25 March 2025

Pollen Street Group Limited: Full Year 2024 Results

Pollen Street Group Limited ("Pollen Street") today announces the publication of its Annual Report and Accounts for the year ended 31 December 2024.

2024 has been a pivotal year for Pollen Street with strong financial performance and strategic progress marked by growing Asset Management revenue and profits together with consistent Investment Company returns. Assets under Management ("AuM") increased 29%, with healthy growth across both private equity and private credit strategies. Pollen Street has entered 2025 with strong momentum and, with continued focus on its core specialisms, it looks forward to continued growth towards its medium-term target of £10 billion total AuM.

AUM (£bn)	2024	2023	YoY Growth (%)
Total AuM	5.4	4.2	29%
Fee Paying AuM	4.0	3.4	17%

INCOME STATEMENT (£m)	2024	2023	YoY Growth (%)
Fund Management Income	66.8	49.2	36%
Fund Management Administration Costs	(41.1)	(34.3)	20%
Fund Management EBITDA	**25.7**	**14.9**	**72%**
Income on Net Investment Assets	31.8	30.2	5%
EBITDA	**57.5**	**45.1**	**27%**
Profit After Tax	**49.6**	**39.9**	**24%**
EPS	*78.8p*	*62.2p*	
DPS	*53.6p*	*61.0p*	

Financial Highlights for 2024

- Total AuM increased to £5.4 billion (2023: £4.2 billion), driven by the success of Private Equity Fund V and Private Credit Fund IV
    - Private Equity Fund V AuM has surpassed the initial target of €1 billion
    - Private Credit Fund IV AuM on track to achieve £1 billion target during 2025
- Total Fee-Paying AuM increased to £4.0 billion (2023: £3.4 billion)
- £1.1 billion invested in Private Equity and £0.6 billion in Private Credit in the year
- Fund Management Income grew 36% to £66.8 million (2023: £49.2 million)
- Fund management EBITDA increased to £25.7 million (2023: £14.9 million) accounting for 45% of Group EBITDA (2023: 33%) made up of Fee-Related Earnings of £21.7 million and Performance-Related Earnings of £4.0 million
- The Investment Company maintained its consistent track record with Income on Net Investment Assets increasing to £31.8 million (2023: £30.2 million), representing a return of 9.6% (2023: 8.8%)
- Operating profit increased to £58.2 million (2023: £44.5 million)
- Second (and final) interim dividend of 27.1p brings dividends declared in respect of 2024 to £33.0 million (2023: £32.1 million) in line with previous guidance

2025 Outlook

As Pollen Street looks ahead to 2025, the group has confidence in its strategic direction and ability to capitalise on the attractive opportunities ahead. The growth prospects for private markets remain strong and Pollen Street is confident in meeting its medium-term goal of Total AuM of £10 billion.

Key priorities for 2025 include:

- Complete fundraising of Private Equity Fund V with final close ahead of target
- Complete fundraising of Private Credit Fund IV, targeting £1 billion and maintain deployment
- Expand AuM towards our medium term target of £10bn
- Maintain a progressive dividend policy while strategically deploying capital for shareholder value
- Return surplus capital to shareholders through share buybacks, subject to relative attractiveness compared to other value-creation opportunities

Lindsey McMurray, Chief Executive Officer, said: *"We are proud of the continued progress that Pollen Street has achieved in the last year. Our AuM increased in both Private Equity and Private Credit, reflecting our investors' confidence in our strategies. Private Equity Fund V surpassed its €1 billion target and the Private Credit strategy and team are increasingly recognised as a clear leader in their field. 2025 has started well with continued fundraising momentum, solid asset performance and a promising pipeline of deployment opportunities. Looking ahead, we are strategically positioned to capture future growth with our specialist focus, diversified investor base and long track record of performance setting us apart."*

Results presentation:

Pollen Street Group Limited will host its results presentation for Full Year 2024 Results at 9 AM; 25 March 2025

Register for the webinar:
https://pollencap.zoom.us/webinar/register/WN_aWLlvKP_RhS9RW6hAmWYog

The full results presentation is available on the group's website www.pollenstreetgroup.com.

About Pollen Street

Pollen Street is an alternative asset manager dedicated to investing within the financial and business services sectors across both Private Equity and Private Credit strategies. The business was founded in 2013 and has consistently delivered top tier returns alongside growing AuM.

Pollen Street benefits from a complementary set of asset management activities focused on managing third-party AuM (the "Asset Manager") together with on-balance sheet investments (the "Investment Company").

The Asset Manager raises capital from high quality investors and deploys it into its Private Equity and Private Credit strategies. The strong recurring revenues from this business enable delivery of scalable growth.

The Investment Company invests in the strategies of the group delivering attractive risk adjusted returns and accelerating growth in third-party AuM of the Asset Manager through investing in Pollen Street funds, taking advantage of attractive investment opportunities and aligning interest with our investors to grow AuM. Today the portfolio is largely invested in credit assets with the allocation to Private Equity expected to increase to 30 per cent in the long term. The portfolio consists of both direct investments and investments in funds managed by Pollen Street.

POLN is listed on the London Stock Exchange (ticker symbol: POLN) and is a member of the FTSE 250 index. Further details are available at www.pollenstreetgroup.com.

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Annual Report and Accounts

The Annual Report and Accounts are available to view and download from the Company's website https://ir.pollenstreetgroup.com/investors/financial-information/. Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into or forms part of this announcement. The information set out below does not constitute the Company's statutory accounts for the year ended 31 December 2024 but is derived from those accounts. Statutory accounts for the year ended 31 December 2024 will be delivered to the Registrar of Companies in due course. The group’s auditors have reported on those accounts: their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under 'Section 263 (2) or (3) of The Companies (Guernsey) Law, 2008. The following text are selected extracts from the Annual Report and Accounts.

A copy of the Annual Report will shortly be submitted to the National Storage Mechanism and will be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism

Chair’s Statement

Robert Sharpe
Chair

As Chairman of Pollen Street Group Limited, I am pleased to report on another year of significant progress and accomplishment in 2024. The Group has delivered strong performance across all key metrics while advancing our strategic objectives.

A Pivotal Year of Exceptional Delivery

Our 2024 performance reflects the successful execution of our strategy with consistent delivery of strong returns through a clear and repeatable investment strategy and achievement of successful fundraises across both Private Equity and Private Credit. By attracting new investors and deepening relationships with existing investors, we have grown total AuM to £5.4 billion in December 2024, a 29 per cent increase from £4.2 billion at the end of 2023.

In 2024, we increased AuM across both Private Equity and Private Credit. Private Equity AuM grew to £3.5 billion – a 32 per cent increase on prior year driven by strong investor support for Private Equity Fund V as well as co-investment offered to our Limited Partners (“LPs”). Private Credit AuM grew to £1.9 billion – a 24 per cent increase, with capital raised in Private Credit Fund IV and associated separately managed accounts. The Investment Company maintained its track record of stable and predictable returns, with income on Net Investment Assets growing to £31.8 million (2023: £30.2 million), representing a return on Net Investment Assets of 9.6 per cent (2023: 8.8 per cent) for the year ended 31 December 2024. This growth enabled the Group to return £48 million to shareholders through dividends and share buybacks during the year.

The private capital sector continues to benefit from favourable macro tailwinds, including increasing institutional allocation to private markets and sustained demand especially in the mid-market. We expect further acceleration in this trend, which as a focused financial and business services specialist with a proven investment strategy, we are well-positioned to capitalise on.

Our financial performance has been robust, with Operating Profit showing substantial growth underpinned by strong AuM growth and operational leverage. The Investment Company continues to be a key asset, driving third party AuM growth while maintaining robust income generation and growing capital invested through Pollen Street managed funds.

Capital Allocation Framework & Buyback Programme

Reflecting our strategic and operational development, and following its conversion from an investment trust to a commercial company, the Group put in place an enhanced capital allocation framework in March 2024. This framework prioritises strategic growth in our funds and other organic growth opportunities, while also providing confidence in additional cash returns to shareholders which were value accretive. Through 2024, we have demonstrated disciplined adherence to the framework.

We have committed £196 million to Pollen Street funds as well as making cash returns to shareholders of £48 million. The Board has declared a second interim dividend of 27.1 pence per share, bringing the total dividend for the year to 53.6 pence per share or £33 million.

Corporate Governance and ESG Reporting

The implementation of the final stages of the reorganisation of the Group following the combination of Pollen Street Capital Holdings Limited with Pollen Street Limited (formerly Honeycomb Investment Trust Plc) was a key focus for the start of the year. This included the transition from an Investment Trust to a Commercial Company.

Strong governance is core to how we are building better, more sustainable businesses. Through our systematic data-driven approach to environmental, social, and governance (“ESG”), we’ve helped portfolio companies and borrowers develop robust policies and procedures, supporting sustainable growth and operational excellence, as well as driving progress in the social and environmental spheres. The expansion of ESG margin ratchets from 8 to 16 credit facilities demonstrates Pollen Street's commitment to incentivising positive change.

The Group continues to strengthen its approach to reporting and climate risk management, ensuring transparency and accountability across its investments, considering the evolving ESG regulatory environment.

As I noted in the Annual General Meeting in June 2024, I have now reached my nine-year tenure as a Director of the Group. A search is underway for a new Chair with several strong candidates identified and interviewed. Once the new Chair has been identified the intention is for there to be a period of three months handover to ensure a smooth transition.

I am pleased to welcome Crispin Goldsmith who joined the leadership team as Chief Financial Officer ("CFO") in January 2025. Crispin's experience across both private and public markets brings a unique blend of skills to our financial leadership.

Looking Forward

Outlook: Pollen Street's Growth Trajectory

The last year has been pivotal for the Pollen Street Group, characterised by substantial AuM growth, supported by the success of Private Equity Fund V and Private Credit Fund IV. Our fundraising achievements have affirmed our competitive edge and specialised strategic focus, and our recent inclusion in the FTSE 250 in January 2025 was a significant corporate milestone.

As we progress through 2025, whilst mindful of an increasingly uncertain global environment, our outlook remains positive. The private markets landscape continues to present growth opportunities, with our specialist focus positioning us strongly. We are actively expanding our investor relationships, further driving AuM growth, while maintaining strong Investment Company returns, notwithstanding any share buyback activities.

The Board and I extend our gratitude to the entire Pollen Street team for their exceptional execution. We look forward to delivering further success in 2025, thanks to the continued support of our limited partner investors, shareholders and employees.

Robert Sharpe
Chair
24 March 2025

CEO Report

Lindsey McMurray
Chief Executive Officer

I am pleased to report another year of strong performance for Pollen Street, marked by exceptional investment and fundraising execution and strategic growth. Our AuM saw a significant increase, across both Private Equity and Private Credit strategies demonstrating the strength and resilience of the business. Private Equity AuM growth was driven by the success of our Private Equity Fund V as well as strong co-investment initiatives. Private Equity V has surpassed its target of €1 billion with further capital commitments anticipated in 2025. Similarly, Private Credit experienced a strong year of fundraising and deployment. This is continuing well during 2025. Our focus on financial and business services, coupled with our long track record of performance, continues to set us apart in the competitive alternative asset management landscape.

Delivering Strong Performance
This year's success is reflected in strong growth of fund management revenue and earnings. The Group's Operating Profit grew to £58.2 million for 2024, up from £44.5 million in 2023. The primary growth driver was our Asset Manager, with Operating Profit increasing to £27.2 million (47 per cent of Group), from £15.9 million (36 per cent of Group) in 2023. This growth underscores our robust operational framework, well-invested platform and strategic market positioning. It highlights the operational leverage inherent in our business model, allowing us to scale revenues while maintaining costs efficiently.

Well-Positioned Strategy
Our investment strategies, leveraging both Private Equity and Private Credit capabilities, have proven resilient in the current turbulent market environment. Our ability to deliver consistent, high-quality returns, within an attractive risk framework, positions us strongly for sustainable, long-term growth. The strength of our balance sheet remains a crucial differentiator and enables us to align ourselves with our LPs. With £196 million in General Partner ("GP") commitments to Pollen Street managed funds, we are well positioned to attract new investors, deepen existing relationships and pursue selective inorganic growth opportunities.

ASSET MANAGER
Private Equity
Our Private Equity strategy focuses on backing mid-market companies in the financial and business services sector, typically taking majority stakes in European-headquartered businesses. We partner with talented leadership teams, often founder-led, to accelerate growth by applying deep sector expertise and a proven operational framework.

Our approach, which has been refined and tested through multiple market cycles, targets companies with an excellent customer proposition that are well positioned to take advantage of opportunities as the industry continues to undergo structural changes. This strength has persisted well in 2024 and 2025 through macro-economic and political volatility. The Financial Services sector, our core specialism, continues to experience change and disruption through technology transformation and adoption, industry consolidation and evolving regulatory oversight. We remain strategically well placed to navigate and capitalise on opportunities.

