulting internal actions to be taken.</p> <p>To ensure the appropriateness of ongoing advice, in line with regulatory requirements, client circumstances are reviewed annually to ensure that their investments remain suitable. 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, we have taken the opportunity in 2024 to complete a detailed retrospective review of ASR completions from 2018 to 2024.</p> <p>As a result of this review, a provision of £4.9m has been recognised in respect of fees that may need to be refunded to clients, inclusive of costs to perform the redress of impacted clients.</p>
Shareholders	<p>The Directors understand their duty to act fairly between different shareholders as required by UK company law. Shareholder contact is the responsibility of the executive Directors who manage and develop the Group's shareholder relationships with all shareholders. They conduct a comprehensive programme of update meetings, particularly following the release of annual results, and trading updates. The Board aims to create value for shareholders by generating strong and sustainable results.</p>

Community & charity	<p>The Group believes that its business can have a positive impact on the society in which it operates. The business is proud to be based in Newcastle, and by making True Potential a chosen place to work, where colleagues can develop valuable skills and experience, our customers and the wider society of the Northeast of England will also benefit.</p> <p>Throughout the year we support a number of charities put forward by True Potential colleagues. These charities will often be a cause that individuals have a personal connection to, or one that they feel needs our support in order to have a positive and practical impact. In 2024, we were proud to support 8 different charities. All the money raised by our staff is matched by the business.</p> <p>We take part in events across the year and encourage staff to pitch ideas and contribute to our overall fundraising. In 2024, this included a hike along the beautiful Northumberland coastline, a walk for Dementia UK with individual team challenges, and our annual participation in the Great North Run.</p> <p>We also supported the Newcastle Eagles Foundation, taking part in basketball activities and raising funds that are split between two projects. This improved accessibility for children to allow them to take part in basketball, and we also assisted with the running costs of inclusive sessions for adults with learning disabilities and autism.</p> <p>We continued to work on our 'On the Money' campaign, which aims to improve financial literacy throughout the UK by engaging with secondary schools, with our qualified financial advisors. Over 100 of our financial advisors helped to teach students about money, their own finances, and improve their financial literacy.</p>
Sustainability	<p>The Group understands that capital can be a powerful tool for change, and that thoughtful choices made in accordance with agreed investment guidelines can help deliver financial goals for its customers as well as benefit the planet and nature.</p> <p>At the product level, all True Potential funds are managed by fund managers who are signatories to the UNPRI. We also conduct an annual sustainability assessment of all our delegated sub-fund managers, to evaluate the development of their sustainability approach, engagement strategies with investee companies, and participation in collaborative initiatives. The assessment also considers their progress on climate-related initiatives. Additionally, we monitor engagement activities and proxy voting on a quarterly basis.</p> <p>In 2024, we published our first Task Force on Climate-related Financial Disclosures ("TCFD") reports at entity level for True Potential Investments LLP and True Potential Administration LLP on our website. TCFD disclosures are designed to improve transparency on climate-related reporting and financial information and promote consideration of material climate-related risks and opportunities associated with climate change.</p>
Employees	<p>The Group considers the interest of its employees in decision making. The Group continues to provide employees with developmental opportunities and a motivated workplace culture. The Group engages with its employees throughout the year with communication through team meetings and access to its social media content on what is happening in the industry. A colleague engagement survey was launched during 2024 and the results are being considered to help shape the future of the organisation. The Group also provides regular all-staff meetings where Senior Management update employees on business performance, new initiatives and progress against business objectives.</p>

The strategic report was approved by the Board of Directors and signed on its behalf on 8 April 2025 by:

Gerry Mallon
Director
8 April 2025





Directors' report

Meet our team



Andrew Sibbald
Chairman
True Potential Group

Andrew has been the non-executive chair of the True Potential Group since 2023. He has more than 35 years' experience in financial services, having worked in both private equity and investment banking, where he advised a wide range of public and private companies on mergers, acquisitions and capital raising.



Gerry Mallon
Chief Executive Officer
True Potential Group

Gerry joined the True Potential Group in February 2025, having been the Chief Executive Officer of Tesco Bank for more than six years and a member of the Tesco Plc executive committee. He has also been CEO of Ulster Bank Ireland and Danske Bank UK, and held leadership and advisory positions at McKinsey & Co and Bank of Ireland.



Ben Thorpe
Chief Financial Officer
True Potential Group

Ben joined the True Potential Group in 2023, having been the Chief Financial Officer at Brooks Macdonald, a listed wealth manager. He has worked in financial services for more than 25 years having joined Brooks Macdonald from Brewin Dolphin where he was Head of Finance, and having previously worked in various senior finance roles at Standard Bank, Barclays Capital and Morgan Stanley.



George Peebles
Non-Executive Director
True Potential Group

George is an experienced finance professional and has specialised in the financial services sector for over 20 years. He worked in corporate finance roles with a major accountancy practice. He has worked with the True Potential Group as a non-executive director since 2012.



Rebecca Hunter
Non-Executive Director
True Potential Group

Rebecca is a Senior Principal at Cinven, the private equity firm that has backed the True Potential Group. She joined Cinven in 2017 and is also a Non-Executive Director at NewDay, and a former Non-Executive Director at Premium Credit. Prior to joining Cinven, Rebecca worked at Lazard.



Jodi Balfe
Non-Executive Director
True Potential Group

Jodi is a Principal at Cinven, the private equity firm that has backed the True Potential Group. She joined Cinven in 2019 and works in the Financial Services sector team. Prior to joining Cinven, she was an Investment Banking Associate at Goldman Sachs in the Financial Institutions group, working both the London and New York offices.



Stephanie Bruce
Non-Executive Director
& Chair of Audit Committee
True Potential Group

Stephanie has 35 years of experience in financial services, working with a wide range of organisations in asset management, insurance and banking sectors. She led the Assurance Financial Services practice at PwC UK, has been a director on a number of Boards, both UK and overseas, and has undertaken the CFO roles at Phoenix Group and Aberdeen Group plc.



Maxim Crewe
Non-Executive Director
True Potential Group

Maxim is a Partner at Cinven, the private equity firm that has backed the True Potential Group. He joined Cinven in 2006 and leads both the Financial Services and Consumer Sector teams and is a member of the Investment Committee and Executive Committee.



Karina McTeague
Non-Executive Director
& Chair of Risk Committee
True Potential Group

Karina joined the True Potential Group as a non-executive director in 2023. She had previously served as Chief Risk Officer at Visa Europe and Lloyds Banking Group North America and has held Supervision Director roles at the Financial Conduct Authority.

Directors’ report for the year ended 31 December 2024

The Directors present their Report and audited Financial Statements of the Group for the year ended 31 December 2024.

Directors

The following Directors have held office during the year and to the date of signing of the financial statements, unless otherwise indicated:

Name	Role	Appointment/Resignation Date
Andrew Sibbald	Chairman	
Gerry Mallon	Chief Executive Officer	Appointed 13 February 2025
Daniel Harrison	Chief Executive Officer	Resigned 11 October 2024
Ben Thorpe	Chief Financial Officer	
George Peebles	Non-executive	
Rebecca Hunter	Non-executive	
Jodi Balfe	Non-executive	
Samy Jazaerli	Non-executive	Resigned 24 January 2024
Stephanie Bruce	Non-executive	
Maxim Crewe	Non-executive	
Karina McTeague	Non-executive	

Principal activities

The principal activities of the Group are the provision of financial advisory and investment management services, and support services to retail investors and financial advisers.

Future developments

The Group’s future developments are set out in the Strategic Report.

Dividends

Dividends paid during the year amounted to £40.5m (2023: £nil). No final dividends are proposed.

Review of business

£4.7bn of new client money was invested onto the True Potential Wealth Platform (“the Platform”), a 24.2% decrease from 2023, with net inflows of £1.8bn. This is due to reduced recruitment in line with the evolution of Group client onboarding programmes based on feedback from the FCA. As at 31 December 2024, the Group administered £32.8bn of client money, and invested and managed £30.3bn of this in True Potential Investment Funds “the Funds”.

The Group had another record breaking year of revenue generation. Revenue increased by £92.4m to £498.9m, profit before taxation decreased to £111.3m (2023: £175.5m), following exceptional items, and adjusted EBITDA grew by 22.3% to £269.3m. The performance fees recognised in 2024, of £23.0m, will not be repeated, following changes made from the annual Assessment of Value.

Despite significant exceptional costs of £111.9m in the year (2023: £4.3m), the Group generated an operating profit of £104.2m (2023: £173.3m) and overall profit for the year of £93.2m (2023: £142.4m). Exceptional costs are detailed in the Strategic Report.

Client onboarding assets

The Group has paid £144.8m for client onboarding assets on the balance sheet in 2024 (2023: £250.5m), representing Management’s actual payments for the onboarding of revenue contracts, net of adviser clawbacks. Management has concluded that no impairment exists to Group client onboarding assets at 31 December 2024.

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. 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, has been recognised at 31 December 2024 based on current best estimates of the redress payable as at the balance sheet date. Additional details are contained within Note 23 of the accounts.

In addition, the recruitment programme has been revised, with new processes put in place in 2024 to ensure good client outcomes.

Annual Suitability Reviews (“ASRs”)

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, we have taken the opportunity in 2024 to complete a detailed retrospective review of ASR completions from 2018 - 2024. As a result of this review, a provision of £4.9m has been recognised in respect of fees that may need to be refunded to clients, inclusive of costs to perform the redress of impacted clients. Additional details are contained within Note 23 of the accounts.

We support in full the FCA’s industry wide review of ongoing advice and continue to monitor the changing advice landscape to ensure the most appropriate advice outcomes for our clients.

Directors’ indemnities

As permitted by the Companies Act 2006, the Group has indemnified the Directors in respect of proceedings brought by third parties, and qualifying third party indemnity insurance was in place throughout the year and up to the date of approval of the financial statements.

Financial instruments

The financial risk management objectives and policies of the Group, including exposure to capital risk, credit risk, market risk, interest rate risk and liquidity risk are set out in Note 26 to the financial statements.

Employees

The Group has a recruitment policy to ensure that all applications for employment, including those made by disabled persons, are given full and fair consideration in light of the applicants’ aptitudes and abilities. There is also an equal opportunities policy to ensure that all employees are treated equally in terms of employment, training, career development and promotion. Where employees develop a disability during their employment, every effort is made to continue their employment and arrange for appropriate training as far as is reasonably practicable.

Employee engagement

Details on employee engagement can be found within the Group’s Section 172 statement in the Strategic Report.

Exceptional items

Exceptional costs are disclosed in the Strategic Report and in the Notes to the Financial Statements.

Subsequent events

On 22 January 2025, 12 February 2025, and 14 March 2025, the Company made interim dividends to its immediate parent, Kane Bidco Limited, in the sum of £2.4m, £32.0m, and £63.1m.

Streamlined Energy and Carbon Reporting (“SECR”)

This statement presents True Potential’s annual energy consumption, associated relevant greenhouse gas emissions and additional related information, for inclusion in the emissions disclosure required under the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. This report aligns with the financial reporting years for the Group covering the calendar years 2023 and 2024.

All the energy data used in production of this report was taken from smart meter reads and data for fuel used for transport taken from expense logs for the Group. Where necessary, data has been converted to energy (kWh) and converted to tons of Carbon Dioxide equivalent (tCO2e) using Government published greenhouse gas conversion factors applicable to 2024.

Application

We have followed the principles of Relevance, Completeness, Consistency, Transparency and Accuracy as described in the GHG Protocol Corporate Standard, whilst following the Government environmental reporting guidelines.

Determining the organisation boundaries

A number of different boundary types are listed in the SECR guidance. We selected the financial control boundary as being most fitting – the definition is:

“Your organisation reports on all sources of environmental impact over which it has financial control. Your organisation has financial control over an operation if your organisation has the ability to direct the financial and operating policies of the operation with a view to gaining economic benefits from its activities.”

Using this definition, only the emissions from activities managed from the site at Gateway West, Newburn Riverside, Newcastle upon Tyne, are included in the report.

Determining key environmental impacts

The mandated reporting for the organisation is not complex. The greenhouse gas emissions from energy supplies and fuel used for transport (fleet, company cars and expenses paid) must be reported. The emissions will be reported as tons of Carbon Dioxide equivalent (tCO2e) as directed in the regulations.

Measuring energy consumption

This is concerned with data collection and aggregation for the key environmental impacts reported.