Private Credit
Our Private Credit strategy focuses on providing predominantly senior secured, asset-based lending to mid-market companies across Europe. We target non-bank lenders, leasing businesses, technology companies, and other entities with diverse portfolios of financial or hard assets. This approach allows us to fill the funding gap created by the retrenchment of banks from lending markets following the global financial crisis, a trend that has continued to accelerate in recent years.

Through 2024, the private credit market continued to provide strong conditions for growth with higher interest rates and ongoing borrowing demand from the SME community. Our reliable and consistent approach and growing reputation has ensured that we remain an attractive destination for borrowers and that we continue to deliver returns uncorrelated to other private credit strategies.

Fundraising and Deployment
Total AuM was at £5.4 billion as of 31 December 2024, up 29 per cent from £4.2 billion at the end of 2023. Our journey over the last year has been marked by significant milestones, particularly in our fundraising for Private Equity Fund V, which now has €1.1 billion in commitments, exceeding our €1 billion target. Given strong investor appetite, we are continuing fundraising into 2025 with the final close now expected in mid-2025. Along

with Private Equity Fund V, we have raised over £400 million of funds in Co-Invest vehicles. Whilst these are non-fee-paying, this further supports the development of long-term strategic relationships with our investors. In Private Credit, we raised over £500 million in Credit funds in 2024, completing the first close of Private Credit Fund IV and a new UK Separate Managed Account ("SMA"). Fundraising for Private Credit Fund IV has strong momentum and is on track to meet the target of £1 billion in 2025. At December 2024, we had in excess of £500 million of available capital in our Credit funds which will convert to fee-paying AuM once deployed.

2024 was also a strong year for deployment. We invested £1.1 billion in Private Equity and £0.6 billion in Private Credit. We have a rich pipeline of opportunities in both strategies and look forward to another strong year for deployments in 2025.

Client Base
The strength of our investor relationships has been central to our fundraising progress. Our LP investor base continues to be the cornerstone of our success. We have nurtured strong relationships with existing investors while expanding our geographical reach. Many of our new investors are the result of several years of dedicated relationship building.

The fundraise during the year across the strategies has been instrumental in deepening our penetration into the deep capital pools in Europe, North America and the Middle East. Our strategic approach has diversified our investor base, tapping into new markets and reflecting the investments we have made in business development capabilities within the team. As we move forward, we remain dedicated to nurturing these relationships with continued outstanding performance to ensure that Pollen Street is strategically positioned for sustained long-term growth.

INVESTMENT COMPANY
Our balance sheet continues to be a highly valuable strategic asset enabling the acceleration of Third-Party AuM growth as we demonstrate strong alignment with our LPs. The ability for the manager to make significant GP commitments, c.2 – 5 per cent in Private Equity Funds and 7 – 10 per cent in Private Credit Funds, supports in attracting new investors and in growing relationships with existing ones.

The Investment Company has committed £196 million to Pollen Street managed funds, with 66 per cent drawn (2023: 29 per cent). As of the end of 2024, the balance sheet allocation was 91 per cent Private Credit and 9 per cent Private Equity. Our balance sheet investments have performed well, delivering robust Investment Company returns and, notwithstanding share buybacks of £23 million on top of dividends paid of £25 million, the Investment Company delivered strong income generation of £31.8 million.

Success Indicators
I am delighted to report that we have excelled across all the success indicators outlined in our half-year 2024 results presentation.

- AuM Growth - Total AuM increased by 29 per cent to £5.4 billion, Fee-Paying AuM grew by 17 per cent to £4.0 billion at 31 December 2024 and has further increased to £4.3 billion during Q1 2025. Further growth in Fee-Paying AuM is expected throughout 2025.
- High Quality Income and Margin Expansion - Sustained addition of contractual and recurring income and embedded fees across both strategies.
- Investment Returns - Strong and consistent track record.
- Operational Efficiency - Significant improvement in efficiency, Fund Management EBITDA Margin increasing from 30 per cent as at the end of 2023 to 39 per cent.
- Investor Base Expansion – Strengthened our LP base, and expanded penetration into deep and sophisticated markets.

OUTLOOK FOR 2025
As we look further into 2025, I am confident in our strategic direction and our ability to capitalise on the opportunities ahead. Our focus remains on delivering exceptional returns to our investors and shareholders with our key priorities for 2025:

- Complete fundraising of Private Equity Fund V to final close ahead of target
- Complete fundraising of Private Credit Fund IV, targeting £1 billion and maintain deployment

- Expand AuM towards our medium term target of £10 billion
- Maintain our progressive dividend policy while strategically deploying capital for shareholder value
- Return surplus capital to shareholders through share buybacks, subject to relative attractiveness compared to other value-creation opportunities

The medium-term growth prospects for private markets remain strong, and we are confident in our long-term goal of reaching a Total AuM of £10 billion, notwithstanding an increasingly uncertain global landscape.

In closing, I would like to extend my gratitude to our amazing team whose hard work and commitment have been instrumental in achieving these results. I also want to thank our limited partners, shareholders and wider group of counterparties for their continued trust and support.

I would specifically like to thank Robert Sharpe, our Chairman, who will be retiring from the Board this year. Robert has been an exceptional leader of the Board and the Group as it has transitioned from an investment trust to our current business. He leaves us with a very strong strategic position and we are extremely grateful.

Lindsey McMurray
Chief Executive Officer
24 March 2025

Private Equity Strategy

Michael England
Partner

This section gives insight into our Private Equity strategy. The Group earns management fees and carried interest from managing and advising funds investing in this strategy.

Our Private Equity strategy focuses on backing mid-market companies in the financial and business services sector. We look to take majority stakes in businesses headquartered in Europe. We back talented and driven leadership teams and we seek to accelerate their growth by applying deep sector knowledge and a proven operational framework to build businesses with the potential to deliver top-tier returns.

We invest aligned with structural growth trends which form the basis of our investment themes, from the consolidation of distribution to the wide-ranging impact of middle and back-office automation that is shaping the entire sector. We pinpoint these drivers of change and align our investment strategy to support businesses at the forefront of these opportunities, that are well positioned to win share in their relevant markets.

Our strategy has been in place for 19 years and has been tested through multiple market events and cycles. Throughout this period, we have grown the strategy through a consistent track record of delivering top-tier returns based upon a robust and disciplined approach to investing, bringing to bear our specialist knowledge and best practice.

How it Works: Clear Opportunity Set and Established Investment Strategy
Our investment strategy is dedicated to buying and building great businesses serving the financial ecosystem across five key sub-sectors:

- Payments;
- Wealth;
- Insurance;
- Technology-enabled services; and
- Lending.

Through thematic origination, deep sector knowledge and the Pollen Street network, our investment team curates a rich pipeline of businesses. Within these investment theses, we seek to back inspirational leadership teams who have the passion and discipline to deliver strong growth safely. We drive growth through our proven operational framework, which is built upon four key pillars:

- Technology innovation and digital transformation;
- Buy, build and consolidation;
- Globalisation and product development; and
- Embedding responsible investing principles.

2024 – A Platform for Continued Growth
During the year, we have delivered consistently strong performance across our Private Equity funds, with impressive revenue and EBITDA growth, steady deployment activity into attractive platforms and clear progress on exits.

Pollen Street welcomed three new platform deals:

- Etops: a consolidator in the European asset and wealth management technology sector
- Keylane: Leading European SaaS provider to insurers and pension administrators
- Mattioli Woods: UK wealth manager with £20bn of client assets from over 23,000 clients

This is supported by the completion of 22 bolt-ons to accelerate the growth of existing portfolio companies, with over €2bn of acquired Enterprise Value.

Alongside this, the pace of exits continues to build, with the sale of:

- Punkta: the end-to-end platform for insurance services in the Polish market
- Aro: acquired by Clearscore, a transaction that sets up the combined group for its next phase of growth

This performance has translated into strong momentum in the final stages of fundraising of Private Equity Fund V, which has now surpassed the target. The Private Equity strategy continues to attract new investors and deepen the relationship with existing ones. The success of the fundraising of Private Equity Fund V is a reflection of the confidence that investors draw from Pollen Street's track record of top-tier returns, the pace of growth the investment team has demonstrated is achievable across the portfolio and the depth of pipeline of attractive deals into which the fund will be invested.

Michael England
Partner
24 March 2025

Private Credit Strategy

Matthew Potter
Partner

Pollen Street's Private Credit strategy is focused on asset-based lending ("ABL") to mid-market companies across Europe. The Group earns management fees, performance fees and carried interest from managing and advising funds investing in this strategy. This section gives insight into the strategy and its performance in 2024.

Asset-based lending is the funding behind the everyday credit that powers our economy and society. We provide funding to support everything from building homes, to funding SMEs, to vehicle financing. We do this by providing predominantly senior secured loans to companies that are serving these end markets secured on diverse portfolios of cash flow generating assets, such as loans, leases and vehicles, alongside corporate guarantees.

Following the global financial crisis, and the subsequent retrenchment of the banks from lending markets, Pollen Street identified opportunities to fill the funding gap in what is a large and growing market. This is a trend that has continued to accelerate further in recent years. Our asset-backed lending strategy aims to deliver returns uncorrelated to other private credit strategies with a through-the-cycle approach designed to withstand significant stress. Direct asset-backing combined with seniority, comprehensive covenants and bespoke structuring delivers significant downside protection and alignment with asset originators and servicers. Pollen Street has a proven ability to access a hard-to-reach market through our dedicated team, meaning we are able to consistently generate premium returns versus other private and public debt strategies.

We are experts in this large market, with a deep network of long-term established relationships and experience that allows us to identify opportunities and target a fragmented and underpenetrated part of the market. Our team focuses on the mid-market where we believe the greatest opportunity and largest financing gap exists meaning we can create the most favourable risk-reward profile. This has increasingly led to Pollen Street having a reputation as the "go-to" provider in the market.

We also believe in the positive economic impact our asset-backed financing can deliver. The facilities we provide fund the real economy and can deliver economic growth and job creation, facilitate the building of new homes and finance the energy transition.

How it Works: Structuring for Protection

The investment strategy seeks to combine the benefits of the asset-backed and corporate lending markets following a tested and structured investment approach that has delivered consistently strong returns and low volatility. Significant credit protection is created through both asset security and transaction structuring with senior loans secured directly against large and diverse pools of the assets which generate the revenue and cash flow of the borrowers, as well as securing a full corporate guarantee with comprehensive covenants.

We seek to follow a structured investment approach that focuses on:

- Diverse asset-backing: predominantly senior loans secured on highly diverse tangible assets to maintain credit protection;
- Bespoke structuring: highly structured investments that seek to create strong downside protection and align incentives with our borrowers; and
- Conservative leverage on assets with tangible value: substantial credit protection from borrower cash equity, asset pool profits and corporate guarantees.

2024 - Continued growth building on strong foundations

In 2024, the Private Credit business has been focused on fundraising for our fourth flagship credit fund, Private Credit Fund IV, and continued deployment in both Private Credit Fund III and across our SMAs. With the backdrop of the completion of a £280 million SMA mandate from a large UK public pension fund and strong momentum in raising Private Credit Fund IV fundraising is progressing well.

Driven by a deep pipeline, Private Credit Fund III is now fully deployed, with 21 investments and continues to generate attractive returns and high-income distributions for investors. The portfolio is performing well and has already delivered a number of realisations with realised returns ahead of underwritten expectations.

Private Credit Fund IV deployment has started at pace, now benefiting from a well-seeded portfolio with 11 investments closed. Return performance has been strong and by sourcing a deep pipeline we have been able to be highly selective and have built strong diversification across asset classes in both the UK and Europe.

Further, we were pleased to achieve a Fund Rating of “A” for Private Credit Fund IV, based on our investment approach and the strategy we deploy consistently across both Private Credit Fund III and Private Credit Fund IV. We believe this highlights the quality of our approach.

Throughout 2024 debt markets remained buoyant with high volumes of primary issuance across public and private markets. This environment saw spreads reduce particularly across broadly syndicated and heavily intermediated markets where barriers to entry for capital are low and markets are highly efficient. In the asset-based lending sector we saw a similar increase in activity with borrowers looking to take advantage of the current environment to secure debt facilities to enable them to grow their businesses. Returns and margins are more resilient in mid-market ABL, as market inefficiencies and the bi-lateral nature of transactions create greater barriers to entry, meaning we are able to secure better lender terms and protections. Our pipeline is at record levels with net unlevered Internal Rate of Returns (“IRRs”) still typically 11 per cent to 13 per cent, with a good balance between asset classes, including our key investment areas of SME, real estate and government backed receivables.

Matthew Potter
Partner
24 March 2025

CFO Report

Crispin Goldsmith
Chief Financial Officer

Delivering Strong Performance

I am pleased to present Pollen Street's financial results for 2024. It has been a successful year, with strong growth in our financial performance from excellent fundraising outcomes and continued robust fund performance marking progress towards our medium-term targets. This has driven an increase in Fee-Paying AuM of £0.6 billion, or 17 per cent, on the prior year which has in turn generated higher management fees and allowed the Group to deliver profits for 2024 which are ahead of expectations. The Investment Company delivered performance in line with expectations despite the declining interest rate environment and the completion of £22.9 million of share buybacks which had the effect of reducing invested assets.

Fundraising across both strategies brings total AuM to £5.4 billion as at 31 December 2024 (31 December 2023: £4.2 billion). Fundraising for Private Equity Fund V has been strong, as we continue to develop new relationships with investors and deepen existing ones, and is already ahead of our €1 billion target. We expect to complete the fundraising of this fund during 2025, with an additional £0.2 billion already closed in early 2025. In addition to the fundraising activity for Private Equity Fund V, we have also raised £0.4 billion of co-invest funds to invest alongside our flagship funds.

Fundraising for Private Credit Fund IV has strong momentum as we capitalise on our leading position in the asset-backed market. We are on track to raise the target £1 billion in total commitments during 2025, with £0.1 billion closed in early 2025. Deployment of the new funds was active with 15 new deals and £238 million commitments invested; the business has a large pipeline of attractive new deals to continue this deployment into 2025.

The Operating Profit for the Group increased by 31 per cent to £58.2 million (2023: £44.5 million). The main driver of this material increase was the 71 per cent increase in the Operating Profit of the Asset Manager segment to £27.2 million (2023: £15.9 million) as successful fundraising grew revenue, while the business benefitted from its inherent operational gearing. There was a £1.6 million increase in Operating Profit of the Investment Company, reflecting the positive effect of the transition into Pollen Street managed funds and the benefit of redeploying realised Credit Assets into a higher interest rate environment.

The Investment Asset portfolio delivered another period of strong and consistent performance with Income on Net Investment Assets of £31.8 million (2023: £30.2 million). In particular, the portfolio generated a strong level of cash of £239 million (2023: £184 million), driven by a high level of realisations and demonstrating the quality and liquidity of the assets.

In accordance with our strategy, investments from the Investment Company into Pollen Street managed funds have increased with £196 million currently committed, up from £93 million at December 2023. These commitments are typically drawn over several years. At 31 December 2024, £130 million had been drawn (2023: £57 million).

Growing Asset Manager Earnings

Assets under management are tracked on a total and fee-paying basis. Total AuM tracks the commitments that investors have made into funds managed by the Asset Manager, whereas Fee-Paying AuM tracks the basis on which the Group earns management fees. For Private Equity, the Fee-Paying AuM is the committed capital in the flagship funds, changing to invested capital at the earlier of five years from first close or when the subsequent flagship fund holds its first close. Co-investment vehicles are typically non-fee paying. Fee-Paying AuM for Private Credit is the net invested amount. So non-Fee-Paying AuM for Private Credit will become fee-paying as it is deployed. Total AuM was £5.4 billion as at 31 December 2024 (2023: £4.2 billion).

Total AuM	2024 (£ billion)	2023 (£ billion)
Private Equity	3.5	2.6
Credit	1.9	1.6
Total	**5.4**	**4.2**

Fee-Paying AuM	2024 (£ billion)	2023 (£ billion)
Private Equity	2.6	2.0
Credit	1.4	1.4
Total	**4.0**	**3.4**

Fundraising has increased Private Equity Fee-Paying AuM to £2.6 billion (2023: £2.0 billion), with Fee-Paying AuM for the Private Credit strategy at £1.4 billion (2023: £1.4 billion). The Private Credit strategy has seen the amortisation of several SMAs following underlying loan repayments offset by growth in deployment for its new funds. Combined, this represents a growth rate of 17 per cent in Fee-Paying AuM for the year. We expect Fee-Paying AuM for the Private Credit strategy to increase going forward as the newly raised funds in Private Credit Fund IV are deployed and convert into Fee-Paying AuM.

As a result of continuing Private Equity fundraising and Private Credit deployment, Fee-Paying AuM has now increased to £4.3 billion.

Fund Management Income comprises management fees, performance fees and income from carried interest. Revenue growth has been driven by increases in the Group's Fee-Paying AuM and the beneficial impact of catch-up fees, as outlined below. Total Income increased by 36 per cent to £66.8 million (2023: £49.2 million).

Fund Management Administration Costs increased at a lower rate of 19 per cent to £39.6 million (2023: £33.3 million). This moderate increase reflects a well-invested cost base, leading to a flow through from incremental revenue to profitability. The cost increase has been driven by a combination of promotions and pay rises within the team and with a slight increase in headcount. As a result, Operating Profit in the Asset Manager segment increased by 71 per cent to £27.2 million (2023: £15.9 million).

The Group tracks the performance of this segment using Fund Management EBITDA, which is the Operating Profit less the accounting cost of the office lease[1], which was a £1.5 million charge for 2024 (2023: £1.0 million) driven by a rent review increase. Fund Management EBITDA has grown by 72 per cent to £25.7 million (2023: £14.9 million), while Fund Management EBITDA Margin has grown from 30 per cent to 39 per cent over the year, reflecting the inherent operational leverage in the Asset Manager.

Asset Manager Profitability	2024 (£ million)	2023 (£ million)
Total Income	66.8	49.2
Administration Costs	(39.6)	(33.3)
Operating Profit	**27.2**	**15.9**
Depreciation of lease asset	(1.5)	(1.0)
Fund Management EBITDA	**25.7**	**14.9**
Fund Management EBITDA Margin	**39%**	**30%**

[1] The accounting cost of the office lease is defined as the depreciation of the lease asset.

Fund Management EBITDA now stands at 45 per cent of the Group EBITDA, up from 33 per cent in 2023.

Asset Manager Financial Ratios	2024	2023
Management Fee Rate (% of Average Fee-Paying AuM)	1.50%	1.16%
Performance Fee Rate (% of Fund Management Income)	17%	30%
Fund Management EBITDA Margin (% of Fund Management Income)	39%	30%

In general, Private Equity funds charge fees on committed capital. Investors who join these funds after the first investors' admission date are charged catch-up fees, so all investors pay fees from the date of the first close. In general, Private Credit funds charge fees on net invested capital. Capital is generally recycled until the end of the investment period. Management fee rates remain the same for the duration of the funds. We have guided to a long-term management fee rate blended across the Private Equity and Private Credit strategies of between 1.25 per cent and 1.5 per cent and are at the upper end of this guidance in 2024 at 1.50 per cent (2023: 1.16 per cent) in part due to the catch-up fees charged on the funds raised in Private Equity Fund V in the year. Excluding the £5.9 million of catch-up management fees charged, the Management Fee Rate for 2024 would have been 1.34 per cent.

In addition to management fees, the Group earns performance fees and carried interest. These allow the Group to share in the profits of the funds under management and are variable amounts dependent on the level of fund returns. The entitlement to carried interest and the amount, is determined by the level of accumulated profits exceeding an agreed threshold (the "hurdle") over the lifetime of each fund. The Group earns 25 per cent of the carried interest in all funds since Fund IV in Private Equity and Fund III in Private Credit. Carried interest is generally 20 per cent of the Private Equity fund returns over a hurdle of 8 per cent per annum with full catch-up. Carried interest for the Private Credit funds is generally 10 per cent of returns with a 5 to 6 per cent hurdle and full catch-up. Performance fees and carried interest recognised in 2024 reflect the continued growth in the value of the fund portfolios and represents 17 per cent of Fund Management Income for the year (2023: 30 per cent) and 7 per cent of total income for the year (2023: 11 per cent). This is at the lower end of the long-term guidance of 15 per cent to 25 per cent of Fund Management Income, reflecting outperformance in management fees together with stable performance fee and carry valuation growth.

As part of the combination of Pollen Street Capital Holdings Limited with Pollen Street Limited (formerly Honeycomb Investment Trust Plc) completed on 30 September 2022 (the "Combination"), the group purchased 25 per cent of the carried interest rights in two of the Private Equity Funds. These are recognised under IFRS 9 and represent 90 per cent of the recognised carried interest to date. The remaining carried interest owned by the Group is accounted for under IFRS 15 and income is only recognised to the extent it is highly probable that there would not be a significant reversal of any accumulated income recognised on the completion of a fund. The reversal risk due to uncertainty of future fund performance is managed through the application of discounts. The discount applied for each fund depends on the stage and maturity profile of each fund and therefore recognises the de-risking of the income over time, taking into account diversity of assets, whether there has been a recent market correction (and whether this has already been factored into the valuation of the fund) and the expected average remaining holding period. Under IFRS 15, if no discount rate was applied to the carried interest outstanding the carried interest receivable would increase by £13.1 million (2023: £5.2 million).

Consistent Investment Company Returns

The Investment Company delivered strong returns in the period with Return on Net Investment Assets increasing to 9.6 per cent and Income on Net Investment Assets of £31.8 million, in line with expectations despite £22.9 million of share buybacks, which had the effect of reducing invested assets. We have maintained our disciplined approach resulting in robust performance which is well diversified across deals and borrowers and the performance of Pollen Street managed funds. The largest investment accounted for 10.1 per cent of the portfolio, with the portfolio being 80 per cent invested in Credit Assets and 20 per cent invested in Private Equity Assets (either in direct deals or through Pollen Street managed funds). The portfolio has seen high levels of cash generation in the year of £239 million (2023: £184 million) driven by realisations and strong cash generation from interest payments and amortisations on continuing positions. This cash generation demonstrates the quality and liquidity of the portfolio and facilitates the rotation of the portfolio from direct investments to focus on investing in Pollen Street managed funds.

Investment Company Segment	2024	2023
Investment Assets	£504 million	£533 million
Average Net Investment Assets	£330 million	£344 million
Income on Net Investment Assets	£31.8 million	£30.2 million
Return on Net Investment Assets	9.6%	8.8%

This transition has continued to progress during the year with £196 million committed to Pollen Street managed funds at the year end. These commitments were £130 million drawn as at 31 December 2024, and are expected to continue to draw over the investment period of the funds. As at 31 December 2024, the investment portfolio was £504 million (2023: £533 million). The phased drawdown of fund commitments combined with the high cash realisations in the year has led to a reduction in the size of the overall asset portfolio and a corresponding reduction in the debt position of the Group with a reduction in the debt-to-tangible-equity ratio from 60 per cent to 53 per cent.

We completed a new 4-year £200 million senior debt facility on 10 June 2024 refinancing the previous facility and achieving a lower margin. This was subsequently upsized to £240 million on 13 December 2024 to refinance certain SPV facilities which enable us to reduce the operating cost base. The total drawn leverage for the Group was £188.3 million (2023: £210.8 million). In addition, the Group had £11.2 million (2023: £19.7 million) of cash resulting in a strong liquidity position and a net debt-to-tangible equity ratio of 50 per cent (2023: 54 per cent).

Profit before Tax and Tax

Profit before Tax for the Group increased by 31 per cent to £55.8 million for 2024 (2023: £42.6 million). The main drivers of this are the increase of £11.3 million in the Operating Profit from the Asset Manager segment, a £1.6 million increase in Operating Profit of the Investment Company.

The charge for depreciation and amortisation is £2.4 million (2023: £1.9 million). This relates to a charge of £0.3 million (2023: £0.3 million) associated with the depreciation of the Group's fixed assets, a charge of £1.5 million (2023: £1.0 million) associated with the depreciation of the Group's leased assets and a charge of £0.6 million (2023: £0.6 million) associated with the amortisation of intangible assets representing the value of customer relationships.

As a result of the Reorganisation, the Group now incurs corporation tax on all of its activities as the Investment Company is no longer an investment trust. The current tax charge for the period was £3.1 million (2023: £0.3 million), benefitting from unused tax losses arising from previously incurred management expenses in the Investment Company following the Reorganisation. The Group is now also able to recognise a deferred tax asset of £3.3 million as at 31 December 2024 (2023: nil) in respect of the balance of these unused tax losses. This deferred tax asset is expected to crystallise fully in 2025. The Group also recognised a deferred tax liability in respect of the recognition of fair value gains within the Investment Company and carried interest in the Asset Manager. The deferred tax liability of £8.9 million (2023: £3.1 million) will crystallise as the realised gain from these begins to flow to the Group in the medium term. The deferred tax charge for the year was £3.1 million (2023: £2.4 million). The effective tax rate for 2024 was 11.1 per cent (2023: 17.8 per cent[2]).

As detailed in Note 7 to the financial statements, the Group has a lower effective tax rate than the UK statutory rate. This is largely driven by timing differences on the taxation of management fee income and significant tax loss carry-forwards in the UK due to certain forms of income that are not subject to UK corporation tax. We expect the effective tax rate to increase going forward.

[2]Denominator used for 2023 is the Fund Management EBITDA given the investment trust status prior to the Reorganisation.