For electricity and gas, smart meter data was used to calculate annual electricity and gas usage, and no estimated data was used.

Fuel used for transport energy was derived from aggregated miles covered on company business in employee-owned vehicles (grey fleet) and miles covered for hire cars based on “average” conversion factors for the cars and vans used.

Emissions reporting

The emissions reported are calculated using Greenhouse Gas conversion factors for the UK that take account of the mix of technologies used to produce that energy. These are termed ‘location based’ conversion factors because they are for energy supplies located in the UK.

Energy and GHG Emissions

The table over leaf shows the total energy use and emissions by Scope for the Group for 2024 and 2023.

		2024		2023	
Fuel type		Total kWh	Emissions tCO2e	Total kWh	Emissions tCO2e
Scope 1	Natural Gas	90,096	16.48	135,761	24.80
	Fuel used for transport (company + hire cars)	10,507	2.80	4,097	0.93
Scope 2	Grid Supplied Electricity - contracted supplies	476,220	98.60	531,640	107.99
Scope 3	Business miles in employee owned cars only (grey fleet only)	69,035	16.66	106,734	27.16
Total Global Energy use and emissions		645,858	134.54	778,232	160.88

- Scope 1:

This relates to direct emissions from assets owned and operated by True Potential (natural gas & fuel used in company cars). Scope 1 emissions have dropped because gas usage has fallen with changes made to the operation of the heating system.
- Scope2:

This relates to indirect emissions from the generation of purchased or acquired electricity. Scope 2 emissions have fallen below 100 tCO2e. Electricity use was less this year than in the previous year.
- Scope 3:

This relates to emissions as a result of result of activities from assets not owned or controlled by the organisation (such as fuel used for transport derived from expenses paid for use of own vehicles). Scope 3 emissions are expensed mileage with the emissions figures lower than for any previous year - including during periods affected by Covid lockdown.

Intensity ratios

One intensity ratio has been selected - this is the annual headcount for the company. The headcount has increased this year by a little over 20% and affects the emissions per person calculation. However, despite the increase in staff, use of gas and electricity has fallen, as has the use of cars on company business.

The emissions in 2024 have decreased for the second consecutive year and are at their lowest that the Group has recorded.

Gas consumption has been affected by the changes to the office heating system, as 2024 is the first full year since changes were made. Gas usage is down by 33.5% compared to 2023. Electricity consumption has also fallen in 2024 by 9.4%.

Use of cars on company business fell by 38.7% for the grey fleet in 2024. Whilst there was an increase in the use of hire vehicles during the year, this was not a significant proportion of total energy use.

Intensity ratios		2024		2023	
		Employees	tCO2e/employee	Employees	tCO2e/employee
By number of employees		616	0.22	508	0.32

As a large and fast-growing business, the Group is conscious of its impact on the environment, and have an appointed Chartered Energy Assessor as its Energy Consultant, who works with Management to identify possible areas of energy and water usage reduction.

Statement of Directors’ responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

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

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

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

The Directors are responsible for the maintenance and integrity of the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors’ confirmations

In the case of each Director in office at the date the Directors’ report is approved:

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the Board:

Gerry Mallon
Director
8 April 2025



True Potential Group Limited Registered number: 09917444



Financial statements

Independent auditors’ report to the members of True Potential Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, True Potential Group Limited’s group financial statements and parent company financial statements (the “financial statements”):

- give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 December 2024 and of the group’s profit and the group’s cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (“Annual Report”), which comprise: the Consolidated and Company Statement of Financial Position as at 31 December 2024; the Consolidated Income Statement, the Consolidated and Company Statements of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group’s and the parent company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group’s and the parent company’s ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors’ report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors’ report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors’ report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors’ report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors’ report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors’ responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group’s and the parent company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors’ responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journals entries to increase revenue, and management bias in the impairment of client onboarding assets, impairment of goodwill and estimation of the suitability of client transfer provision. Audit procedures performed by the engagement team included:

- Reviewing correspondence with the Financial Conduct Authority in relation to laws and regulations;
- Discussions with management, and review of relevant meeting minutes, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management’s internal controls designed to prevent and detect irregularities;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations against revenue accounts;
- Challenging assumptions made by management in their significant accounting estimates including ensuring there is no management bias, in particular in relation to the impairment of client onboarding assets, impairment of goodwill and estimation of the suitability of client transfer provision; and
- Designing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors’ report.

Use of this report

This report, including the opinions, has been prepared for and only for the parent company’s members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

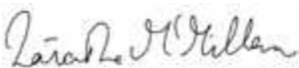
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Natasha McMillan

(Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

9 April 2025

Consolidated Income Statement for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Revenue	4	498,894	406,451
Fee expenses	5	(152,006)	(127,729)
Net revenue		346,888	278,722
Administrative expenses	6	(130,777)	(101,122)
Exceptional items	7	(111,915)	(4,275)
Operating profit		104,196	173,325
Finance income	11	7,358	2,266
Finance costs	11	(262)	(141)
Profit before income tax		111,292	175,450
Income tax expense	13	(18,084)	(33,075)
Profit for the year		93,208	142,375

The Group has recognised no other comprehensive income so there is no Statement of Other Comprehensive Income presented within these financial statements.

The notes on pages 66 to 106 are an integral part of these consolidated Financial Statements.

Consolidated Statement of Financial Position as at 31 December 2024

Registered number: 09917444

	Note	2024 £'000	2023 £'000
Assets			
Non-current assets			
Goodwill	14	68,315	68,315
Intangible assets	14	11,375	17,540
Property, plant and equipment	15	2,532	3,404
Client onboarding assets	17	855,578	783,828
Adviser loans	18	7,110	-
		944,910	873,087
Current assets			
Trade and other receivables	19	115,429	99,312
Current tax receivable		28,214	-
Cash and cash equivalents	20	216,833	129,644
		360,476	228,956
Total assets		1,305,386	1,102,043
Liabilities			
Current liabilities			
Trade and other payables	21	(42,560)	(28,462)
Financial liabilities	22	(11,247)	(40,757)
Deferred tax	13	-	(960)
Provisions	23	(100,400)	-
Current tax liability		-	(835)
		(154,207)	(71,014)
Non-current liabilities			
Financial liabilities	22	(452)	(730)
Deferred tax	13	(2,283)	(2,618)
Total non-current liabilities		(2,735)	(3,348)
Total liabilities		(156,942)	(74,362)
Net assets		1,148,444	1,027,681
Equity			
Share capital	24	26	26
Share premium	24	992,631	924,531
Other reserves		-	18
Retained earnings		155,787	103,106
Total equity		1,148,444	1,027,681

The notes on pages 66 to 106 are an integral part of these financial statements.
The financial statements on pages 62 to 106 were authorised for issue by the Board of Directors on 8 April 2025 and were signed on its behalf by:


Gerry Mallon
Director


Ben Thorpe
Director

Consolidated Statement of Changes in Equity for the year ended 31 December 2024

		Share capital	Share premium	Revaluation reserves	(Accumulated Losses) / Retained earnings	Total
	Note	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2023		26	763,931	18	(39,269)	724,706
Profit for the year		-	-	-	142,375	142,375
Total comprehensive income for the year		-	-	-	142,375	142,375
Transactions with owners in their capacity as owners:						
Issue of shares	24	-	160,600	-	-	160,600
Total transactions with owners, recognised directly in equity		-	160,600	-	-	160,600
Balance as at 31 December 2023 and 1 January 2024		26	924,531	18	103,106	1,027,681
Comprehensive income for the year:						
Profit for the year		-	-	-	93,208	93,208
Total comprehensive income for the year		-	-	-	93,208	93,208
Transactions with owners in their capacity as owners:						
Issue of shares	24	-	68,100	-	-	68,100
Reserves transfer		-	-	(18)	18	-
Dividends	12	-	-	-	(40,545)	(40,545)
Total transactions with owners, recognised directly in equity		-	68,100	(18)	(40,527)	27,555
Balance as at 31 December 2024		26	992,631	-	155,787	1,148,444

The notes on pages 66 to 106 are an integral part of these financial statements.

Consolidated Statement of Cash Flows for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities:			
Profit before tax		111,292	175,450
Adjustments for:			
Depreciation of property, plant and equipment and right of use assets	6	1,360	1,475
Amortisation of intangible assets	6	6,097	6,757
Amortisation of client onboarding assets	6	45,764	34,339
Finance income	11	(7,358)	(2,266)
Finance costs	11	262	141
Net cash flows before movements in working capital		157,417	215,896
Movements in working capital			
Increase in trade and other receivables		(16,117)	(26,475)
Increase in trade and other payables		14,098	1,553
Increase in provisions	23	100,400	-
Increase in client onboarding costs	17	(144,819)	(250,470)
Total movements in working capital		(46,438)	(275,392)
Operating cash flows after movements in working capital		110,979	(59,496)
Corporation tax paid		(48,428)	(35,732)
Net cash flows from operating activities		62,551	(95,228)
Cash flows from investing activities			
Purchase of property, plant and equipment	15	(430)	(310)
Adviser loans issued	18	(7,110)	-
Interest received		7,368	2,266
Net cash flows from investing activities		(172)	1,956
Cash flows from financing activities			
Proceeds from issue of shares	24	68,100	160,600
Dividends paid	12	(40,545)	-
(Repayment) / issuance of credit agreement	22	(2,020)	1,963
Repayment of finance loans	22	(58)	(57)
Interest paid	22	(135)	(141)
Lease principal payments	22	(532)	(574)
Net cash flows from financing activities		24,810	161,791
Net increase in cash and cash equivalents		87,189	68,519
Cash and cash equivalents at the beginning of the year	20	129,644	61,125
Cash and cash equivalents at the end of the year	20	216,833	129,644

The notes on pages 66 to 106 are an integral part of these financial statements.

1. General information

True Potential Group Limited (the “Company”) and its subsidiaries (together the “Group”, “TP Group”) provide financial advisory and investment management services, and support services to retail investors and financial advisers. The Company is a private company limited by shares and is incorporated in England, UK. The address of its registered office is Newburn House, Gateway West, Newburn Riverside, Newcastle upon Tyne, NE15 8NX. The

immediate parent undertaking is Kane Bidco Limited, a Jersey registered company, which is the parent of the smallest Group which prepares consolidated financial statements. The intermediate parent is Kane Topco 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 True Potential Group Limited.

2. Material accounting policies

2.1 Basis of preparation

The accounting policies which follow set out those material policies which apply in preparing the consolidated financial statements for the year ended 31 December 2024. The policies have been applied consistently to all years presented. The financial statements are presented in pound sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The financial statements have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

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 Directors have considered the Group’s current and future prospects, risks and uncertainties set out in the risk management objectives and policies, 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. For this reason, the Directors continue to adopt the going concern basis of preparation for these financial statements. Further detailed information is provided in the going concern statement.

2.1.1 Going concern

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

Throughout the year Management monitored cashflow and compliance with covenants on debt held by the Group’s parent, as well as with regulatory capital requirements. The forecasts show headroom to all requirements both throughout the year and at the year-end. The financial position of the Group continues to be monitored to ensure there are sufficient funds in order to meet liabilities as they fall due.

2.2 Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries as on 31 December each year. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and,
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- the size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and,
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the Income Statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between Group companies are eliminated on consolidation.

2.3 Segment reporting

It is the view of Management that the Group has a single operating segment, being the True Potential Group. This is due to the Group completing wealth management services to customers, with interlinked revenue generation across Group entities. Details of the Group’s revenue, results, assets and liabilities for the reportable segment are shown within the Consolidated Income Statement and Consolidated Statement of Financial Position on pages 62 and 63 respectively.

The Group operates in one geographical segment, being the United Kingdom.

The nature of the Group’s activities is such that it is not reliant on any one customer or Group of customers for the generation of revenue.

2.4 Revenue recognition

The Group recognises revenue from the following major sources:

- Fees earned from the provision of back-office intermediation services to financial advice companies (“Adviser services”);
- Fees earned from restricted wealth management advice proposition (“Wealth management advice”);
- Fees earned from provision of a wealth platform (“Platform fees”); and,
- Fees earned from investment funds management (“Investment management fees”) and performance fees.

Revenue is measured based on the consideration to which the Group expects to be entitled from a contract with a customer, under IFRS 15. The Group recognises revenue when it provides a service to a customer.

Notes to Consolidated Financial Statements for the year ended 31 December 2024
(continued)

Revenue which is dependent on client asset values, including adviser services fees, Platform fees and investment management fees, are subject to factors outside the Group’s control, being the movement in asset values. This gives rise to an element of variable consideration, where revenue should only be recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised would not occur when the uncertainty associated with the variable consideration is resolved. The Group can conclude that a significant reversal would not occur when the client investment values are determined on a daily basis and a fee can be calculated based on these investment values. Investment values may be determined based on the asset valuation using the Platform, or through third party valuations.

Provision of back-office intermediation services (“Adviser Services”)
Contracts with customers include the licensing of True Potential web-based intermediary services and providing compliance and other ongoing support services using a web-based platform. We use judgement to assess whether these promises are distinct performance obligations that should be accounted for separately. The ongoing support services are highly interdependent on, and interrelated with, the intermediary service. Customers have a right to access ongoing support services for an initial contractual three-year period, followed by six-month rolling contracts. The Group satisfies its performance obligations over time as the services are rendered and the customer simultaneously receives and consumes the benefits of the services.

The fees for both performance obligations are calculated by applying a percentage to the value of the client fees collected through firms escrow accounts or are fixed amounts agreed with customers. Some contracts are subject to an annual cap. The Group recognises fees at the end of each day on the client fees collected through escrow accounts, or as part of monthly or annual invoicing. At this point, the constraining element of variable consideration has been resolved as the fees taken from end clients has been earned.

Wealth management advice
Advisory revenue is derived through client contracts to provide restricted financial advice. Revenue arises fully within the UK. Fees earned and generated through the advice proposition include both initial advice and recurring advice, offered by self-employed advisers (commission revenue) and the central advice team. The nature of recurring and initial advice services is separate in the context of the contract with clients. Gross fee revenue (inclusive of amounts which are passed on to the independent advisers) is collected through escrow accounts on a daily basis. Fees are received monthly and quarterly in arrears, at which point payments are made out to the self-employed advisers with the Group retaining its cut.

The consideration for initial advice is calculated as a percentage of the client’s initial investment. The client investment strategy is agreed upon at a point in time upon execution of the client contract, which establishes the satisfaction of the initial advice performance obligation. The fee is charged and recognised as revenue when the initial advice is delivered and client investment is made. The cash consideration is received upon settlement of the investment.

The consideration for ongoing advice is variable as it is based on the client’s average invested assets, which change throughout the year. Revenue is adjusted for ultimate cash received through the Group escrow account. Cash consideration is received monthly or quarterly in arrears.

Wealth Platform (“Platform fees”)
The Group earns Platform fees for the provision of the Platform to its investor clients. Platform service arrangements are contractual arrangements involving an investment administration agreement between the Group and a single client. The Group satisfies this performance obligation over time as the services are rendered and the client simultaneously receives and consumes the benefits of the services as they are performed.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised services to the client. Platform fees from this performance obligation are calculated by applying a percentage to the value of the client’s investments held in their portfolio on a daily basis. Cash consideration is received monthly in arrears.

Fund investment management (“Investment management fees”)
The Group earns management fees from investment management services provided to its Funds. The Funds have multiple investors, none of whom exercise significant influence over the fund individually, and the fund can act with autonomy from investors in operational matters. Each fund has a separate governance structure independent of the Group and fee arrangements are set by the fund through the contractual arrangement between the fund and the Group. The Group has determined that the fund is the customer in this relationship. Based upon the services promised in the contract, the Group considers its performance obligations in its customer contracts to be investment management services and fund administration.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised services to the customer. Investment management fees are calculated by applying a percentage to the average invested capital under management in the fund on a daily basis. The fees are billed on a monthly basis. Cash consideration is received monthly in arrears.

Performance fee
A performance fee is recognised where the unit price of individual funds (the True Potential Growth Aligned Funds) exceeds the high watermark annually at 30 April. Revenue is recognised in an amount that reflects the consideration the Group expects to receive. The Group recognises performance fee revenue when it becomes highly probable a significant reversal will not occur. This is taken to be the crystallisation date at 30 April each year. The fee is based on the difference between the current and highest historic unit price at the high watermark date. Performance fees are received one month in arrears. From 1 October 2024, the Group will no longer receive performance fees in line with the Assessment of Value.

2.5 Fee expenses
Fee expenses include sub-fund management, advisory and other fund related fees. All costs are recognised on an accruals basis and are settled in arrears. The Group recognises advisory revenue as the gross fee for services delivered and passes a proportion of these fees, based on contractual agreements, on to the advisers who interact with end clients (adviser fees). Advisers can be self-employed business partners or separate to the Group. Other fund fees include those payable to the fund depository and custodian, as well as for fund accounting, audit and transaction fees. Sub-fund manager fees are those payable to the delegated investment managers of the Group.

2.6 Administrative expenses
All administrative expenses are recognised on an accruals basis.

2.7 Exceptional items
An exceptional item is deemed non-recurring and unusual in nature. These items are highlighted separately on the face of the Consolidated Income Statement and are also disclosed within Note 7. Due to the nature and expected infrequency of these items, separate presentation helps provide a better indication of the Group’s underlying business performance to facilitate comparison with prior periods.

2.8 Goodwill

Goodwill is initially recognised and measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the acquisition-date fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is reviewed for impairment annually at the annual reporting date. Goodwill is allocated to the True Potential Group as a single cash-generating unit (“CGU”), which is the smallest identifiable group of assets that generates independent cash inflows. This is due to the interlinked nature of income generation within the Group. The CGU is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit, determined as the higher of its fair value less costs of disposal and its value in use, is less than the carrying amount of the unit, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2.9 Intangible assets other than goodwill

Intangible assets acquired separately

Separately acquired intangible assets with finite lives are recorded at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives which are:

- Brand: 10 years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Separately acquired intangible assets with indefinite lives are carried at cost less accumulated impairment losses. The Group has no intangible assets with indefinite useful lives, other than goodwill.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Consolidated Income Statement when the asset is derecognised.

Internally generated intangible assets

Multiple factors taken into account when considering whether internally developed intangible assets meet the recognition criteria in IAS 38 Intangible Assets. Where they are capitalised, internally developed intangible assets are held at cost less accumulated amortisation and impairment losses. Such items are recognised in the Consolidated Statement of Financial Position if it is probable that the relevant future economic benefits attributable to them will flow to the Group and its cost can be measured reliably. Costs incurred in the research phase are expensed, whereas costs incurred in the development phase are capitalised, subject to meeting specific criteria, as set out in the relevant accounting standards and guidance. Amortisation is charged to the Consolidated Income Statement on a straight-line basis over the estimated useful lives of the relevant intangible asset, which are:

- Platform and other Projects: 4-10 years
- Software licenses: 3-5 years

2.10 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss. Depreciation is recognised to allocate the cost of assets, less their residual value, over the useful lives of each asset on a straight-line method, as follows:

- Leasehold buildings: Shorter of the lease term or the estimated useful life of the asset
- Fixtures and fittings: Between 3-5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Income Statement.

2.11 Impairment of property, plant and equipment and intangible assets excluding goodwill

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets with definite useful economic lives to determine whether there are any impairment indicators to show that those assets have suffered an impairment loss. If any such indication exists, a full impairment assessment to the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to the CGU.

For remaining assets, the recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Income Statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss could occur where impairment conditions no longer exist or have improved. A reversal of an impairment loss is recognised immediately in the Consolidated Income Statement to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

2.12 Client onboarding costs

The incremental costs of obtaining a contract can be capitalised as an asset if the Group expects to recover those costs. The incremental costs to obtain a revenue contract are those that would not have been incurred if the contract had not been obtained, under IFRS 15

Agreements are entered into with financial advisers to onboard client assets or transfer existing assets into the central advice team. The costs associated with these agreements, including fees to self-employed sales directors for adviser recruitment, are deemed to be the incremental cost of obtaining a revenue contract, “client onboarding assets”, which are recognised as an asset. The revenue contract obtained is with individual clients. The asset is recognised when it is expected that the Group will recover the costs through revenue generation with clients. The Group considers that the costs payable to financial advisers and sales directors would not have been incurred if client assets had not been onboarded or transferred, meaning the revenue contract with clients had not been obtained. The Group has determined that the contracts with clients do not fall under the scope of another Standard.

Client onboarding assets are recognised on the date an agreement is entered into with financial advisers, or as assets are transferred into the Groups services. As client assets are onboarded or transferred into servicing provided by the Group and its wealth management partners, the cost of obtaining the client revenue contracts is adjusted to reflect the assets settled. It is expected that the costs will be recovered from this point through revenue generation on client assets, which begins as soon as clients pay fees on their investments. The costs associated with this, payable to financial advisers and sales directors, are recognised and paid at a proportion of the client assets transferred and which have settled.

Where initial payments are made to financial advisers based on expected assets that will be onboarded, they are offset against any further amounts payable after adjustments for final settled assets. Where initial payments exceed the final cost payable to acquire client revenue contracts, amounts can be clawed back from financial advisers. The client onboarding assets fully crystallise at the point that agreements with financial advisers end and final payments or clawbacks have been settled.

Recognition of client onboarding costs give rise to liabilities on the Consolidated Statement of Financial Position (client onboarding liabilities). These are amounts payable to financial advisers, for the expected future payments representing a proportion of client assets expected to be transferred to the Group or as a final payment for settled assets.

Client onboarding assets are amortised over the expected transfer of the services to the customer, which is currently estimated to be:

- Client onboarding assets: 20 years

The amortisation period adopted is reviewed in each reporting period, with the effect of any changes in estimate accounted on a prospective basis in line with IAS 8. Any updates to amortisation would be made to reflect a significant change in the expected timing of transfer to the client of services to which the asset relates, which is dependent on clients continuing under Group servicing.

2.13 Impairment assessment of client onboarding assets

At each reporting date, management reviews the carrying amounts of client onboarding assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any), per the requirements of IFRS 15.

An impairment loss should be recognised in the Statement of Comprehensive Income where the carrying amount of the asset exceeds the remaining amount of consideration expected to be received in exchange for services to which the assets relate, less direct costs to provide the services. In assessing the remaining consideration expected to be received, the estimated future cash flows created by client asset revenue generation are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. Significant estimation is used to consider the future revenues expected on client assets, as discussed in Note 3.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss could occur where impairment conditions no longer exist or have improved. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

2.14 Leases

The Group determines if an arrangement is, or contains, a lease at inception and classifies its leases at commencement. Where the Group is a lessee, leases are included in right-of-use (“ROU”) assets and current and non-current lease liabilities on the Group’s Consolidated Statement of Financial Position. ROU assets represent the Group’s right to use an underlying asset for the lease term. The corresponding lease liabilities represent the Group’s obligation to make lease payments arising from the lease.

Lease liabilities are presented in Financial Liabilities and are recognised based on the present value of the future minimum lease payments over the lease term at commencement. The Group has lease agreements which contain both lease and non-lease components. The Group makes an election on an asset class basis to determine if it elects the practical expedient allowed to not separate lease and non-lease components. Periods beyond the non-cancellable term of the lease are included in the measurement of the lease liability when it is reasonably certain that the Group will exercise the associated extension option or waive the termination option. The Group reassesses the lease term if and when a significant event or change in circumstances occurs within the control of the Group. The net present value of future minimum lease payments is determined using the implicit interest rate in the lease. If the implicit interest rate is not included in the lease, the discount rate is determined by the Group’s incremental borrowing rate. The Group’s incremental borrowing rate is an estimate of the interest rate the Group would have to pay to borrow on a collateralised basis with similar terms and payments, in the economic environment where the leased asset is located. Lease liabilities are adjusted each period for interest on the leased asset and lease payments during the period.

The lease ROU asset is presented in Property Plant and Equipment. It is initially recognised at cost which is based on the lease liability, adjusted for any rent payments or initial direct costs incurred or lease incentives received prior to commencement or restoration costs due at end of the lease. ROU assets are depreciated based on the shorter of the asset’s useful life under IAS 16 or the lease term.

2.15 Financial instruments

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at the amount of consideration that is unconditional. Transaction costs that are directly attributable to the acquisition or issue of financial

assets and financial liabilities (other than financial assets and financial liabilities at fair value through the Income Statement) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the Income Statement are recognised immediately in the Income Statement.

(i) Financial assets

Trade and other receivables, and adviser loans, are measured at amortised cost less impairment.

Prepayments include expenditures related to future financial periods and are measured at amortised cost.