	2024 (£ million)	2023 (£ million)
Operating Profit of Asset Manager	27.2	15.9
Operating Profit of Investment Company	31.8	30.2
Operating Loss of Central segment	(0.8)	(1.6)
Operating Profit of Group	**58.2**	**44.5**
Depreciation and amortisation	(2.4)	(1.9)[3]
Profit before Tax	**55.8**	**42.6**
Corporation tax	(6.2)	(2.7)
Profit after Tax	**49.6**	**39.9**

Earnings per Share & Dividends

Earnings per share (basic and diluted) increased by 27 per cent to 78.8 pence per share (2023: 62.2 pence per share). The Board is pleased to confirm a second (and final) interim dividend for the period ended 31 December 2024 of 27.1 pence per share, amounting to a total payment of £16.5 million. This dividend, combined with the interim dividend payment of £16.5 million, is consistent with the Group's guidance that it will pay a dividend of no lower than £33.0 million in respect of 2024 and that dividends will grow progressively thereafter. This represents a £0.9 million increase on the total dividend paid in respect of 2023 of £32.1 million.

During 2024, following completion of the Reorganisation and conversion to a commercial company, the timing of dividend payments was changed to allow for dividends to be declared on a semi-annual, rather than a quarterly, basis. As a result of this re-phasing there was a one-off reduction in dividend payments paid in 2024, from £32.1 million in 2023 to £24.9 million in 2024. Prior to conversion to a commercial company, net interest income was distributed to shareholders through dividends designated as interest distributions. As a commercial company, whilst maintaining a progressive dividend policy, it is expected that the Group will retain an increasing share of earnings in order to re-invest in value creation opportunities in line with the Capital Allocation Framework.

The second interim dividend will be paid on 2 May 2025 to shareholders on the share register at the record date, being 4 April 2025. The ex-dividend date will be 3 April 2025. Pollen Street operates a Dividend Re-Investment Programme ("DRIP"), details of which are available from the Company's Registrars, Computershare. The final date for DRIP elections will be 9 April 2025.

During 2024, we completed an initial share buyback programme with a commitment of up to £30.0 million, reflecting the confidence we have in the resilience of our business and the attractive fundamental value and prospects of the Group. At 31 December 2024, £22.9 million had been used to repurchase 3,222,257 shares.

Outlook

The Group remains in a strong position and is strategically well-placed and well-resourced for further growth in 2025 and beyond. Fund Management Income is expected to continue to grow with the final close of Private Equity Fund V above its target of €1 billion, and further capital raises in Private Credit Fund IV and their subsequent deployment under the Private Credit strategies. The balance sheet has delivered stable and robust performance with a healthy balance of direct positions and investments in Pollen Street managed funds to ensure alignment with Limited Partner interests. The Group is trading in line with expectations.

In accordance with the Capital Allocation Framework announced in 2024, the Group intends to continue to pay a progressive dividend and may return surplus capital to shareholders through share buybacks. Moderate

[3]The Reorganisation has been accounted for using the book-value method meaning that the financial statements are restated as if the Reorganisation had occurred at the beginning of the earliest period presented, i.e. from 1 January 2023. Under IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, depreciation and amortisation were not incurred when Pollen Street Capital Holdings Limited was held for sale. Under the book-value method of accounting, this is unwound and the prior year comparatives reflect a full year charge for depreciation (additional £240k) and amortisation (additional £160k).

growth in the dividend, below the level of earnings growth, will allow dividend cover to increase over time. Any share buybacks will be subject to Board approval and will be evaluated against other value-creation opportunities available.

Crispin Goldsmith
Chief Financial Officer
24 March 2025

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 *Unaudited*[4] £'000
Management fee income	5	50,282	28,912
Carried interest and performance fee income	5, 14	7,786	11,480
Interest income on Credit Assets held at amortised cost	5	41,380	57,668
Gains on Investment Assets held at fair value	5, 10	18,998	5,102
Total income		**118,446**	**103,162**
Expected credit loss (charge) / release	5, 9	(593)	970
Third-party servicing costs	5	(1,177)	(2,374)
Net operating income		**116,676**	**101,758**
Administration costs	5	(41,931)	(36,691)
Finance costs	5, 17	(16,587)	(20,590)
Operating profit		**58,158**	**44,477**
Depreciation	5	(1,730)	(1,233)
Amortisation	5, 13	(640)	(640)
Profit before tax		**55,788**	**42,604**
Tax charge	7	(6,190)	(2,664)
Profit after tax		**49,598**	**39,940**
Other comprehensive income			
Foreign currency translation reserve		62	(453)
Total comprehensive income		**49,660**	**39,487**
Earnings per share (basic and diluted)	8	78.8 p	62.2 p

The notes to the accounts form an integral part of the financial statements.

[4] The prior year comparatives are unaudited for Pollen Street Group Limited. These numbers have been included as comparatives in accordance with the book-value method of accounting for capital reorganisations. Refer to the Capital Reorganisation accounting policy in Note 2 for more details. The prior year comparatives are based on the audited consolidated financial statements of Pollen Street Limited as set out in the Pollen Street Limited Annual Report and Accounts for the year ended 31 December 2023 and the audited Pollen Street Group Limited financial statements for the year ended 31 December 2023 as set out in the Pollen Street Group Limited Annual Report and Accounts for the year ended 31 December 2023.

Company Statement of Profit or Loss and Other Comprehensive Income

		For the year ended 31 December 2024	For the year ended 31 December 2023
	Notes	£'000	£'000
Revenue	5	40,508	103
Administration costs	5	(1,486)	(103)
Profit before tax		**39,022**	**-**
Tax charge	7	-	-
Profit after tax		**39,022**	**-**

The notes to the accounts form an integral part of the financial statements.

Consolidated Statement of Financial Position

	Notes	As at 31 December 2024 £'000	As at 31 December 2023 *Unaudited*[4] £'000
Non-current assets			
Credit Assets at amortised cost	9	309,423	444,490
Investment Assets held at fair value through profit or loss	10	194,176	88,220
Fixed assets	11	1,149	1,277
Lease assets	12	4,860	3,817
Goodwill and intangible assets	13	227,100	227,740
Carried interest	14	25,073	17,332
Deferred tax asset	7	3,256	-
Total non-current assets		**765,037**	**782,876**
Current assets			
Trade and other receivables	15	35,542	17,942
Current tax receivable		561	-
Cash and cash equivalents		11,195	19,746
Total current assets		**47,298**	**37,688**
Total assets		**812,335**	**820,564**
Current liabilities			
Interest-bearing borrowings	17	498	132,738
Trade and other payables	18	29,249	19,149
Lease liabilities	12	1,376	1,402
Current tax payable		-	981
Derivative financial liabilities	16	1,467	179
Total current liabilities		**32,590**	**154,449**
Total assets less current liabilities		**779,745**	**666,115**
Non-current liabilities			
Interest-bearing borrowings	17	187,767	78,026
Lease liabilities	12	3,756	2,750
Deferred tax liability	7	8,866	3,093
Total non-current liabilities		**200,389**	**83,869**
Net assets		**579,356**	**582,246**
Shareholders' funds			
Ordinary share capital	21	610	642

Share premium	21	549,757	-
Retained earnings		29,196	4,978
Other reserves	21	(207)	576,626
Total shareholders' funds		**579,356**	**582,246**
Net asset value per share (pence)	23	950.0	906.8

The notes to the accounts form an integral part of the financial statements.

The financial statements of Pollen Street Group Limited (company number 70165), which includes the notes, were approved and authorised by the Board of Directors on 24 March 2025 and were signed on its behalf by:

Robert Sharpe
Chair
24 March 2025

Company Statement of Financial Position

	Notes	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Non-current assets			
Investments in subsidiaries	28	571,269	-
Total non-current assets		**571,269**	**-**
Current assets			
Trade and other receivables	15	23,986	108
Total current assets		**23,986**	**108**
Total assets		**595,255**	**108**
Current liabilities			
Trade and other payables	18	29,167	108
Total current liabilities		**29,167**	**108**
Net assets		**566,088**	**-**
Shareholders' funds			
Ordinary share capital	21	610	-
Share premium	21	542,972	-
Retained earnings		22,506	-
Total shareholders' funds		**566,088**	**-**

The notes to the accounts form an integral part of the financial statements.

The financial statements of Pollen Street Group Limited (company number 70165), which includes the notes, were approved and authorised by the Board of Directors on 24 March 2025 and were signed on its behalf by:

Robert Sharpe
Chair
24 March 2025

Consolidated Statement of Changes in Shareholders’ Funds

For the year ended 31 December 2024

	Ordinary Share Capital	Share Premium	Retained Earnings	Special Distributable Reserve	Merger Reserves	Foreign Currency Translation Reserve	Total Equity
	£’000	**£’000**	**£’000**	**£’000**	**£’000**	**£’000**	**£’000**
Shareholders’ funds as at 1 January 2024	**642**	**-**	**4,978**	**351,625**	**225,270**	**(269)**	**582,246**
Reallocation of reserves	-	576,895	-	(351,625)	(225,270)	-	-
Profit after taxation	-	-	49,598	-	-	-	49,598
Reclassification of transaction costs	-	517	(517)	-	-	-	-
Transaction costs in relation to the Reorganisation	-	(4,833)	-	-	-	-	(4,833)
Dividends paid	-	-	(24,863)	-	-	-	(24,863)
Buybacks	(32)	(22,822)	-	-	-	-	(22,854)
Foreign currency translation reserve	-	-	-	-	-	62	62
Shareholders’ funds as at 31 December 2024	**610**	**549,757**	**29,196**	**-**	**-**	**(207)**	**579,356**

For the year ended 31 December 2023

Unaudited[4]	Ordinary Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Special Distributable Reserve £'000	Merger Reserves £'000	Foreign Currency Translation Reserve £'000	Total Equity £'000
Shareholders' funds as at 1 January 2023	**689**	**299,599**	**2**	**51,979**	**225,270**	**-**	**577,539**
Profit after taxation	-	-	39,940	-	-	-	39,940
Dividends paid	-	-	(31,664)	-	-	-	(31,664)
Cancellation of treasury shares	(47)	47	-	-	-	-	-
Cancellation of share premium reserve	-	(299,646)	-	299,646	-	-	-
Reallocation of reserves	-	-	(184)	-	-	184	-
Transfer from goodwill	-	-	(2,651)	-	-	-	(2,651)
Deferred tax adjustment	-	-	(465)	-	-	-	(465)
Foreign currency translation reserve	-	-	-	-	-	(453)	(453)
Shareholders' funds as at 31 December 2023 *Unaudited*[4]	**642**	**-**	**4,978**	**351,625**	**225,270**	**(269)**	**582,246**

The notes to the accounts form an integral part of the financial statements.

Company Statement of Changes in Shareholders' Funds

For the year ended 31 December 2024

	Ordinary Share Capital	Share Premium	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000
Shareholders' funds as at 1 January 2024	-	-	-	-
Issue of share capital	642	570,627	-	571,269
Transaction costs in relation to the Reorganisation	-	(4,833)	-	(4,833)
Profit after taxation	-	-	39,022	39,022
Dividends paid	-	-	(16,516)	(16,516)
Buybacks	(32)	(22,822)	-	(22,854)
Shareholders' funds as at 31 December 2024	**610**	**542,972**	**22,506**	**566,088**

For the year ended 31 December 2023

	Ordinary Share Capital	Share Premium	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000
Shareholders' funds as at 1 January 2023	-	-	-	-
Profit after taxation	-	-	-	-
Dividends paid	-	-	-	-
Shareholders' funds as at 31 December 2023	-	-	-	-

The notes to the accounts form an integral part of the financial statements.

Consolidated Statement of Cash Flows

	Notes	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 *Unaudited*[4] £'000
Cash flows from operating activities:			
Cash generated from operations	24	35,077	37,225
Net repayments of Credit Assets at amortised cost		141,662	82,741
Dividends received from Investment Assets		-	1,507
Purchase of investments at fair value	10	(94,984)	(44,227)
Proceeds from disposal of investments at fair value	10	6,483	25,682
Tax paid		(3,669)	(105)
Net cash inflow from operating activities		**84,569**	**102,823**
Cash flows from investing activities:			
Purchase of fixed assets	11	(156)	(137)
Net cash inflow from investing activities		**(156)**	**(137)**
Cash flows from financing activities:			
Payment of lease liabilities	12	(1,564)	(1,350)
Reorganisation transaction costs		(4,833)	-
Drawdown of interest-bearing borrowings	17	240,500	37,000
Repayments of interest-bearing borrowings	17	(260,519)	(91,094)
Transaction costs for financing activities	17	(2,880)	-
Interest paid on financing activities	17	(15,951)	(19,135)
Share buybacks		(22,854)	-
Dividends paid in the year	22	(24,863)	(31,664)
Net cash outflow from financing activities		**(92,964)**	**(106,243)**
Net change in cash and cash equivalents		**(8,551)**	**(3,557)**
Cash and cash equivalents at the beginning of the year		19,746	23,303
Cash and cash equivalents at the end of the year		**11,195**	**19,746**

Interest received for the Group for the year ended 31 December 2024 was £33.5 million (2023: £53.9 million).

The notes to the accounts form an integral part of the financial statements.

Company Statement of Cash Flows

	Notes	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Cash flows from operating activities:			
Cash generated from operations	24	44,203	-
Net cash inflow from operating activities		**44,203**	**-**
Cash flows from financing activities:			
Reorganisation transaction costs		(4,833)	
Share buybacks		(22,854)	-
Dividends paid in the year	22	(16,516)	-
Net cash outflow from financing activities		**(44,203)**	**-**
Net change in cash and cash equivalents		**-**	**-**
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		**-**	**-**

The notes to the accounts form an integral part of the financial statements.

Notes to the Financial Statements

1. General information

Pollen Street Group Limited is a public company limited by shares, incorporated and registered under the laws of Guernsey with registration number 70165. Pollen Street Group Limited is referred to as the “Company”, and together with its subsidiaries, the ‘Group’. The registered office of the Company is: Mont Crevelt House, Bulwer Avenue, St. Sampson, Guernsey, GY2 4LH. The principal place of business of the Company is 11-12 Hanover Square, London, W1S 1JJ.

The Company was established on 24 December 2021. The Company’s purpose was to become the parent company of Pollen Street Limited (“PSL”), previously Pollen Street plc, by way of a scheme of arrangement (the “Scheme”). The Company’s activities until the Scheme came into effect were compliance related. The scheme of arrangement came into effect on 24 January 2024.

On 24 January 2024, the Company became the immediate and ultimate parent of Pollen Street Limited by way of a scheme of arrangement pursuant to Part 26 of the UK Companies Act 2006. As part of this, the shares of Pollen Street Limited were delisted and cancelled, and new shares were issued to the Company so that the Company holds 100 per cent of the issued shares in Pollen Street Limited. New shares in the Company were also issued to the former shareholders of Pollen Street Limited on a one-to-one basis and were admitted to trading on the London Stock Exchange’s (“LSE”) main market for listed securities.

On 14 February 2024, Pollen Street Limited distributed the entire issued share capital of Pollen Street Capital Holdings Limited (“PSCHL”) to the Company referred to as the Distribution. The Scheme and the Distribution are together referred to as the “Reorganisation".

The principal activity of the Group is to act as an alternative asset manager investing within the financial and business services sectors across both Private Equity and Private Credit strategies, as well as holding on-balance sheet investments consisting of both direct investments and investments in funds managed by Pollen Street. The principal activity of the Company is to be the holding company for two 100 per cent owned subsidiaries engaged in these asset management and investment activities.

2. Material accounting policies

Basis of preparation

These financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of The Companies (Guernsey) Law 2008, and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority ("FCA"). The accounting policies comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and International Financial Reporting Committee as adopted in the UK, including interpretations issued by the IFRS Interpretations Committee and interpretations issued by the International Accounting Standard Committee ("IASC") that remain in effect.

The Reorganisation is a capital reorganisation and has been accounted for using the book-value method. This method applies retrospectively, meaning that the financial statements are restated as if the Reorganisation had occurred at the beginning of the earliest period presented, i.e. from 1 January 2023.

The prior year comparatives are unaudited for Pollen Street Group Limited. They are based on the audited consolidated financial statements for Pollen Street Limited as set out in the Pollen Street Limited Annual Report and Accounts for the year ended 31 December 2023 and the audited Pollen Street Group Limited financial statements for the year ended 31 December 2023 as set out in the Pollen Street Group Limited Annual Report and Accounts for the year ended 31 December 2023. These numbers have been included as comparatives in accordance with the book-value method of accounting for capital reorganisations. Refer to the Capital Reorganisation accounting policy below for more details.

Going concern

The Directors have reviewed the financial projections of the Group, which show that the Group will be able to generate sufficient cash flows in order to meet its liabilities as they fall due within 12 months from the approval of these financial statements. These financial projections have been performed for the Group under stressed scenarios, and in all cases the Group is able to meet its liabilities as they fall due. For the Investment Company, the stressed scenarios included halting future Investment Asset originations, late repayments of the largest structured facility and individual exposures experience ongoing performance at the worst monthly impact experienced throughout 2023 and 2024. For the Asset Manager, the stressed scenarios included no new funds being raised.

The Directors consider these scenarios to be the most relevant risks to the Group's operations. Finally, the Directors reviewed financial and non-financial covenants in place for all debt facilities within the subsidiaries of the Group with no breaches anticipated, even in the stressed scenario. The Directors are satisfied that the going concern basis remains appropriate for the preparation of the financial statements.

The material accounting policies adopted by the Company are set out below and have been consistently applied across periods presented and all values are in pounds.

Adoption of new and amended standards and interpretations

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2024

The following new and amended standards do not have a material impact on the Group's financial statements:

International accounting standards and interpretations	Effective date
Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants	1 January 2024
Amendments to IFRS 16: Lease liability in a sale and leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	1 January 2024

Standards, interpretations and amendments to published standards which are not yet effective

New and amended standards that have been issued, but are not yet effective, up to the date of the Group's financial statements are disclosed below. These standards do not have a material impact on the Group's financial statements, with the exception of IFRS 18: 'Presentation and Disclosure in Financial Statements' which will impact the presentation and disclosure of financial statements. The Group plans to adopt these, if applicable, when they become effective.

International accounting standards and interpretations	Effective date
Amendments to IAS 21: Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
New Accounting Standard IFRS 18: ‘Presentation and Disclosure in Financial Statements’	1 January 2027
New Accounting Standard IFRS 19: ‘Subsidiaries without Public Accountability: Disclosures’	1 January 2027

Accounting policies

Consolidation

Subsidiaries are investees controlled by the Company. The Company controls an investee if it is exposed to, or has the rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company reassesses whether it has control if there are changes to one or more elements of control. The Company does not consider itself to be an investment entity for the purposes of IFRS 10, as it does not hold substantially all of its investments at fair value. Consequently, it consolidates its subsidiaries rather than holding at fair value through profit or loss.

The Group also assessed the consolidation requirements for the carried interest partnerships and certain underlying entities of Pollen Street managed funds ("funds") which the Group holds as investments as explained in the investments in associates section. Refer to Note 28 for further details.

In the consolidated financial statements, intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. All entities within the Group have coterminous reporting dates.

Capital reorganisation

Capital reorganisations are accounted for using the book-value method. This methodology is used as these transactions do not represent a substantive change in ownership. Instead, they are viewed as a reorganisation of entities within the same group. The Directors consider this method to be the most accurate reflection of the historical financial performance and position of the combining entities following the Reorganisation.

This method applies retrospectively, meaning that the financial statements are restated as if the Reorganisation had occurred at the beginning of the earliest period presented. The assets and liabilities of the combining entities are recognised at their carrying amounts in the financial statements. No adjustments are made to reflect fair values or recognise any new assets or liabilities, except where necessary to align accounting policies.

Any consideration transferred is recognised at its carrying amount. The difference between the consideration transferred and the carrying amount of the net assets acquired is recognised in equity.

Comparative information is restated to reflect the reorganisation as if it had occurred at the beginning of the earliest period presented, i.e. 1 January 2023. This ensures consistency and comparability of financial information across periods. Therefore, the prior year comparatives reflect those of the Group when Pollen Street Limited was the ultimate parent of the Group. These numbers were audited as part of the Pollen Street Limited consolidated Annual Report and Accounts for the year ended 31 December 2023.

Refer to Note 4 for further details.

Investments in subsidiaries

Investments in subsidiaries in the Statement of Financial Position of the Company are recorded at cost less provision for impairments. All transactions between the Company and its subsidiary undertakings are classified as related party transactions for the Company accounts and are eliminated on consolidation.

Investments in associates

Associates are entities over which the Group has significant influence, but does not control, generally accompanied by a shareholding of between 20 per cent and 50 per cent of the voting rights.

Before the acquisition of Pollen Street Limited by the Company, Pollen Street Limited acquired carried interest rights in two Private Equity funds as part of the Combination on 30 September 2022. The rights are in the form of partnership participations in carried interest partnerships. The Group has 25 per cent of the total interests in these partnerships. The Group has in excess of 20 per cent participation and therefore is considered to have significant influence over the partnerships and the partnerships are considered to be an associate.

The Directors also consider any influence that the Group has in the set up of any new carried interest partnerships in order to assess the power to control them. The Group has between 1 per cent and 25 per cent of the total interests in these partnerships. It was determined that the carried interest partnerships were set up on behalf of the fund investors, and that on balance, the Group does not control the carried interest partnerships. Where the Group has in excess of 20 per cent of LP interest in the carried interest partnership, the Group is considered to have significant influence. It was therefore determined that these carried interest partnerships are also accounted for as associates.

These carried interest partnerships (including associates and contract assets) are presented in the 'Carried interest' line on the Consolidated Statement of Financial Position; and income from the carried interest partnerships is presented in the 'Carried interest and performance fee income' line on the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The key judgemental areas for the accounting of carried interest partnerships are set out in Note 3, Significant accounting estimates and judgements.

For the underlying entities or funds, the Directors consider the nature of the relationships between the Group, the underlying entities or funds and the investors. The Directors also consider any influence that the Group has in the set up of the underlying entities or funds in order to assess the power to control the underlying entities or funds. It was determined that the underlying entities or funds were set up for the investors, and that on balance, the Group does not control the underlying entities or funds.

The Group also holds more than 20 per cent of interest in certain underlying entities or funds. The Group elects to hold these investments in associates at Fair Value Through Profit or Loss ("FVTPL"). This treatment is permitted by IAS 28 Investments in Associates and Joint Ventures, which permits investments held by entities that are venture capital organisations, mutual funds or similar entities to be excluded from its measurement methodology requirements where those investments are designated, upon initial recognition, as at FVTPL and accounted for in accordance with IFRS 9. These underlying entities or funds are presented in the 'Investment Assets held at fair value through profit or loss' line on the Consolidated Statement of Financial Position. Changes in fair value of these entities or funds are presented in the 'Gains on Investment Assets held at fair value' on the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Details of how the Group classifies and measures assets at FVTPL are in the classification and measurement section.

Business model assessment

The Group assesses the objective of the business model in which a financial asset is held at a portfolio level in order to generate cash flows because this best reflects the way the business is managed. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these are applicable, then the financial assets are classified as part of the other business model and measured at FVTPL.

The assessment includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice, including whether the strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of assets;
- past experience on how the cash flows for these assets were collected;
- how the performance of the portfolio is evaluated and reported;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of deployment in prior years, the reasons for such deployment and expectations about future deployment activity. However, information about deployment activity is not considered in isolation, but as part of an overall assessment of how the stated objective for managing the financial assets is achieved and how cashflows are realised.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a reasonable profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the contractual terms of the instrument are considered. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment the following features are considered:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets, e.g. non-recourse asset arrangements; and
- features that modify consideration for the time value of money, e.g. periodic reset of interest rates.

Classification and measurement
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. The Group shall offset financial assets and financial liabilities if it has a legally enforceable right to set off the recognised amounts and interests and intends to settle on a net basis. Financial assets and liabilities are derecognised when the Group settles its obligations relating to the instrument.

Classification and measurement – Financial assets
IFRS 9 contains a classification and measurement approach for debt instruments that reflects the business model in which assets are managed and their cash flow characteristics. This is a principle-based approach and applies one classification approach for all types of debt instruments. For debt instruments, two criteria are used to determine how financial assets are classified and measured:

- the entity's business model (i.e. how an entity manages its debt Instruments in order to generate cash flows by collecting contractual cash flows, selling financial assets or both); and
- the contractual cash flow characteristics of the financial asset (i.e. whether the contractual cash flows are solely payments of principal and interest).

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

IFRS 9 details the classification and measurement approach for assets measured at fair value through other comprehensive income ("FVOCI") if it meets both of the following conditions and is not designated as at FVTPL:

a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments and derivatives are measured at FVTPL, unless they are not held for trading purposes, in which case an irrevocable election can be made on initial recognition to measure them at FVOCI with no subsequent reclassification to profit or loss. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

All equity positions are measured at FVTPL. Financial assets measured at FVTPL are recognised in the balance sheet at their fair value. Fair value gains and losses together with interest coupons and dividend income are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income within Gains on Investment Assets held at fair value in the period in which they occur. The fair values of assets and liabilities traded in active markets are based on current bid and offer prices respectively. If the market is not active the Group establishes a fair value by using valuation techniques. In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group does not hold any FVOCI assets.

Classification and measurement – Financial liabilities

Financial liabilities are classified and subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to change in market conditions that give rise to market risk) and partially in profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent years, the Group recognises any expense incurred on the financial liability.
- Financial guarantee contracts and loan commitments.

Credit Assets at amortised cost

Loans are initially recognised at a carrying value equivalent to the funds advanced to the borrower plus the cost of acquisition fees and transaction costs. After initial recognition loans are subsequently measured at amortised cost using the effective interest rate method ("EIRM") less expected credit losses (see Note 9).