Cash and cash equivalents include cash at bank and deposits held in highly liquid money market funds that can be accessed instantly and are not considered to be subject to the risk of significant changes in value.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The expected credit losses on these financial assets are estimated using Management’s historical experience, adjusted for factors that are specific to the receivables. These include general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Group recognises lifetime expected credit loss (“ECL”) when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial

Notes to Consolidated Financial Statements for the year ended 31 December 2024
(continued)

instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group considers that default has occurred when a financial asset is more than 90 days past due. A financial asset is credit impaired when one or more events that have detrimental impact on the estimated future cash flows of that financial asset have occurred such as significant financial difficulty of the borrower, a breach of contract or it is becoming probable the borrower will enter bankruptcy.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Income Statement.

(ii) Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest rate method or at fair value through profit or loss ("FVTPL").

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial liabilities include finance loans, a credit facility agreement and lease liabilities, and are carried at amortised cost using the effective interest rate method.

2.16 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the Income Statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.17 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a present legal or constructive obligation as a result of past events, a transfer of economic benefit is probable to settle the obligation, and a reliable estimate of the value of that economic benefit can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are charged as an expense to the Income Statement when the recognition criteria have been met. Decreases, or releases, of provisions are credited to the Consolidated Income Statement. When payments are made relating to the provision, they are charged to the provision carried in the Consolidated Statement of Financial Position.

2.18 Contingent liabilities

The Group recognises a contingent liability where it is identified that there is a possible obligation that could lead to an outflow of economic resources. The possible obligation must have occurred as a result of past events and whose existence will be confirmed by the circumstances of uncertain future events. The Group will also disclose a contingent liability where there exists a present obligation resulting from past events and the recognition criteria for a liability is not met. In this case, a contingent liability will be recognised as it is either not probable that economic resources will be required to settle the obligation, or the amount of the obligation cannot be reliably measured.

2.19 Accounting standards not yet in force

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group or Company in the current or future reporting periods and on foreseeable future transactions.

3. Critical accounting estimates and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. They estimates in preparing these financial statements are:

(i) Expected life of client onboarding assets

Client onboarding assets are amortised over the expected transfer of services to the client. The future performance of the Group is impacted by the amortisation periods adopted, and potentially, may differ between expected and actual circumstances. Sensitivity to the amortisation period changing by one year has been performed and the results are presented below:

One year reduction in amortisation period

	2024 £'000
Annual amortisation charge increase	2,660

The revenue contracts with clients have no specified end date. As such, the critical assumption in the assessment of the estimated life of client onboarding assets is the expected attrition of client assets. Where clients fully withdraw assets from Group servicing, there is no future economic benefit to be derived from the revenue contract. Expected client attrition determines the period over which the Group can receive economic benefits from client contracts and recover the cost of onboarding them.

Management continues to assess the term over which a client continues to be advised by the Group. This considers the age profile of clients serviced by the Group, life expectancy in the UK, experience of client behaviour including drawdown patterns and historic experience with respect to the term a client remains invested. An expected term of 20 years has been identified based on this and is un-changed from previous assessments.

(ii) Impairment of client onboarding assets

Significant estimation is used to assess the future revenues expected to be earned on client onboarding assets. When assessing future revenues, management have considered various scenarios in concluding the appropriateness of fee rates and timing of the associated revenues used to support the recoverable value of client onboarding assets. This assessment includes a review of the commercial arrangements of the Group including, but not limited to, changes to future fee structures and the associated business model.

The carrying value of client onboarding assets is presented after any impairment loss recognised within the income statement under IFRS 15. The Group recognises an impairment loss to the extent that the carrying value of client onboarding assets exceed the remaining consideration expected to be received in exchange for services to which the assets relate, less the direct costs of providing those services. Estimation is used to determine the remaining consideration expected to be earned on client onboarding assets. Key areas of estimation include the discount rate on future cashflows, the remaining life of the asset and expected recovery period for future consideration, market growth expectations and attrition of client assets which are serviced by the Group. Sensitivities to key assumptions to the impairment assessment are presented in Note 17.

Management has concluded that the carrying value of client onboarding assets is supported by the expected revenue to be generated from the contracts with clients. Note 17 sets out the estimates, assumptions and judgements used in the impairment of client onboarding assets and the sensitivity changes in the key assumptions.

(iii) Suitability of client transfer provision

Throughout 2024 and in conjunction with the Skilled Person review, the Group has been reviewing the appropriateness of client transfers, including through its historic advisor recruitment programme. As a result of work undertaken, the Group has concluded that redress will be required for certain clients and accordingly has recognised a provision in the period.

In accordance with IAS 37, a provision in connection with the above has been recognised at the best estimate of the expenditure required to settle the present obligation, which also includes costs to perform the redress of clients.

Significant estimates and assumptions in respect of the provisions include:

- The allocation of the risk population and clients into cohorts. This is dependent on a variety of risk factors (focused on whether the potential harm outweighs the benefits), which determine whether clients are to be provided redress or not.
- The selection of ceding schemes that derive the net performance basis of comparison for each client account.
- The cost to operate the remediation scheme due to a number of variables including case handling times, review times and the length of the programme.

Disclosures and sensitivities to critical accounting estimates and assumptions in respect of the provision are set out in Note 23.

(iv) Impairment of goodwill

The carrying amount of goodwill has been allocated to the True Potential Group as the sole reportable operating segment of the Group. The Group has been identified as the smallest group of assets which generate cash flows that are independent, due to the interlinked nature of income generation within the Group. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The calculation of value in use for the Group is most sensitive to the discount rate and expected future cashflows. The discount rate reflects Management's estimate of the weighted average cost of capital of the Group pre-tax. This is the benchmark used by Management to assess the Group's operating performance and evaluate proposals. The expected cashflows reflect how Management believes the Group will perform over the business plan period and is used to calculate the value in use of the CGU, including growth and attrition of assets under management year-on-year as a result of market growth and onboarding of customers. Sensitivities to the assumptions made in goodwill impairment testing are discussed in Note 14.

Notes to Consolidated Financial Statements for the year ended 31 December 2024 (continued)

4. Revenue

Revenue is earned through the following lines of service:

	2024 £'000	2023 £'000
Adviser services	3,343	3,892
Wealth management advice	173,310	146,813
Platform and related fees	120,984	102,515
Investment management fees	178,287	153,231
Performance fees	22,970	-
	498,894	406,451

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.

5. Fee expenses

Fee expenses include:

	2024 £'000	2023 £'000
Fee expenses include:		
Adviser fees	104,180	88,189
Sub-fund manager fees	41,736	35,243
Other fund fees	6,090	4,297
	152,006	127,729

Adviser fees are paid from gross advisory revenue, being the amounts owed to financial advisers who 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 depository, as well as fund audit, accountancy and transaction fees.

6. Administrative expenses

Administrative expenses reported in the Consolidated Income Statement includes:

	2024 £'000	2023 £'000
Depreciation	1,360	1,475
Amortisation – intangible assets	6,097	6,758
Amortisation – client onboarding assets	45,764	34,339
Staff costs	36,388	28,169
Legal and professional costs	10,592	6,336
Platform and technology running costs	9,798	7,705
Marketing	8,613	3,960
Insurance	3,283	3,576
Regulatory fees and levies	2,907	2,546
Other expenses	5,975	6,258
	130,777	101,122

7. Exceptional items

Exceptional items include the following:

	2024 £'000	2023 £'000
Suitability of client transfers provision	95,500	-
Annual suitability review provision	4,900	-
Group transformation	4,863	-
Historic VAT registration	3,468	-
Other costs	3,184	4,275
	111,915	4,275

The costs recognised in respect of provisions (total £100.4m) are explained in Note 23.

Notes to Consolidated Financial Statements for the year ended 31 December 2024
(continued)

Group transformation relates to investment in the operational effectiveness of the Group, Head Office and staff. This includes the implementation of new software which does not meet the criteria for capitalisation as an intangible asset, training and development and other professional and consultancy fees. The transformation costs are ongoing and further expenditure is expected in 2025.

Historic VAT payments are amounts payable on both historic intercompany recharges and overseas supplies following registration for VAT, as well as the associated penalties and interest. These costs are considered one-off in nature.

Other exceptional costs incurred in 2024 included senior staff sign-on and severance bonuses not included as part of regular contractual remuneration for employees and one-off fees incurred relating to the transition of the Group fund depository. In 2023, these costs related to the recruitment and onboarding of Executive Directors and the resignation and settlement of the former Chairman.

8. Auditors’ remuneration

	2024 £'000	2023 £'000
Fees payable to the Company’s auditors for the audit of the parent Company and consolidated financial statements	156	95
Audit of the financial statements of the Company’s subsidiaries	451	358
Total audit costs	607	453
Non-audit fees payable to the Company’s auditors for client money reporting	294	254
Fees payable to the auditors for interim profit verifications	346	175
Total auditors’ remuneration	1,247	882

9. Directors and employees

(i) Remuneration of Directors

	2024 £'000	2023 £'000
Directors' remuneration	3,187	6,609

Included within this amount are accrued bonuses of £nil (2023: £0.1m). There are no other key Management personnel than the Directors of the Group.

The amounts in respect of the highest paid Director were:

	2024 £'000	2023 £'000
Remuneration of the highest paid Director	1,508	3,216

(ii) Employee numbers and costs

The average monthly full-time equivalent staff numbers including Directors during the year were:

	2024 Number	2023 Number
Management and administration	616	508
Staff costs:		
Wages and salaries	31,357	24,936
Social security costs	4,418	2,771
Other pension costs	613	462
	36,388	28,169

Notes to Consolidated Financial Statements for the year ended 31 December 2024
(continued)

10. Alternative performance measures

	2024 £'000	2023 £'000
Operating profit	104,196	173,325
Add back: Exceptional items	111,915	4,275
Add back: Amortisation	51,861	41,097
Add back: Depreciation	1,360	1,475
Adjusted EBITDA	269,332	220,172

Adjusted earnings before interest, depreciation, amortisation and exceptional costs (“adjusted EBITDA”) as an 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 Income Statement adding back amortisation and depreciation (Note 6) and exceptional items (Note 7).

11. Finance income and costs

(i) Finance income

	2024 £'000	2023 £'000
Interest on liquidity funds	6,674	1,931
Other interest income	684	335
Total finance income	7,358	2,266

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, detailed in Note 18, and interest on other bank deposits.

(ii) Finance income

	2024 £'000	2023 £'000
Finance charges payable on borrowings	205	58
Interest on lease liabilities	57	83
Total finance costs	262	141

12. Dividends paid and proposed

	2024 £'000	2023 £'000
Amounts recognised as distributions to equity holders in the year:		
Dividend for the year ended 31 December 2024 of £0.00797 pence per share	40,545	-

The value of dividends paid for the year ended 31 December 2024 was £40.5m. There were no dividends paid or payable in the year ended 31 December 2023.

13. Taxation

(i) Analysis of charge in the year

	2024 £'000	2023 £'000
Tax on profit on ordinary activities	18,084	33,075

The tax charge is made up as follows:

Current tax:

UK corporation tax	17,972	34,848
Adjustment in respect of prior periods	1,407	139
Total current tax charge	19,379	34,987

Deferred tax:

Origination and reversal of timing differences	(1,387)	(1,492)
Adjustment in respect of prior periods	92	(325)
Change in tax rates or laws	-	(95)
Total deferred tax credit	(1,295)	(1,912)

Tax on profit	18,084	33,075
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Notes to Consolidated Financial Statements for the year ended 31 December 2024
(continued)

(ii) Reconciliation of tax charge

The tax assessed on the profit for the year is the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%).
The differences are reconciled below:

	2024 £'000	2023 £'000
Profit before taxation	111,292	175,450
Profit before taxation multiplied by standard rate of corporation tax in the UK of 25.0% (2023: 23.5%)	27,823	41,231
Effect of:		
Disallowed expenses and non-taxable income	505	1
Adjustments in respect of prior periods	1,499	(185)
Change in tax rates or laws	-	(95)
Non-deductible amortisation	11,217	8,070
Group relief not paid for	(22,960)	(15,947)
Total tax charge for the year	18,084	33,075

The effective tax rate for the year was 16.2% (2023: 18.9%).

On 1 April 2023 the corporation tax rate increased from 19.0% to 25.0%. Therefore, the blended rate of Corporation Tax for the prior year had been calculated at 23.5%. Deferred tax balances have been measured at a rate of 25.0% (2023: 25.0%).