Expected credit loss allowance for financial assets measured at amortised cost

The credit impairment charge or release in the Consolidated Statement of Profit or Loss and Other Comprehensive Income represents the change in expected credit losses which are recognised for loans and advances to borrowers, other financial assets held at amortised cost.

IFRS 9 applies a single impairment model to all financial instruments subject to impairment testing. Impairment losses are recognised on initial recognition, and at each subsequent reporting period, even if the loss has not yet been incurred. In addition to past events and current conditions, reasonable and supportable forecasts affecting collectability are also considered when determining the amount of impairment in accordance with IFRS 9.

At initial recognition, allowance is made for expected credit losses resulting from default events that are possible within the next 12 months (12-month expected credit losses). In the event of a significant increase in credit risk, allowance (or provision) is made for expected credit losses resulting from all possible default events over the expected life of the financial instrument (lifetime expected credit losses). Financial assets where 12-month expected credit losses are recognised are considered to be Stage 1; financial assets which are considered to have experienced a significant increase in credit risk are in Stage 2; and financial assets which have defaulted or are otherwise considered to be credit-impaired are allocated to Stage 3. Stage 2 and Stage 3 are based on lifetime expected credit losses.

The measurement of expected credit loss ("ECL"), is primarily based on the product of the instrument's probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"), taking into account the value of any collateral held or other mitigants of loss and including the impact of discounting using the EIR.

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months ("12M PD"), or over the remaining lifetime ("Lifetime PD") of the obligation.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime. For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur. The EAD is discounted back to the reporting date using the EIR determined at initial recognition.
- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD. LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the

next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan ("Lifetime LGD").

The ECL is determined by estimating the PD, LGD and EAD for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original EIR or an approximation thereof. The Lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band where supported by historical analysis. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type:

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis. This is also adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.
- For revolving products, the EAD is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group's recent default data.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGDs are influenced by collection strategies, including contracted debt sales and price.

The main difference between Stage 1 and Stage 2 is the respective PD horizon. Stage 1 estimates use a maximum of a 12-month PD, while Stage 2 estimates use a lifetime PD. The main difference between Stage 2 and Stage 3 is that Stage 3 is effectively the point at which there has been a default event. For financial assets in Stage 3, lifetime ECL continues to be recognised but now recognises interest income on a net basis. This means that interest income is calculated based on the gross carrying amount of the financial asset less ECL. Stage 3 estimates continue to leverage existing processes for estimating losses on impaired loans, however, these processes are updated to reflect the requirements of IFRS 9, including the requirement to consider multiple forward-looking scenarios using independent third-party economic information.

Movements between Stage 1 and Stage 2 are based on whether an instrument's credit risk as at the reporting date has increased significantly relative to the date it was initially recognised. Where the credit risk subsequently improves such that it no longer represents a significant increase in credit risk since origination, the asset is transferred back to Stage 1.

In assessing whether a borrower has had a significant increase in credit risk, the following indicators are considered:

- Significant change in collateral value (secured facilities only) which is expected to increase the risk of default;
- Actual or expected significant adverse change in operating results of the borrower or performance of collateral;
- Significant adverse changes in business, financial and/or economic conditions in the market in which the borrower operates;
- Actual or expected forbearance or restructuring;
- Significant increase in credit spread, where this information is available; and

- Early signs of cashflow/liquidity problems such as delay in servicing of payables.

However, as a backstop, unless identified at an earlier stage, the credit risk of financial assets is deemed to have increased significantly when repayments are more than 30 days past due. Movements between Stage 2 and Stage 3 are based on whether financial assets are credit impaired as at the reporting date. IFRS 9 contains a rebuttable presumption that default occurs no later than when a payment is 90 days past due. The Group uses this 90-day backstop for all its assets except for UK second charge mortgages, where the Group has assumed a backstop of 180 days past due as mortgage exposures more than 90 days past due, but less than 180 days, typically show high cure rates and this aligns to the Group's risk management practices. Assets can move in both directions through the stages of the impairment model.

In assessing whether a borrower is credit-impaired, the following qualitative indicators are considered:

- Whether the borrower is in breach of financial covenants, for example where concessions have been made by the lender relating to the borrower's financial difficulty or there are significant adverse changes in business, financial or economic conditions on which the borrower operates;
- Where the credit risk has increased, the remaining lifetime PD at the reporting date is assessed in comparison to the residual lifetime PD expected at the reporting date when the exposure was first recognised; and
- Any cases of forbearance.

The criteria above have been applied to all Credit Assets at amortised cost held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Group's expected credit loss calculations.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Under IFRS 9, when determining whether the credit risk (i.e. the risk of default) on a financial instrument has increased significantly since initial recognition, reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on historical experience, credit assessment and forward-looking information.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forward-looking information. A "Base case" view of the future direction of relevant economic variables and a representative range of other possible forecasts scenarios have been developed. The process has involved developing two additional economic scenarios and considering the relative probabilities of each outcome.

The base case represents a most likely outcome and is aligned with information used for other purposes, such as strategic planning and budgeting. The number of scenarios and their attributes are reassessed at each reporting date. All of the portfolios of the Group use one positive, one optimistic and one downside scenario. These scenario weightings are determined by a combination of statistical analysis and expert judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

The estimation and application of forward-looking information requires significant judgement. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances, are modelled and adjusted based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio. The Group has utilised macroeconomic scenarios prepared and provided by Oxford Economics ("Oxford"). Oxford combines two decades of forecast data with the quantitative assessment of the current risks facing the global and domestic economy to produce robust forward-looking distributions for the economy. Oxford construct three alternative scenarios at specific percentile points in the distribution. In any distribution, the probability of a given discrete scenario is close to zero. Therefore, scenario probabilities represent the probability of that scenario or similar scenarios occurring. In effect, a given scenario represents the average of a broader bucket of similar severity scenarios and the probability reflects the width of that bucket. Given that it is known where the IFRS 9 scenarios sit in the distribution (the percentiles), their probability (the width of the bucket of similar scenarios) depends on how many scenarios are chosen. Scenario probabilities must add up to 100 per cent so the more scenarios chosen, the smaller the section of the distribution, or bucket, each scenario represents and therefore the smaller the probability. This allows the probabilities to be calculated according to whichever subset of scenarios have been chosen for use in the ECL calculation. Oxford updates these scenarios on a quarterly basis to reflect changes to the macroeconomic environment. The Group updates the scenarios during the year if economic conditions change materially. Oxford selects the scenarios to represent a broadly fixed probability within the distribution of potential outcomes. As such the Group has maintained the probability of each scenario at a broadly constant level despite the changing macroeconomic environment. The Base case is given a 40 per cent weighting and the downside and upside a 30 per cent weighting each, which is unchanged from the prior year.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness at each reporting date.

Expected credit loss allowance for receivables

Receivables consist of trade and other debtor balances and prepayments and accrued income. Trade receivables balances are represented by fees receivable for investment fund management and advisory services provided during the year to the Group's customers. The Group's customers are funds that the Group manages or advises. As such, the Group has detailed and up-to-date information on the financial position and outlook of its counterparties. Receivable balances are generally collected on a monthly or quarterly basis and are therefore short-term in nature. The Group applies a simplified approach in calculating ECLs and recognises a loss allowance based on lifetime ECLs at each reporting date. Given the historic rate of recoverability is 100 per cent and the absence of reasons to believe the recoverability pattern will change, management's assessment is that ECL calculated under IFRS 9 would be immaterial at the end of the current and previous reporting period. Management will continue to assess the recoverability at each reporting date for changes in the circumstances surrounding the recoverability of the trade and other receivables, and recognise an expected credit loss allowance when appropriate.

Write-off policy for financial assets measured at amortised cost

A loan or advance is normally written off, either partially or in full, against the related allowance when the proceeds from realising any available security have been received or there is no realistic prospect of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of impairment losses recorded in the income statement.

Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- if the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan;
- significant extension of the loan term when the borrower is not in financial difficulty;
- significant change in the interest rate;
- change in the currency the loan is denominated in; and
- insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a new asset at fair value and recalculates a new EIR for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amounts are also recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as a gain or loss on derecognition. If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The new gross carrying amount is recalculated by discounting the modified cash flows at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets).

Modification of financial assets
The Group sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practice are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original assets. The Group monitors the subsequent performance of modified assets. The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 2 or Stage 3.

Collateral and other credit enhancements
The Group employs a range of policies to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Group has internal policies of the acceptability of specific classes of collateral or credit risk mitigation.

The Group prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types for loans and advances are:

- mortgages over residential properties;
- security over our borrowers receivables;
- margin agreement for derivatives, for which the Group has also entered into master netting agreements;
- charges over business assets such as premises, inventory and accounts receivable; and
- charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Derivatives are also generally collateralised, such as collateralised debt obligations, in order to provide collateral as a form of security for the obligations arising from the derivative.

The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group will take possession of collateral to mitigate potential credit losses.

Derecognition other than a modification
Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as "pass-through" transfers that result in derecognition if the Group:

- has no obligation to make payments unless it collects equivalent amounts from the assets;
- is prohibited from selling or pledging the assets; and
- has an obligation to remit any cash it collects from the assets without material delay.

Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). Different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original EIR, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Investments held at fair value through profit or loss

The investments held at FVTPL include Equity Assets and Credit Assets.

Equity Assets held at FVTPL are valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines ("IPEVCV") effective 1 January 2019 with the latest update in December 2022 as recommended by the British Private Equity and Venture Capital Association.

Equity Assets are instruments that have equity-like returns; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include ordinary shares or investments in Private Equity funds managed or advised by the Group. Investments into funds managed by the Group are valued on the net asset value of each fund. The valuations typically reflect the fair value of the Group's proportionate share of each investment as at the reporting date.

Credit Assets at FVTPL consists of loans made to counterparties where the contractual cash flows do not meet the requirements of the solely payments of principal and interest test or are otherwise classified at fair value, together with investments in Private Credit funds managed or advised by the Group. See the section on Classification and measurement – Financial assets earlier in this Note. Examples of credit instruments include credit instruments where incremental cash flows are due contingent on certain events occurring.

These Credit Assets at FVTPL are priced at their amortised cost value as a proxy for the fair value, given that they are floating rate assets and performing in line with expectations with limited credit risk.

Credit Assets at FVTPL also consists of investments in Private Credit Funds managed by the Group and are valued based off the net asset value of each fund. The valuations typically reflect the fair value of the Group's proportionate share of each investment as at the reporting date.

Purchases and sales of unquoted investments are recognised when the contract for acquisition or sale becomes unconditional.

IFRS 13 requires the Group to classify its financial instruments held at fair value using a hierarchy that reflects the significance of the inputs used in the valuation methodologies. These are as follows:

- Level 1 – quoted prices in active markets for identical investments.
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, etc.).
- Level 3 – significant unobservable inputs (including the Group's own assumptions in determining the fair value of investments).

An investment is always categorised as Level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. The assessment of the significance of a particular input to the fair value measurement requires judgement and is specific to the investment.

The gain on fair value is shown in the 'Gains on Investment Assets held at fair value' line on the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Fixed assets

Fixed assets are shown at cost less accumulated depreciation. Depreciation is calculated by the Group on a straight-line basis by reference to the original cost, estimated useful life and residual value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. The period of estimated useful life for this purpose is up to 10 years. Residual values are assumed to be nil.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	3 years
Office equipment	3 years
Electric vehicles	5 years
Leasehold improvements	10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Goodwill

Goodwill is initially measured at cost, which constitutes the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash-generating unit ("CGU") is less than its carrying amount. Any impairment loss recognised on the goodwill is not reversed subsequently. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs or group of CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A CGU represents the lowest level at which goodwill is monitored for internal management purposes.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Intangibles

Intangible assets, which constitute acquired customer relationship assets acquired from a business combination, are stated at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are assessed at each reporting date when there are indicators of impairment.

Amortisation is calculated using the straight-line method to allocate the amortised amount of the assets to their residual values over their estimated useful lives.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and lease assets representing the right to use the underlying assets.

Lease assets
The Group recognises lease assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Lease assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of lease assets includes the amount of lease liabilities recognised, initial direct costs incurred, an estimate of costs to be incurred in restoring the underlying asset to the condition required by the terms and conditions of the lease and lease payments made at or before the commencement date less any lease incentives received. Lease assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Carried interest receivable
Carried interest represents unrealised and realised shares of fund profits from holdings in carried interest partnerships where the Group receives variable returns as an incentive for management of the underlying funds. The realised amount is the amount actually received. For the unrealised performance, the amount recognised is determined against an assessment of the underlying investor returns exceeding an agreed threshold or hurdle, and is either accounted for under IFRS 9 (for carried interest partnerships acquired as part of the Combination) or under IFRS 15 (for non-acquired carried interest partnerships).