(iii) Deferred tax

	2024 £'000	2023 £'000
Movement in deferred tax liability during the year		
At 1 January	3,578	5,490
Deferred tax credited to the Consolidated Income Statement	(1,295)	(1,912)
At 31 December	2,283	3,578
Current deferred tax liability	-	960
Non-current deferred tax liability	2,283	2,618
Total deferred tax liability	2,283	3,578

14. Goodwill and intangible assets

The cost and carrying value of Goodwill was £68.3m (2023: £68.3m) with no impairments recognised in the year (2023: nil).

(i) Recoverable amount of the cash generating unit

The carrying amount of goodwill has been allocated to the True Potential Group as the sole reportable operating segment of the Group. The Group has been identified as the smallest group of assets which generate cash flows that are independent, due to the interlinked nature of income generation within the Group. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. There was no impairment recorded for the years ended 31 December 2024 and 2023.

The recoverable amount of True Potential Group is determined based on a value in use calculation which uses cash flow projections based on financial budgets seen and approved by the Board and a pre-tax discount rate of 14.78% (2023: 13.72%). Cashflows beyond 5 years are extrapolated using a 2.0% growth rate applied to the net operating cashflows to perpetuity (2023: 2.0%). The recoverable value is £1.8bn greater than the carrying value of the related assets.

(ii) Key assumptions used in the value in use calculation

The calculation of value in use for the Group is most sensitive to the discount rate and expected future cashflows.

The discount rate reflects Management's estimate of the weighted average cost of capital of the Group pre-tax. This is the benchmark used by Management to assess the Group's operating performance and evaluate proposals.

The expected cashflows reflect how Management believes the Group will perform over the business plan period and is used to calculate the value in use of the CGU, including growth of assets under management year-on-year as a result of market growth, client attrition and onboarding of clients.

(iii) Sensitivities to assumptions

The table below details the impact of adjusting the key assumptions. The percentage change in the excess of recoverable value over the carrying value of the CGU, by adjusting the variables by the stated amounts below. The excess of recoverable value over the carrying value is £1.8bn:

	Percentage change
Discount rate – 1.0% increase	(11.0)%
Annual cash flows – 1.0% reduction	(15.3)%
Long-term growth rate – 1.0% reduction	(7.3)%

Notes to Consolidated Financial Statements for the year ended 31 December 2024 (continued)

(iv) Intangible assets:

	Brand	Internally generated assets	Other intangibles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2024	50,500	10,369	936	61,805
Disposals	-	(916)	(936)	(1,852)
At 31 December 2024	50,500	9,453	-	59,953
Accumulated amortisation and impairment				
At 1 January 2024	(37,454)	(6,011)	(800)	(44,265)
Amortisation	(5,050)	(979)	(68)	(6,097)
Disposals	-	916	868	1,784
At 31 December 2024	(42,504)	(6,074)	-	(48,578)
Net book value				
At 31 December 2024	7,996	3,379	-	11,375
At 31 December 2023	13,046	4,358	136	17,540

Brand includes the True Potential brand which was recognised at fair value on transition to IFRS in 2022. 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. Staff costs are capitalised from the point the asset is likely to be completed. Other intangibles represent software licences acquired by the Group and have been written down to £nil in the year.

Intangible assets are subject to an annual impairment test under IAS 36 where impairment indicators are noted in the year. Intangibles other than goodwill have been assessed as part of the CGU to which goodwill is allocated, with any impairment to these assets first being applied to goodwill. No impairment has been recorded in the year (2023: £nil).

15. Property, plant and equipment

	Fixtures, fittings, and equipment	Short leasehold buildings	Total
	£'000	£'000	£'000
Cost			
At 1 January 2024	8,200	2,581	10,781
Additions	430	-	430
Lease remeasurement	-	69	69
Disposals	(3,601)	-	(3,601)
At 31 December 2024	5,029	2,650	7,679
Accumulated depreciation and impairment			
At 1 January 2024	(5,958)	(1,419)	(7,377)
Depreciation	(937)	(423)	(1,360)
Lease remeasurement	-	144	144
Disposals	3,446	-	3,446
At 31 December 2024	(3,449)	(1,698)	(5,147)
Net book value			
At 31 December 2024	1,580	952	2,532
At 31 December 2023	2,242	1,162	3,404

Notes to Consolidated Financial Statements for the year ended 31 December 2024 (continued)

16. Leases

The amounts recognised in the consolidated financial statements in relation to the leases, included within Property, plant and equipment, are as follows:

(i) Right-of-use assets

	Equipment	Property	Total
	£'000	£'000	£'000
Cost			
At 1 January 2024	800	2,504	3,304
Lease remeasurement	-	146	146
Disposals	(800)	-	(800)
At 31 December 2024	-	2,650	2,650

Accumulated depreciation and impairment

At 1 January 2024	(688)	(1,344)	(2,032)
Depreciation	(85)	(423)	(508)
Lease remeasurement	-	69	69
Disposals	773	-	773
At 31 December 2024	-	(1,698)	(1,698)

Net book value

At 31 December 2024	-	952	952
At 31 December 2023	112	1,160	1,272

(ii) Lease liabilities

	2024 £'000	2023 £'000
Current	433	630
Non-current	452	730
Total lease liabilities	885	1,360

Maturity Analysis

	2024 £'000	2023 £'000
Within one year	464	630
Greater than one year but less than two years	464	465
Greater than two years but less than five years	-	265
Greater than five years	-	-
Total undiscounted lease payments	928	1,360

Reconciliation of the opening to closing lease liabilities

	2024 £'000	2023 £'000
Carrying value at 1 January	1,360	1,934
Interest expense	57	83
Repayment of lease liabilities	(532)	(608)
Lease adjustments	-	(49)
Carrying value at 31 December	885	1,360

(iii) Amounts recognised in the consolidated income statement

	2024 £'000	2023 £'000
Depreciation charge of right-of-use assets:		
Equipment	85	220
Property	423	336
Total depreciation related to right-of-use assets	508	556
Interest expense (included in finance cost)	57	83

Notes to Consolidated Financial Statements for the year ended 31 December 2024
(continued)

(iv) Amounts recognised in the Consolidated Cash Flow Statement

The Consolidated Cash Flow Statement shows the following amounts relating to leases:

	2024 £'000	2023 £'000
Total cash outflow for leases	(532)	(608)

17. Client onboarding costs

Contract balances recognised under IFRS 15 related to client onboarding costs include:

	2024 £'000	2023 £'000
Non-current assets		
Client onboarding assets	855,578	783,828
Financial liabilities		
Client onboarding liabilities	(10,801)	(38,106)

Client onboarding assets are presented on the Consolidated Statement of Financial Position and represent the incremental costs to obtain revenue contracts with clients, obtained through client acquisition programmes. Client onboarding liabilities represent amounts outstanding to financial advisers where a corresponding client onboarding asset has been capitalised as an asset and are presented in Note 22. All client onboarding liabilities fall due within one year.

Significant changes in client onboarding assets are as follows:

	2024 £'000
Cost	
At 1 January 2024	856,395
Additions	121,343
Adviser clawbacks	(3,829)
At 31 December 2024	973,909
Accumulated amortisation and impairment	
At 1 January 2024	(72,567)
Amortisation	(45,764)
At 31 December 2024	(118,331)
Net book value	
At 31 December 2024	855,578
At 31 December 2023	783,828

In the current year £117.5m of client onboarding assets have been added to the Consolidated Statement of Financial Position, net of adviser clawbacks (2023: £185.6m). This represents Management's best estimate of expected and actual payments for the onboarding of revenue contracts, less any amounts recoverable where initial payments made to financial advisers exceed the final cost to obtain the revenue contracts.

Amounts paid in the year relating to onboarding assets have been recognised through movements in working capital in the Consolidated Statement of Cash Flows. A reconciliation to the figures presented has been performed below.

	2024 £'000
Client onboarding asset additions	121,343
Adviser clawbacks	(3,829)
Movement in client onboarding liability	27,305
Increase in net client onboarding costs per cashflow	144,819

Additions to client onboarding assets represent Management's best estimate of expected and actual payments for the onboarding of revenue contracts.

Assessment of the carrying value of client onboarding assets contains significant estimation, including the value and expected life of capitalised assets.

Notes to Consolidated Financial Statements for the year ended 31 December 2024
(continued)

(i) Impairment reviews

Impairment reviews on the carrying amount of the client onboarding assets are undertaken with any impairment expensed in the Consolidated Statement of Comprehensive Income. Impairment assessments consider the remaining amount of consideration that the Group expects to receive in exchange for client services, less costs which relate directly to providing those services. Key areas of estimation used in this assessment include the discount rate on future cashflows, the expected recovery or amortisation period, market growth expectations, attrition of clients receiving services, and future fee income.

(ii) Discount rate on future cashflows

In order to assess the present value of the future revenues expected from the client onboarding assets, Management have used a weighted average cost of capital to apply as a pre-tax discount rate, which includes judgement in the assessment of appropriate equity beta and non-listed premium. The discount rate applied in 2024 was 14.78% (2023: 13.72%).

(iii) Amortisation period

The underlying contracts with clients are ongoing and have no end date. Management has therefore used estimation to ascertain the recovery period, including the expected length of the relationship with the client within the Group. Assessments of recovery have been performed over 20 years. The recoverable value represents the remaining consideration expected to be received on client revenue contracts.

(iv) Investment performance

Management has included in its 20-year recovery period an average annual market growth rate of 5.0% based on historic trends of a True Potential balanced portfolio and client portfolios (2023: 5.0%).

(v) Client attrition

Management have used a range of 8.5% to 9.5% as the attrition rate for its assessment of the carrying value of client onboarding assets (2023: 8.2%). This is a forecasted range of attrition on advised client assets taking into account client drawdowns, account closures and other applicable withdrawals.

(vi) Future fees receivable

Fees charged are at the discretion of Management based on the services provided to clients. Management have used the existing fee profile of the Group and incorporated any expected changes to client fees which would impact future cash inflows.

(vii) Sensitivity analysis

The table below details the impact of adjusting the key assumptions. The percentage change in the excess of recoverable value over the carrying value of the client onboarding asset is shown, by adjusting the variables by the stated amounts below. The excess of recoverable amount over the carrying value is £9.8m. Sensitivities shown below would result in impairment of client onboarding assets.

	Percentage change
Discount rate – 1.0% increase	(358.5)%
Amortisation period – 5 year reduction	(221.3)%
Investment performance – 1.0% decrease	(427.9)%
Client attrition – 1.0% increase	(427.9)%
Fees receivable – 10 basis point decrease	(848.0)%

18. Financial assets

	2024 £'000	2023 £'000
Adviser loans	7,110	-

During the year, the Group entered into external financial adviser loan contracts. Loans are held at amortised cost. The objective of the loans is to hold the assets to collect contractual cash flows. Adviser loans are held on market terms and accrue interest at the Bank of England base rate plus 6.0%. Interest is compounded on these loans on a quarterly basis and is recognised as other interest income in Note 11. Loans have a standard term of two years and can be repaid early at the discretion of individual advisers.

Impairment of financial assets

For adviser loans the Group recognises a lifetime expected credit loss (“ECL”) where there has been a significant increase in credit risk since the inception of loan, or where there are significant payment obligations and other credit-related factors relevant beyond 12 months of the inception of the loan. The lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. Financial advisers follow a rigorous onboarding process to qualify for loans and are subject to ongoing assessment, considering if there are additional risks that they may be unable to repay loans.

The Group considers that default on loan assets has occurred when the asset is more than 90 days past due. The asset may be specifically credit impaired when one or more events that have detrimental impact on the estimated future cash flows of that financial asset have occurred such as significant financial difficulty of the borrower, a breach of contract or it is becoming probable the borrower will enter bankruptcy. At 31 December 2024, the lifetime ECL assessed by Management on adviser loans is £nil.

Notes to Consolidated Financial Statements for the year ended 31 December 2024
(continued)

19. Trade and other receivables

	2024 £'000	2023 £'000
Prepayments and accrued income	4,773	4,537
Platform fees	10,148	8,639
Investment management fees	15,345	15,212
Wealth management advice fees	15,790	12,610
Receivables from parent undertaking - Kane Bidco Limited	63,140	51,403
Other receivables	6,233	6,911
	115,429	99,312

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

Receivables due from the parent undertaking are unsecured, non-interest bearing and are repayable on demand

Other receivables include bank and other depository accrued interest as well as refund liabilities and other clawbacks recoverable from wealth management partners.

20. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash held at bank	42,346	21,396
Deposits in liquidity funds	174,487	108,248
	216,833	129,644

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

21. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	101	788
Other taxes and social security	5,979	2,431
Accruals	7,957	5,720
Sub-fund manager fees	9,743	7,479
Adviser fees	9,342	7,693
Other payables	9,438	4,351
	42,560	28,462

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 – 120 days.

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

Other taxes and social security include liabilities for exceptional VAT costs recognised detailed in Note 7.

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.

Notes to Consolidated Financial Statements for the year ended 31 December 2024 (continued)

22. Financial liabilities

	2024 £'000	2023 £'000
Current:		
Lease liabilities	433	630
Client onboarding liabilities	10,801	38,106
Credit agreement	-	1,963
Finance loan	-	58
Accrued interest	13	-
	11,247	40,757
Non-current:		
Lease liabilities	452	730
	452	730

Client onboarding liabilities represent amounts outstanding to financial advisers where a corresponding client onboarding asset has been capitalised as an asset. All client onboarding liabilities at the end of 2024 are falling due within one year.

Cashflows in liabilities arising from financing activities

	Short-term liabilities	Long-term liabilities	Total
	£'000	£'000	£'000
At 1 January 2024	2,651	730	3,381
Cashflows – credit agreement	(2,020)	-	(2,020)
Cashflows – loans	(58)	-	(58)
Cashflows – lease payments	(254)	(278)	(532)
Cashflows – interest payments	(135)	-	(135)
Finance expense	262	-	262
At 31 December 2024	446	452	898

23. Provisions

	Suitability of client transfer provision	ASR provision	Total
	£'000	£'000	£'000
At 1 January 2024	-	-	-
Provided in the year	95,500	4,900	100,400
Utilised in the year	-	-	-
Released in the year	-	-	-
At 31 December 2024	95,500	4,900	100,400

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 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 as at 31 December 2024. 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. For those clients in the cohorts assessed for redress that left the Group prior to 31 December 2024, the amount of redress has been calculated at the date of leaving and 8.0% simple interest applied to the redress amount from that date up to 31 December 2024.

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.

Notes to Consolidated Financial Statements for the year ended 31 December 2024
(continued)

Following the above, a provision of £95.5m has been recognised at 31 December 2024, inclusive of costs to perform the redress of clients. Management expects to commence the redress exercise within 2025.

The provision has been calculated using estimates, assumptions and data believed to be reasonable to provide for the future redress payable. The table below sets out the potential impact on the £95.5m provision calculated, based on changes in assumptions:

	Percentage change
Suitability of client transfers	
Change in cohort population determined to require redress – 10% increase	4.3%
Ceding scheme performance – 5% increase	17.1%
Costs of operating redress programme – 10% increase	2.6%

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.

Notwithstanding this policy, the Group has taken the opportunity to complete a detailed retrospective review of ASR completions from 2018 to 2024. The ASR provision has been calculated based on 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. Based on this approach, a provision of £4.9m has been recognised in respect of ongoing advice charges that may need to be refunded to clients, inclusive of the cost to redress impacted clients and 8.0% simple interest up to 31 December 2024.

24. Share capital

	2024 No. of shares	£'000	2023 No. of shares	£'000
Authorised				
At 1 January	5,090,166,026	26	5,090,005,426	26
Issued	68,100	-	160,600	-
At 31 December	5,090,234,126	26	5,090,166,026	26
Allotted				
At 1 January	5,090,166,026	26	5,090,005,426	26
Issued	68,100	-	160,600	-
At 31 December	5,090,234,126	26	5,090,166,026	26

During the year the Company issued 68,100 (2023: 160,600) ordinary shares in the capital of £0.000005 each to its Parent entity, Kane Bidco Limited. The subscription price paid for these shares was £68,100,000 (2023: £160,600,000), resulting in an increase in share capital of £0.34 (2023: £1) and an increase in the share premium reserve of £68,099,999 (2023: £160,599,999).

Notes to Consolidated Financial Statements for the year ended 31 December 2024
(continued)

25. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

Assets and liabilities measurement grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

At 31 December 2024 £174.5m of money market funds held within cash and cash equivalents were held at fair value through profit or loss (“FVTPL”) using level 1 valuation (2023: £108.2m).

The carrying amounts of financial instruments such as cash, current trade and other receivables and trade payables approximate their fair values due to their short-term nature and limited fluctuations in value.

26. Financial risk management

The Group has various financial assets and liabilities such as receivables, cash and trade payables, which arise directly from its operations.

The Group is exposed through its operations to the following financial risks:

- i. Liquidity risk
- ii. Capital risk management
- iii. Credit risk
- iv. Market risk

(i) Liquidity risk

Ultimate responsibility for liquidity management rests with the Board, which has established a liquidity risk management framework for management of the Group’s short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Group has access to further financing if required in the form of additional funding via share capital from its direct parent Kane Bidco Limited.

Cash at bank earns interest at floating rates based on daily bank overnight deposit rates. The fair value of cash and cash equivalents at 31 December 2024 is £216.8m (2023: £129.6m).

The table below summarises the maturity profile of the Group’s financial liabilities at 31 December 2024 based on contractual undiscounted payments.

	<3 months £’000	3-12 months £’000	1 to 5 years £’000	Total £’000
At 31 December 2024				
Trade payables	101	-	-	101
Sub-fund manager fees	9,743	-	-	9,743
Adviser fees	9,342	-	-	9,342
Other payables	15,417	-	-	15,417
Lease liabilities	116	348	464	928
Client onboarding liabilities	2,700	8,101	-	10,801
Accrued interest	13	-	-	13
Total	37,432	8,449	464	46,345
At 31 December 2023				
Trade payables	788	-	-	788
Sub-fund manager fees	7,479	-	-	7,479
Adviser fees	7,693	-	-	7,693
Other payables	4,351	-	-	4,351
Lease liabilities	158	472	730	1,360
Client onboarding liabilities	9,527	28,579	-	38,106
Credit agreement	491	1,472	-	1,963
Finance loan	17	41	-	58
Total	30,504	30,564	730	61,798

Balances due within 12 months in the tables above equal their carrying balances, because the impact of discounting is not significant.

Notes to Consolidated Financial Statements for the year ended 31 December 2024
(continued)

(ii) Capital risk management

The Group manages its capital with a focus on maintaining its ability to continue as a going concern while optimising return relative to risks. The Group ensures it can always meet its expected capital and financial needs having regard to the Group’s business plans, forecasts, strategic initiatives and regulatory requirements in all businesses in the Group.

The primary source of capital used by the Group are equity shareholders’ funds of £1,148.4m (2023: £1,027.7m).

The Group contains subsidiaries which are subject to regulatory capital requirements supervision by the Financial Conduct Authority. The subsidiaries are required to measure and monitor capital resources under the MIFIDPRU requirements at a True Potential Group level and under IPRU-INV and IFPR requirements in its individually regulated subsidiaries, and has complied with this requirement at year-end.

(iii) Credit risk

Credit risk is the risk of adverse movements in credit spreads, credit ratings or default rates leading to a deterioration in the level or volatility of assets, liabilities or financial instruments resulting in loss of earnings or reduced solvency. This includes counterparty default risk, concentration risk and spread risk.

The Group is exposed to a credit risk in the form of non-return of cash on deposit and recovery of amounts paid to advisers. This is managed by the Group by only placing funds with minimum BBB rated leading UK banks for non-return of cash on deposit. For recovery of loans to advisers, the repayment of the receivable is settled by advice fees generated from the client assets which advisers are servicing. Management has concluded that the assets transferred generate adequate revenues to support the repayment of the receivables. Management has assessed the expected credit loss to be £nil for 2024 and 2023 for all financial assets.

Due to the limited exposure that the Group has to credit risk, credit risk does not have any impact on the fair value movement of financial instruments for the year under review.

The table below represents the Groups exposure to credit risk from cash and cash equivalents:

	AAA £'000	A £'000	BBB £'000	Total £'000
As at 31 December 2024				
Cash at amortised cost	-	42,346	-	42,346
Money market funds at FVTPL	-	174,487	-	174,487
	-	216,833	-	216,833
As at 31 December 2023				
Cash at amortised cost	-	2,721	18,675	21,396
Money market funds at FVTPL	108,248	-	-	108,248
	108,248	2,721	18,675	129,644

The Group is also exposed to credit risk in the form of default on adviser loans recognised at amortised cost. An event of default is considered where the asset is more than 90 days past due. Impairment is recognised on adviser loans equal to the lifetime ECL on the loans.

Management assess whether credit risks have increased significantly on adviser loans by measuring progress against individual adviser business plans on an individual basis. It is expected that advisers meeting their commitments under these plans will generate sufficient income to settle their loans as they fall due. Loan amounts can be recovered by the Group on adviser accounts as they generate client fees. Management also review historic default rates and experience of recovery of amounts owed by advisers. The macroeconomic environment is assessed to determine whether there are factors which may impact the financial assets of clients and future income which can be generated on these assets. Negative impacts to this may mean that adviser loan assets cannot be recovered. There has been steady market performance in the year and recovery following periods of uncertainty. Management has assessed the expected credit loss to be £nil for 2024 and 2023 for all financial assets.

The expected credit loss of the Group has been assessed as £nil for the year ended 31 December 2024 (2023: £nil). The Group has relative certainty over the collection of fees due, which can be recovered through retention of fees charged on client assets managed and advised.

(iv) Market Risk

Market risk is the risk of an adverse change in the level or volatility of market prices of assets, liabilities or financial instruments resulting in loss of earnings or reduced solvency. Market risk arises from changes in equity, bond and property prices, interest rates, and foreign exchange rates. Market risk arises differently across the Group’s businesses depending on the types of financial assets and liabilities held. The Group recognises that climate change and other environmental risks can contribute to market risk.

The Group Risk Committee considers permitted and prohibited market risk exposures, maximum limits on market risk exposures, management information and stress testing requirements which are used to monitor and manage market risk. Group-level governance and monitoring processes provide oversight of the management of market risk by the individual businesses.

The Group does not undertake any principal trading for its own account. The Group’s revenue is, however, affected by the value of assets under management and consequently it has exposure to equity market levels and economic conditions. Scenario testing is undertaken to test the resilience of the business to severe but plausible events, including assessment of the potential implications of climate-related risks and opportunities, and to assist in the identification of management actions. The key sensitivity to market risk is the carrying value of the client onboarding assets. Sensitivity analysis has been disclosed to this in Note 17.

Notes to Consolidated Financial Statements for the year ended 31 December 2024
(continued)

27. Related party transactions

Balances and transactions between True Potential Group Limited (“the Company”) and its subsidiaries have been eliminated on consolidation and are not presented in this note. Transactions with key Management personnel have been disclosed in Note 9.

Other related parties

During the year ended 31 December 2024, the Group entered into transactions with its parent company, Kane Bidco Limited as follows.

	Transactions with Kane Bidco Limited during the year		Amounts owed by related parties	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Receivables from parent undertaking - Kane Bidco Limited	11,737	51,403	63,140	51,403

Receivables from the parent undertaking are intragroup transactions which are repayable on demand.

28. Subsidiaries

Subsidiary undertakings	Proportion of ordinary shares held	Nature of business
Directly held:		
True Potential LLP	100.0%	Holding firm
True Potential Holdings Limited	100.0%	Holding company (dormant)
Indirectly held (True Potential LLP is the Holding Member/shareholder):		
True Potential Adviser Services LLP	100.0%	Provision of services to financial services distribution firms
True Potential Investments LLP	100.0%	Provision of the Platform and investment management services
True Potential Wealth Management LLP	100.0%	Wealth management firm
True Potential Administration LLP	100.0%	Authorised corporate Director for the Funds
True Potential Nominees Limited	100.0%	Platform custodian (dormant)
True Potential Trustee Company Limited	100.0%	Pension trustee (dormant)

During the year, two 100.0% indirect subsidiaries of the Group, Trem Holdings Limited and C&S Wealth Management Limited, were dissolved following voluntary liquidation. The dissolution dates of the companies were 21 May 2024 and 28 May 2024 respectively.

The registered address for these subsidiary undertakings is the same as the Company.

The Directors believe the carrying value of the investments is supported by their underlying net assets.

All subsidiary undertakings above are included within the Group consolidation.

29. 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 23, the Skilled Person review has led to the suitability of client transfer provision being recognised during the period. 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 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.