Movements in fair value, and amounts accrued as revenue under IFRS 15, are shown in the 'Carried interest and performance fee income' line on the Consolidated Statement of Profit or Loss and Other Comprehensive Income, with the outstanding balance shown in the 'Carried interest' line on the Consolidated Statement of Financial Position and are typically presented as non-current assets unless they are expected to be received within the next 12 months.

Cash and cash equivalents
Cash and cash equivalents, which are presented as a single class of asset on the Consolidated Statement of Financial Position, comprise cash at bank, including cash that is restricted and held in reserve.

Financial liabilities
Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Derivatives
The Group uses foreign exchange spot, forward and swap transactions to hedge foreign exchange movements in non-GBP assets or liabilities in order to minimise foreign exchange exposure.

Derivative financial instruments are initially measured at fair value on the date on which the derivative contract is entered into and are subsequently measured at fair value at each reporting date. The Group does not designate derivatives as cash flow hedges and so all fair value movements are recognised in the Income Statement in the 'Gains on Investment Assets held at fair value' line on the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The fair value of unsettled forward currency contracts is calculated by reference to the market for forward contracts with similar maturities.

Interest-bearing borrowings
Interest-bearing borrowings are initially recognised at a carrying value equivalent to the proceeds received net of issue costs associated with the borrowings. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method.

Finance costs
Finance costs are accrued on the EIR basis and are presented as a separate line on the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Dividends
Dividends to shareholders are recognised in the period in which they are paid.

Income
The Group has four primary sources of income: management fee income, carried interest and performance fee income, interest income on Credit Assets held at amortised cost, and gains on Investment Assets held at fair value.

Management fee income includes fees charged by the Group to the funds that it manages for the provision of investment fund management and advisory services, which are treated as a single performance obligation. The parties to agreements for fund management services comprise the Group and the investors of each fund. Accordingly, the group of investors of each fund are identified as a customer for accounting purposes.

Management fees are earned over a period and are recognised on an accrual basis in the same period in which the service is performed. Management fees are based on an agreed percentage of either committed or invested capital, depending on the fund and its life stage, in accordance with individual management agreements or limited partnership agreements.

Income is measured based on the consideration specified in the contracts and exclude amounts collected on behalf of third parties, discounts and value added taxes.

For Private Equity managed funds, management fee income is charged from the inception of the fund. Where an LP enters the fund as part of subsequent closes "catch-up" management fee income is calculated and charged as if the LP had entered the fund on first close. These management fees are earned over a prior period where the provision of investment fund management and advisory services has already been provided and the corresponding performance obligation is satisfied. Therefore, these catch-up management fees are recognised immediately in full. This is not applicable on Private Credit funds given that management fee income is charged on invested capital, rather than commitments.

Carried interest and performance fee income includes income recognised under IFRS 15 from holdings in carried interest partnerships where the Group receives variable returns as an incentive for the funds that it manages. Carried interest represents a share of fund profits through the Group's holdings in carried interest partnerships. The amount is determined by the level of accumulated profits exceeding an agreed threshold or hurdle. The carried interest income is recognised when the performance obligations are expected to be met. Income is only recognised to the extent that it is highly probable that there would not be a significant reversal of any accumulated revenue recognised on the completion of a fund. The uncertainty of future fund performance is reduced through the application of discounts in the calculation of carried interest income. Performance fees are generally calculated as a percentage of the appreciation in the net asset value of a fund above a defined hurdle, and are recognised on an accrual basis when the fee amount can be estimated reliably, and it is highly probable that it will not be subject to significant reversal.

Management fees and performance fees are charged to the Investment Company by the Asset Manager. These fees are shown in Note 5, operating segments. However, they are eliminated on consolidation.

Interest income on Credit Assets held at amortised cost is generated from loans originated by the Group. Interest from loans are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for all instruments measured at amortised cost using the EIRM. The EIRM is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate ("EIR") is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the EIR, the Group takes into account all contractual terms of the financial instrument, for example prepayment options, but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the EIR, transaction costs and all other premiums or discounts. Fees and commissions which are not considered integral to the EIR model and deposit interest income are recognised on an accruals basis when the service has been provided or received.

Gains on Investment Assets held at Fair Value include realised and unrealised income on assets accounted for at fair value, including equity assets and credit assets. Refer to the Investments held at fair value through profit or loss section for further details.

Pensions
The Group makes contributions into employee personal pension schemes. Once the contributions have been paid, the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Statement of Financial Position.

Share-based payments
The Group grants annual bonuses to its Executive Directors and other senior employees some of which are deferred in accordance with the Group's Remuneration Policy. Deferred awards may be used to acquire shares in Pollen Street Group Limited (a Share-Based Award), or fund commitments into Pollen Street managed funds (Co-Investment Opportunity) and are subject to malus and clawback provisions.

The Share-Based Awards generally vest after three years, subject to the opportunity for co-investment. The Co-Investment Opportunity permits the employee to collect the deferred award early, either in shares or up front in cash, provided they elect to apply the after-tax proceeds of the deferred award into a fund managed by the Group that has a contractual duration of longer than three years.

The Group accounts for Share-Based Awards as share-based payments. The awards are considered to be compound financial instruments, because the employee has the right to demand settlement in cash. The Group first measures the fair value of the cash component, which is considered to be a cash-settled share-based payment, and then measures the fair value of the equity component taking into account that the counterparty must forfeit the right to receive cash in order to receive the equity instrument, which is considered to be an equity-settled share-based payment.

Segmental reporting
The Group has two segments: the Asset Manager segment and the Investment Company segment. The primary revenue streams for the Asset Manager segment consist of management fees and performance fees or carried interest arising from managing Private Equity and Private Credit funds. The Investment Company segment primarily consists of the Group Investment Assets and borrowings. The primary revenue stream for the Investment Company segment is interest income and fair value gains on Investments held at fair value.

The Asset Manager segment charges management and performance fees to the Investment Company segment for managing the segment's assets. These fees are shown in the segmental results. However, they are eliminated in the consolidated financial statements. Refer to Note 5 for further details.

Taxation
Although the Company is incorporated and registered under the laws of Guernsey, the Company elected to be UK resident for taxation purposes, and as a result is non-tax resident in Guernsey. Furthermore, following the Reorganisation that occurred on 24 January 2024, Pollen Street Limited ceased to be classified as an investment trust under Section 1158 of the Corporation Tax Act 2010. As such, Pollen Street Limited will incur

corporation tax on its profits from the beginning of the period. Prior to 24 January 2024, the tax expense of the Group arose within the Asset Manager segment and comprised current and deferred tax. Further information on the Reorganisation is available in Note 4.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised in Other Comprehensive Income ("OCI") or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- when receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Expenses

All expenses are accounted for on an accruals basis.

Foreign currency

The financial statements have been prepared in Pounds Sterling because that is the currency of the majority of the transactions during the year, so has been selected as the presentational currency.

The liquidity of the Group is managed on a day-to-day basis in Pounds Sterling as the Group's performance is evaluated in that currency. Therefore, the Directors consider Pounds Sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and is therefore the functional currency.

Transactions involving foreign currencies are converted at the exchange rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated into Pounds Sterling at the exchange rate ruling on the year-end date. Foreign exchange differences arising on translation would be recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Receivables

Receivables do not carry any interest and are short term in nature. They are initially stated at their nominal value and reduced by appropriate allowances for expected credit losses (if any).

Payables

Payables represent amounts for goods and services provided to the consolidated entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Payables are non-interest-bearing and are initially stated at their nominal value.

Shares

Ordinary and treasury shares are classified as equity. The costs of issuing or acquiring equity are recognised in equity (net of any related income tax benefit), as a reduction of equity on the condition that these are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

The costs of an equity transaction that is abandoned are recognised as an expense. Those costs might include registration and other regulatory fees, legal fees, accounting and other professional advisers, printing costs and stamp duties.

Treasury shares have no entitlements to vote and are held directly by the Company.

3. Significant accounting estimates and judgements

The UK-adopted International Accounting Standards requires the Group to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. IFRS requires the Directors, in preparing the Group's financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed on an ongoing basis. Although these estimates are based on the Directors' best estimate of the amount, actual results may differ materially from those estimates.

Estimates

The estimates of most significance to the financial statements are detailed below. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Expected Credit loss allowance for financial assets measured at amortised cost

The calculation of the Group's ECL allowances and provisions against loan commitments and guarantees under IFRS 9 is complex and involves the use of significant judgement and estimation. Loan Impairment Provisions represent an estimate of the losses incurred in the loan portfolios at the balance sheet date. Individual impairment losses are determined as the difference between the carrying value and the present value of estimated future cash flows, discounted at the loans' original EIR. The calculation involves the formulation and incorporation of multiple forward-looking economic conditions into ECL to meet the measurement objective of IFRS 9, depending on a range of factors such as changes in the economic environment in the UK. The most significant factors are set out below.

Definition of default – The PD of an exposure, both over a 12-month period and over its lifetime, is a key input to the measurement of the ECL allowance. Default has occurred when there is evidence that the customer is experiencing significant financial difficulty which is likely to affect the ability to repay amounts due.

A number of the Group's loans are secured against underlying collateral. The Directors do not consider the value of this collateral when assessing the probability of default. However, the structure of certain lending arrangements may improve the Group's ability to recover borrowings, even in cases of heightened default risk.

The definition of default adopted by the Group is described in expected credit loss allowance for financial assets measured at amortised cost above. The Group has rebutted the presumption in IFRS 9 that default occurs no later than when a payment is 90 days past due on some of its portfolio.

The lifetime of an exposure – To derive the PDs necessary to calculate the ECL allowance it is necessary to estimate the expected life of each financial instrument. A range of approaches has been adopted across different product groupings including the full contractual life and taking into account behavioural factors such as early repayments and refinancing. The Group has defined the lifetime for each product by analysing the time taken for all losses to be observed and for a material proportion of the assets to fully resolve through either closure or write-off.

Significant increase in credit risk ("SICR") – Performing assets are classified as either Stage 1 or Stage 2. An ECL allowance equivalent to 12 months' expected credit losses is established against assets in Stage 1; assets classified as Stage 2 carry an ECL allowance equivalent to lifetime expected credit losses. Assets are transferred from Stage 1 to Stage 2 when there has been a SICR since initial recognition.

A number of the Group's loans are secured against underlying collateral. The Directors do not consider the value of this collateral when assessing whether there has been a significant increase in credit risk. However, the structure of certain lending arrangements may improve the Group's ability to recover borrowings, even in cases of heightened default risk, therefore influencing whether there has been a SICR

The Group uses a quantitative test together with qualitative indicators and a backstop of 30 days past due for determining whether there has been a SICR. The setting of precise trigger points combined with risk indicators requires judgement. The use of different trigger points may have a material impact upon the size of the ECL allowance.

Forward-looking information – IFRS 9 requires the incorporation of forward-looking macroeconomic information that is reasonable and supportable, but it provides limited guidance on how this should be performed. The measurement of expected credit losses is required to reflect an unbiased probability-weighted range of possible future outcomes.

In order to do this the Group uses a model to project a number of key variables to generate future economic scenarios. These are ranked according to severity of loss and three economic scenarios have been selected to represent an unbiased and full loss distribution. They represent a “most likely outcome” (the Base case scenario) and two, less likely, “outer” scenarios, referred to as the “Upside” and “Downside” scenarios. These scenarios are used to produce a weighted average PD for each product grouping which is used to calculate the related ECL allowance. This weighting scheme is deemed appropriate for the computation of unbiased ECL. Key scenario assumptions are set using external economist forecasts, helping to ensure the IFRS 9 scenarios are unbiased and maximise the use of independent information. Using externally available forecast distributions helps ensure independence in scenario construction. While key economic variables are set with reference to external distributional forecasts, the overall narrative of the scenarios is aligned to the macroeconomic risks faced by the Group at 31 December 2024.

The choice of alternative scenarios and probability weighting is a combination of quantitative analysis and judgemental assessments, designed to ensure that the full range of possible outcomes and material non-linearity are captured. Paths for the two outer scenarios are benchmarked to the Base scenario and reflect the economic risk assessment. Scenario probabilities reflect management judgement and are informed by data analysis of past recessions, transitions in and out of recession, and the current economic outlook. The key assumptions made, and the accompanying paths, represent management’s “best estimate” of a scenario at a specified probability. Suitable narratives are developed for the central scenario and the paths of the two outer scenarios. It may be insufficient to use three scenarios in certain economic environments. Additional analysis may be requested at management’s discretion, including the production of extra scenarios. We anticipate there will only be limited instances when the standard approach will not apply. The Base case, Upside and Downside scenarios are usually generated annually and those described herein reflect the conditions in place at the balance sheet date and are only updated during the period if economic conditions change significantly.

The Group’s mild upside scenario can be thought of as an alternative, more optimistic, base case in which several different upside risks materialise. In this scenario, the UK economy records growth of 1.4 per cent in 2025 and 1.7 per cent in 2026. The labour market recovers gradually, and the unemployment rate falls to its recent decade-low of 4.0 per cent by 2029. Supported by the turnaround in confidence, incomes and employment, residential house prices only see a mild fall in 2025-26 and recover thereafter. A sharp increase in consumption lifts financial market sentiment from its current levels resulting in renewed gains in asset prices.