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 within 2025.

30. Interest in unconsolidated structured entities

Structured entities are those entities that have been designed so that voting or similar rights are not the dominant factor in deciding who has control, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements. The Group’s interests in consolidated and unconsolidated structured entities are described below.

The Group does not hold any consolidated structured entities. The Group has interests in structured entities because of contractual arrangements arising from the management of assets on behalf of its clients. The Group’s interests are considered standard for a financial advisory and investment management Group. Assets under management include those managed within structured entities. These structured entities consist of unitised vehicles such as Open-ended Investment Companies (“OEIC”s), which entitle investors to a percentage of the vehicle’s net asset value. The structured entities are financed by the purchase of units or shares by investors. As fund manager, the Group does not guarantee returns on its funds or commit to financially support its funds. Where external finance is raised, the Group does not provide a guarantee for the repayment of any borrowings. The business activity of all structured entities, in which the Group has an interest, is the management of assets to maximise investment returns for investors from capital appreciation and/or investment income. The Group earns a management fee from its structured entities, based on a percentage of the entity’s net asset value. The funds under management of unconsolidated structured entities total £30.3bn (2023: £26.3bn). Included in the revenue on the Consolidated Income Statement is management fee income of £201.3m (2023: £153.4m) from unconsolidated structured entities managed by the Group.

31. Ultimate controlling party

The immediate parent undertaking is Kane Bidco 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 True Potential Group Limited.

32. Events after the reporting period


On 22 January 2025, 12 February 2025, and 14 March 2025, the Company made interim dividends to its immediate parent, Kane Bidco Limited, in the sum of £2.4m, £32.0m, and £63.1m.

Company Statement of Financial Position as at 31 December 2024


	Note	2024 £'000	2023 £'000
Assets			
Non-current assets			
Investments in subsidiaries	4	1,754,951	1,123,904
Total non-current assets		1,754,951	1,123,904
Current assets			
Trade and other receivables	5	63,270	627,754
Current tax receivable		28,214	-
Cash and cash equivalents	6	1,893	5,404
Total current assets		93,377	633,158
Total assets		1,848,328	1,757,062
Liabilities			
Current liabilities			
Trade and other payables	7	(2,712)	(2,831)
Current tax liability		-	(835)
Total current liabilities		(2,712)	(3,666)
Total liabilities		(2,712)	(3,666)
Net assets		1,845,616	1,753,396
EQUITY			
Share capital	8	26	26
Share premium	8	992,631	924,531
Retained earnings		852,959	828,839
Total equity		1,845,616	1,753,396

The notes on pages 109 to 113 are an integral part of these financial statements.

The financial statements on pages 107 to 113 were authorised for issue by the Board of Directors on 8 April 2025 and were signed on its behalf by:



Gerry Mallon
Director



Ben Thorpe
Director

True Potential Group Limited Registered number: 09917444

Company Statement of Changes in Equity for the year ended 31 December 2024

	Share capital	Share premium	Retained earnings	Total
	£'000	£'000	£'000	£'000
Balance as at 1 January 2023	26	763,931	729,539	1,493,496
Comprehensive income for the year:				
Profit for the year	-	-	99,300	99,300
Total comprehensive income for the year	-	-	99,300	99,300
Transactions with owners in their capacity as owners:				
Issue of shares	-	160,600	-	160,600
Dividends				
Total transactions with owners, recognised directly in equity	-	160,600	-	160,600
Balance as at 31 December 2023 and 1 January 2024	26	924,531	828,839	1,753,396
Comprehensive income for the year:				
Profit for the year	-	-	64,665	64,665
Total comprehensive income for the year	-	-	64,665	64,665
Transactions with owners in their capacity as owners:				
Issue of shares	-	68,100	-	68,100
Dividends	-	-	(40,545)	(40,545)
Total transactions with owners, recognised directly in equity	-	68,100	(40,545)	27,555
Balance as at 31 December 2024	26	992,631	852,959	1,845,616

The notes on pages 109 to 113 are an integral part of these financial statements.

Notes to Company Financial Statements for the year ended 31 December 2024

1. Material accounting policies

1.1 Financial instruments

(i) Financial assets

Basic financial assets, including other receivables, cash and bank balances are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. The impairment loss is recognised in the Income Statement.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and rewards of the ownership of the asset are transferred to another party.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Debt instruments are subsequently measured at amortised cost, using the effective interest rate method. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

1.2 Administrative expenses

All administrative expenses in True Potential Group Limited are recognised on an accruals basis.

1.3 Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value.

Notes to Company Financial Statements for the year ended 31 December 2024
(continued)

1.4 Accounting judgements and estimates

The preparation of the financial statements in conformity with IFRS requires Management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. The estimates and judgements are based on historical experience and contracted rates, including expectation of future events that are believed to be reasonable. Management has not identified any critical accounting judgements or estimates used in the preparation of the financial statements of the parent company.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates in preparing the Company financial statements are:

(i) Carrying value of investments in subsidiaries

Investments are reviewed annually for impairment by the Company. The investment value is recognised at cost less accumulated impairment losses. Management are comfortable with the carrying value of investments supported by the future revenue flows of the subsidiaries.

2. Company Income Statement

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own Income Statement for the year ended 31 December 2024.

True Potential Group Limited reported profit after tax for the year ended 31 December 2024 of £64.7m (2023: £99.3m).

3. Staff costs

No emoluments were paid by the Company in the year. The aggregate emoluments paid to Directors of the Company and the remuneration of the highest paid Director, settled by a subsidiary of the Company can be found in Note 9 of the Consolidated Financial Statements.

4. Investments in subsidiaries

	£'000
At 1 January 2023	1,044,354
Additions	79,550
At 31 December 2023	1,123,904
Additions	631,047
At 31 December 2024	1,754,951

Management assesses annually for impairment the carrying value of investment in subsidiaries. No impairment has been recognised in 2024.

Additions represent the investment of £631.0m (2023: £79.6m) of Members capital in the subsidiary entity True Potential LLP to support regulatory capital requirements in the Group’s regulated entities and finance other Group activities. £550.5m of the capital injection was the capitalisation of historic intercompany transfers from the Company into its subsidiary.

Details of the subsidiaries held directly and indirectly by the Company are shown in Note 28 of the Consolidated Financial Statements.

5. Trade and other receivables

	2024 £'000	2023 £'000
Prepayments and accrued income	-	60
Amounts owed by Group undertakings	63,198	627,685
Other receivables	72	9
	63,270	627,754

Amounts owed by Group undertakings are unsecured, non-interest bearing and are repayable on demand.

In the year, the Company made a capital injection into its subsidiary company, True Potential LLP, for £550.5m. This was settled by a reduction in the intercompany receivable held by the Company due from True Potential LLP, where historic cash injections have been made into the subsidiary.

Notes to Company Financial Statements for the year ended 31 December 2024
(continued)

6. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash held at bank	756	2,254
Deposits in liquidity funds	1,137	3,150
	1,893	5,404

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

7. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	-	4
Amounts owed to Group undertakings	2,600	2,501
Other tax and social security	33	-
Accruals	79	326
	2,712	2,831

Amounts owed to Group undertakings are unsecured, non-interest bearing and are repayable on demand.

8. Share capital

During the year the parent company issued 68,100 (2023: 160,600) ordinary shares in the capital of the Company of £0.000005 each. The subscription price paid for these shares was £68,100,000 (2023: £160,600,000), resulting in an increase in share capital of £0.34 (2023: £1) and an increase in the share premium reserve of £68,099,999 (2023: £160,599,999). Further detail can be found in Note 24 of the Consolidated Financial Statements.

9. Risk management

Risk management in the context of the Company and the Group is considered in Note 26 of the Consolidated Financial Statements. The business of the Company is managing its investments in subsidiaries. Its risks are considered to be the same as those in the operations themselves, and full details of the major risks and the Company and Group’s approach to managing these are given in the notes to the Consolidated Financial Statements. There are no material assets or liabilities other than investment in subsidiaries and corresponding intercompany balances which require further risk management by the Company specifically.

10. Related party transactions

The Directors and key Management of the Company are considered to be the same as for the Group. Information on both the Company and the Group key Management compensation can be found in Note 9 to the Consolidated Financial Statements. Transactions between the Company and related parties are detailed in Note 27 to the Consolidated Financial Statements.

11. Events after the reporting period

On 22 January 2025, 12 February 2025, and 14 March 2025, the Company made interim dividends to its immediate parent, Kane Bidco Limited, in the sum of £2.4m, £32.0m, and £63.1m.

Glossary of terms

Abbreviation	Definition
Adjusted EBITDA	Earnings before interest, tax, depreciation, amortisation and exceptional items
APM	Alternative performance measure
AMC	Annual management charge
AuA	Assets under advisement
AuM	Assets under management
ASR	Annual suitability review
BFA	Business finance agreement
Bidco	Kane Bidco Limited (immediate parent of True Potential Group Limited)
BoE	Bank of England
BPA	Business purchase agreement
BPS	Basis points
CAPM	Capital asset pricing model
CASS	Client Assets Sourcebook
CAT	Client advisory team
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CFA	Chartered Financial Analyst
CFO	Chief Financial Officer
CGU	Cash-generating unit
CISI	Chartered Institute for Securities and Investment
COO	Chief Operating Officer
CRO	Chief Risk Officer
DE&I	Diversity, equity and inclusion
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, taxation, depreciation, amortisation
ECL	Expected credit loss
ESG	Environmental, social and governance
FCA	Financial Conduct Authority
FRC	UK Financial Reporting Council
FTE	Full-time equivalent
FVTPL	Fair value through profit and loss
GHG	Greenhouse gas
Group	True Potential Group Limited and its subsidiaries (i.e. controlled entities)
H&S	Health and Safety
HMRC	HM Revenue and Customs
IAS	International Accounting Standards

Abbreviation	Definition
IASB	International Accounting Standards Board
ICAAP	Internal Capital Adequacy Assessment
ICARA	Internal Capital and Risk Assessment
IFPR	The FCA's Prudential Sourcebook for Investment Firms
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
ISAs (UK)	International Standards on Auditing (UK)
IT	Information technology
KPI	Key performance indicators
kWH	Kilowatt-hour
LLP	Limited liability partnership
LTD	Limited liability company
MTP	Medium-term plan
OEIC	Open-ended Investment Companies
NPV	Net present value
PAT	Profit after tax
PBT	Profit before tax
PCC	Protected cell company
PwC	PricewaterhouseCoopers LLP
RoU	Right of use
s172	Section 172 of the Companies Act 2006
SECR	Streamlined Energy and Carbon Reporting
SMCR	Senior Managers and Certification Regime
SEO	Search engine optimisation
TCFD	Task Force on Climate-related Financial Disclosures
tCO2e	Tonnes of Carbon Dioxide Equivalent
TPGL	True Potential Group Limited
TPLL	True Potential LLP
TPA	True Potential Administration LLP
TPAS	True Potential Adviser Services LLP
TPI	True Potential Investments LLP
TPWM	True Potential Wealth Management LLP
UEL	Useful economic life
UK	United Kingdom
UNPRI	United Nations Principles for Responsible Investment
WACC	Weighted average cost of capital
VAT	Value-added tax

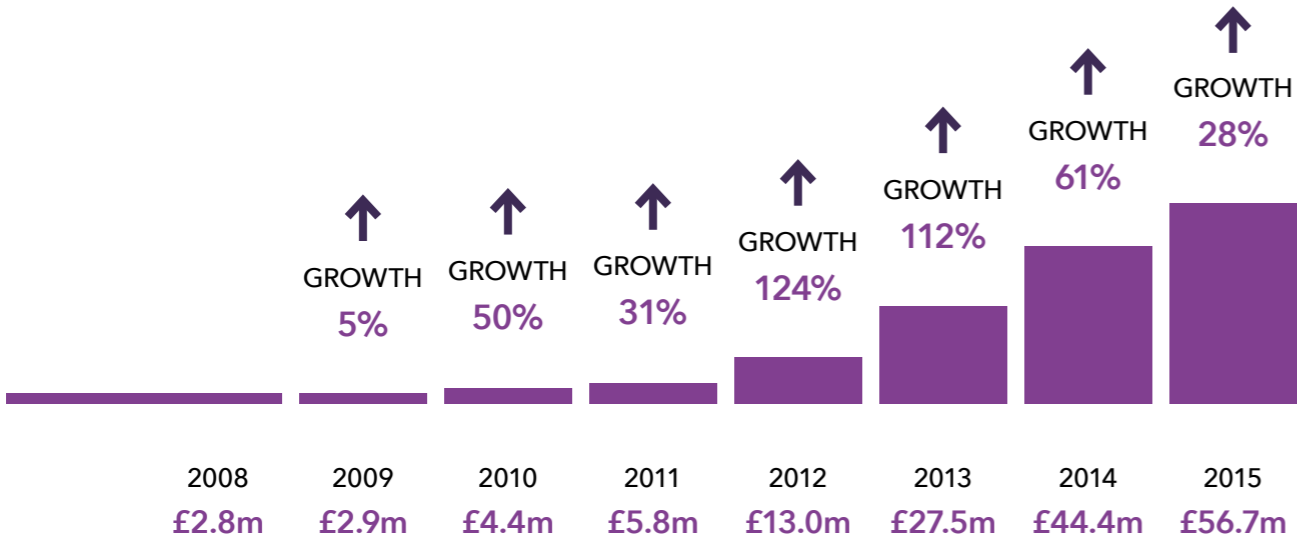
Group gross revenue

Our diverse income streams create a predictable and sustainable recurring income for the Group. This gives us the ability to commit to serving our clients for decades to come, riding out tough times and following a long-term strategy to look after our clients as they grow their money, enjoy their retirement and pass wealth to the next generation.

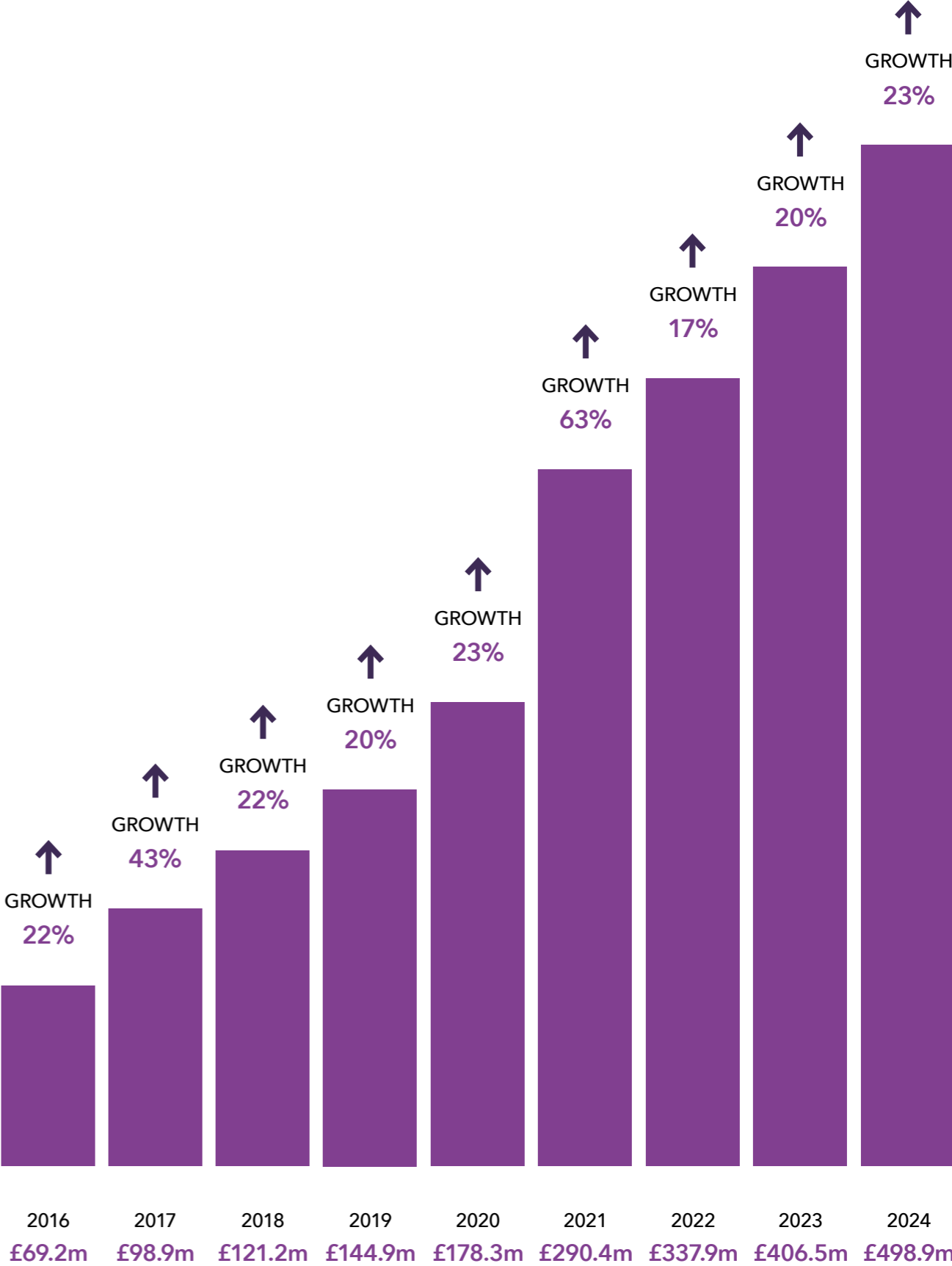
Compound annual growth rate

↑38%

Since launch in 2008.



2020 and 2021 figures are restated following the adoption of International Financial Reporting Standards ("IFRS") from 1 January 2020, previously reported under UK Accounting Standards, FRS 102. Please refer to the 2022 True Potential Group Limited consolidated financial statements for full disclosure.



True Potential Group Limited was incorporated on 15 December 2015 and acquired True Potential LLP in 2016. All revenues from 2016 are that of the consolidated group of True Potential Group Limited. Revenue prior to 2016 are that of the True Potential LLP Group and its subsidiaries.

Group adjusted EBITDA*

Our integrated model is entirely unique in the industry and has generated continued growth for over a decade. We're able to reinvest this profit to innovate and improve our business, offering better technology and services to our clients year-on-year and ensuring our standards remain incredibly high.

Compound annual growth rate

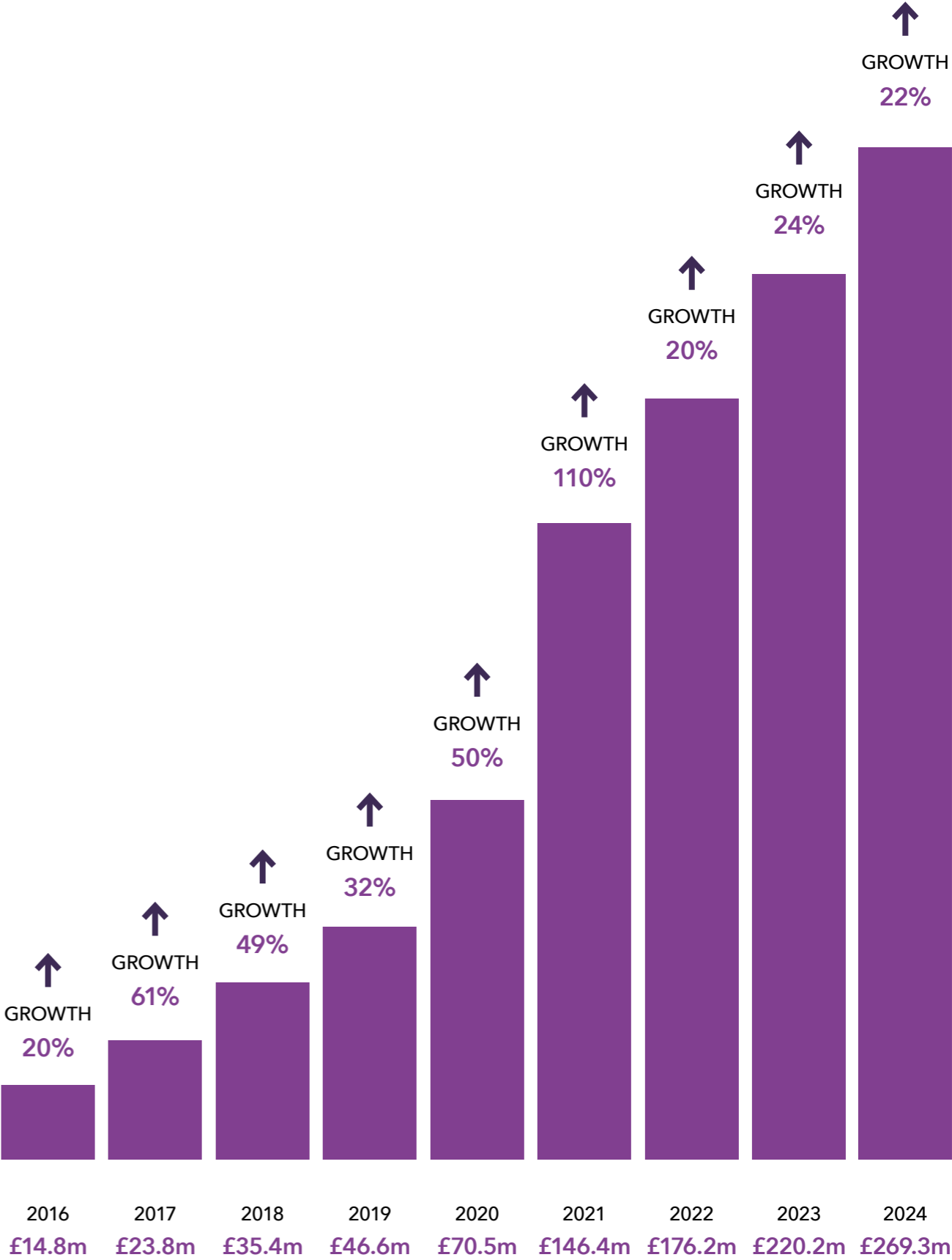
↑39%

Since launch in 2008.



*Earnings before interest, tax, depreciation, amortisation, as well as exceptional items.

2020 and 2021 figures are restated following the adoption of International Financial Reporting Standards (“IFRS”) from 1 January 2020, previously reported under UK Accounting Standards, FRS 102. Please refer to the 2022 True Potential Group Limited consolidated financial statements for full disclosure.



True Potential Group Limited was incorporated on 15 December 2015 and acquired True Potential LLP in 2016. All adjusted EBITDA from 2016 are that of the consolidated group of True Potential Group Limited. Adjusted EBITDA prior to 2016 are that of the True Potential LLP Group and its subsidiaries.

Directors and advisers for the year ended 31 December 2024

Name	Role	Appointment/Resignation Date
Andrew Sibbald	Chairman	Appointed 13 February 2025
Gerry Mallon	Chief Executive Officer	
Ben Thorpe	Chief Financial Officer	
George Peebles	Non-executive	
Rebecca Hunter	Non-executive	
Jodi Balfe	Non-executive	
Stephanie Bruce	Non-executive	
Maxim Crewe	Non-executive	
Karina McTeague	Non-executive	

Registered office

Newburn House
Gateway West
Newburn Riverside
Newcastle upon Tyne
NE15 8NX

Principal bankers

The Royal Bank of Scotland plc
Bishopsgate
Threadneedle Street
London
EC2R 8AH

Independent auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Company details

Company secretary: Alexander Gubbins
Company registered number: 09917444

Website: www.truepotential.co.uk

Phone number: 0191 625 0350

Award-winning

From the start of the business in 2007, True Potential has always been award-winning. We are incredibly proud of this recognition, as it highlights our commitment to providing industry-leading technology and outstanding service to both advisers and clients.

In 2024 we were delighted to have been recognised with even more major industry awards across the financial advice community and financial services sectors, with our largest amount won in a single year.



Awards won in 2024

18

Awards won since launch

106



Back Office Support



Platform Provider



Pensions and Protection Provider



Discretionary Fund Manager



Investment Provider



Outstanding Achievement



Europe's Long-Term Growth Champions



Best Investment Firm (Highly Commended)



Best Platform Provider (AUM up to £40 billion)



Best Platform Service



Best use of Technology



Custody Deal of the Year



FinTech Business of the Year



Most Innovative use of Technology



Wealthtech Firm of the Year



Technology Firm of the Year



Marketing Campaign of the Year



Best Mobile/Online Access



With investing, your capital is at risk.
Investments can fluctuate in value and
you may get back less than you invest.

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True Potential LLP is registered in England & Wales
as a Limited Liability Partnership No. OC380771.

www.truepotential.co.uk