The base case forecasts unemployment to peak at 4.4 per cent in December 2025, and the Bank of England base rate to reduce to 2.5 per cent by the end of 2028. The downside scenario forecasts unemployment to reach a peak of 6.7 per cent in late 2027 and remain relatively high thereafter, staying above 5.8 per cent over the entire forecast period. To counter the economic downturn, the downside scenario forecasts the base rate to fall more quickly to 1.8 per cent by December 2026.

The one-year forecast changes in key economic drivers are shown in the table below[5].

See Note 9 for a breakdown of IFRS 9 provisioning.

As at 31 December 2024	Base	Upside	Downside
UK unemployment rate yearly change	(0.03)%	(0.67)%	1.07%
UK HPI yearly change	1.19%	3.20%	(7.13)%
UK Base Rate yearly change	(1.00)%	0.52%	(1.85)%

[5] Source: Oxford Economics – IFRS 9 Macroeconomic Scenarios Service: UK Country Report Q4 2024

As at 31 December 2023	Base	Upside	Downside
UK unemployment rate yearly change	0.24%	(0.15%)	1.56%
UK HPI yearly change	(5.85%)	(2.32%)	(11.93%)
UK Base Rate yearly change	4.85%	5.75%	3.88%

Loss given default – referred to as LGD, represents the expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default. LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type:

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGDs are influenced by collection strategies, including contracted debt sales and price.

Exposure at default – referred to as EAD, is based on the amounts expected to be owed at the time of default, over the next 12 months or over the remaining lifetime. IFRS 9 requires an assumed draw down profile for committed amounts.

The Group also considers post-model adjustments to address model limitations or factors that have not been captured in the models. These represent the factors that are not fully accounted for as part of the modelling described above, such as potential uncertainty arising from the cost-of-living crisis and the current economic environment.

Equity Asset valuation

The valuation of unquoted investments and investments for which there is an inactive market is a key area of estimation and may cause material adjustment to the carrying value of those assets and liabilities. The unquoted Equity Assets are valued on a periodic basis using techniques including a market multiple approach, costs approach and/or income approach. The valuation process is collaborative, involving the finance and investment functions of the Group with the final valuations being reviewed by the Valuation Committee, which is a management-level Committee responsible for the oversight of the valuation of investments. The techniques used include earnings multiples, discounted cash flow analysis, the value of recent transactions and the net asset value of the investment. The valuations often reflect a synthesis of a number of different approaches in determining the final fair value estimate. The individual approach for each investment will vary depending on relevant factors that a market participant would take into account in pricing the asset. These might include the specific industry dynamics, the Investee's stage of development, profitability, growth prospects or risk as well as the rights associated with the particular security.

Increases or decreases in any of the inputs in isolation may result in higher or lower fair value measurements. Changes in fair value of all investments held at fair value, which includes Equity Assets are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. On disposal, realised gains and losses are also recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Transaction costs are included within gains or losses on investments held at fair value, although any related interest income, dividend income and finance costs are disclosed separately in the financial statements.

Sensitivity analysis has been performed on equity asset valuations in Note 10.

Impairment assessment for Goodwill

Goodwill is assessed for indicators of impairment at each reporting date and whenever there is an indication that the recoverable amount of a cash-generating unit ("CGU") is less than its carrying amount, and tested for impairment annually. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of CGUs is determined based on the higher of value-in-use and fair value less costs to sell. Key assumptions in the discounted cash flow projections are prepared based on current economic conditions and comprise an estimated long-term growth rate, the period over which future cashflows have been forecast, the weighted average cost of capital and estimated operating margins. Wherever possible, the inputs into the discounted cash flow projections used for the impairment test of goodwill are based on third party observable data.

Sensitivity analysis has been performed on the goodwill impairment assessment in Note 13.

Carried interest

Carried interest represents unrealised and realised shares of fund profits from holdings in carried interest partnerships where the Group receives variable returns as an incentive for management of the underlying funds. The realised amount is the amount actually received. For the unrealised performance, the amount recognised is determined against an assessment of the underlying investor returns exceeding an agreed threshold or hurdle, and is either accounted for under IFRS 9 (for carried interest partnerships acquired as part of the Combination) or under IFRS 15 (for non-acquired).

Movements in fair value, and amounts accrued as revenue under IFRS 15, are shown in the 'Carried interest and performance fee income' line on the Consolidated Statement of Profit or Loss and Other Comprehensive Income, with the outstanding balance shown in the 'Carried interest' line on the Consolidated Statement of Financial Position.

Carried interest at fair value is only recognised under IFRS 15 provided it has been determined as being highly probable that there will not be a significant reversal. The value of carried interest, under this method, has been modelled by assessing the value of the assets in the fund as well as the terms of the carried interest arrangements that the Group is a beneficiary of. The value of the assets have been discounted to ensure that it is highly probable that there will not be a significant reversal.

The discount applied for each fund depends on the stage and maturity profile of each fund, and therefore recognises the de-risking of the income over time, taking into account diversity of assets, whether there has been a recent market correction and the expected average remaining holding period.

If the discount rates were unwound to give the notional carried interest due to the Group based on unrealised fair value of investment in the relevant funds this would result in additional carried interest income of £13.1 million (2023: £5.2 million) being recognised.

Carried interest at fair value is modelled by estimating from the value of the funds' investments and the amount that would be due to the Group under the terms of the carried interest arrangements if the assets were realised at these values. Carried interest includes an embedded option where carried interest holders participate in gains but not losses of the fund subject to certain hurdles. The value of this option has been modelled using a variety of techniques, including the Black Scholes option valuation model and scenario analysis.

Sensitivity analysis has been performed on carried interest valuations in Note 14.

Judgements

The critical judgements relate to the consolidation of Group companies, the consolidation of fund investments and the accounting for carried interest partnerships.

Consolidation of Group companies

Determining whether the Group has control of an entity is generally straightforward when based on ownership of the majority of the voting capital. However, in certain instances, this determination will involve significant judgement, particularly in the case of structured entities where voting rights are often not the determining factor in decisions over the relevant activities. This judgement may involve assessing the purpose and design of the entity. It will also often be necessary to consider whether the Group, or another involved party with power over the relevant activities, is acting as a principal in its own right or as an agent on behalf of others.

Consolidation of fund investments

It was assessed throughout the period whether the Group should consolidate investments in funds managed or advised by the Group into the results of the Group. Control is determined by the extent of which the Group has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

The Group has assessed the legal nature of the relationships between the Group, the relevant fund, the General Partners and the LPs. This assessment included carrying out a control assessment of each LP in accordance with IFRS 10 to consider whether the LPs should be consolidated into the financial statements of the Group. The Group has determined that control over the LPs ultimately resides with the underlying fund majority investors and that the Group, through the Asset Manager, acts as an agent to the underlying fund majority investors and not as principal. The Group also determined that as the manager, the Group has the power to influence the returns generated by the fund, but the Group's interests typically represent only a small proportion of the total capital within each fund. The Group has therefore concluded that the Group acts as an agent, which is primarily engaged to act on behalf, and for the benefit, of the LPs rather than to act for its own benefit.

Accounting for carried interest partnerships

Carried interest represents unrealised and realised shares of fund profits from holdings in carried interest partnerships where the Group receives variable returns as an incentive for management of the underlying funds. The amount is determined by the level of accumulated profits exceeding an agreed threshold or hurdle. The rights are in the form of partnership interests in carried interest partnerships. The Group has between 1 and 25 per cent of the total interests in these partnerships.

The Group has undertaken a control assessment of each carried interest partnership in accordance with IFRS 10 to consider whether they should be consolidated into the Group's results. The Group has considered the nature of the relationships between the Group, the fund, the fund investors, the carried interest partnership and participants in the carried interest partnership. The Group has determined that the power to control the carried interest partnerships ultimately resides with the fund investors and that the Group is therefore an agent and not a principal. This is because the purpose and design of the carried interest partnerships and the carry rights in the fund are determined at the outset by each fund's Limited Partner Agreement ("LPA"), which requires investor agreement and reflects investor expectations to incentivise individuals to enhance performance of the underlying fund. While the Group has some power over the carried interest partnerships, these powers are limited and represent the best interests of all carried interest holders collectively and hence, these are assessed to be on behalf of the fund investors.

The Group has assessed the payments and the returns the carried interest holders make and receive from their investment in carried interest and have considered whether those carried interest holders, who are also employees of the Group, were providing a service for the benefit of the Group or the investors in the fund. The Group concluded that the carried interest represents a separate relationship between the fund investors and the individual employees and that the carried interest represents an investment requiring the individuals to put their own capital at risk and that, after an initial vesting period, continued rights to returns from the investment is not dictated by continuation of employment. As a result of this, distributions from these carried interest partnerships are not consolidated in the Group's Consolidated Statement of Profit or Loss.

In addition, the Group has also considered the variability of returns for all carried interest partnerships and in doing so have determined that the Group is exposed to variable returns in the range of 1 to 25 per cent as at 31 December 2024, with the main beneficiaries of the carried interest partnership variable returns being the other participants. The Group concluded that the carried interest partnership are not controlled by the Group and therefore should not be consolidated.

The Group has also assessed whether the Group has significant influence over the carried interest partnerships under IAS 28, Investments in Associates and Joint Ventures. Where the Group has a share of 20 per cent or more of the rights to the carried interest, the Group is considered to have significant influence and therefore these carried interest partnerships are treated as an associate.

4. Acquisition of Pollen Street Limited

On 24 January 2024, Pollen Street Group Limited was introduced as the new parent of Pollen Street Limited by way of a scheme of arrangement (the "Scheme"). Pollen Street Limited subsequently distributed the entire issued share capital in Pollen Street Capital Holdings Limited to Pollen Street Group Limited (the "Distribution", and together with the Scheme the "Reorganisation") on 14 February 2024.

Pollen Street Group Limited now has two wholly owned subsidiaries with a clear and operationally useful distinction between the businesses carried on by the Investment Company and the Asset Manager.

The Reorganisation does not change the operational activities of the overall business from a shareholder's perspective.

The Company controls Pollen Street Limited and Pollen Street Capital Holdings Limited with both entities being consolidated under the book-value method. This method applies retrospectively, meaning that the financial statements are restated as if the Reorganisation had occurred at the beginning of the earliest period presented. The assets and liabilities of the combining entities are recognised at their carrying amounts in the financial statements. No adjustments are made to reflect fair values or recognise any new assets or liabilities, except where necessary to align accounting policies.

The Group expensed £0.1 million of costs associated with the acquisition of Pollen Street Limited. The costs associated with the issuance of shares of £4.8 million were presented in Share Premium in the Consolidated Statement of Financial Position and Consolidated Statement of Changes in Shareholders' Funds.

The following table shows the value of the consideration, the purchase price allocation and the goodwill:

	Pollen Street Limited acquisition on 24 January 2024 £'000
Consideration	**571,269**
Purchase price allocation	
Net asset value	571,269
Intangibles	-
Subsidiary value	**571,269**
Goodwill	**-**

Consideration
The consideration for the acquisition of Pollen Street Limited was in the form of issuance of shares in Pollen Street Group Limited to the shareholders of Pollen Street Limited. The gross amount was £571.3 million. The number of shares issued on the acquisition date on 24 January 2024 was 64,209,595.

Subsidiary net asset value

The following table shows the breakdown of the Net Asset Value of Pollen Street Limited as at 24 January 2024:

	Pollen Street Limited as at 24 January 2024 £'000
Credit Assets at amortised cost	432,940
Investment Assets held at fair value through profit or loss	88,551
Investments in subsidiaries	239,027
Cash and cash equivalents	21,594
Trade and other receivables	6,310
Derivative assets held at fair value through profit or loss	429
Trade & other payables and current tax payable	(14,393)
Interest-bearing borrowings	(203,189)
Net asset value	571,269

Cash and cash equivalents

The cash and cash equivalents represents the value of the cash held at this date.

Trade and other receivables

The fair value of the trade and other receivables acquired were equal to the gross contractual amounts receivable. The main receivables consist of trade and other receivables balances, prepayments and accrued income. Receivable balances were represented by fees receivable for prepayments, investment fund management and advisory services. This includes investors in funds that are managed and advised by the Group; as such, detailed and up-to-date information on the financial position and outlook of its counterparties is available.

Credit Assets at amortised cost

The Credit Assets at amortised cost represents the value of the Credit Assets at amortised cost.

Investment Assets held at fair value through profit or loss

The Investments held at FVTPL include Equity Assets, Credit Assets and investments in Pollen Street managed Private Equity and Private Credit funds.

Carried interest

Carried interest comprises the share of the profits of managed third-party funds. The carried interest participations are defined and agreed with the LPs in each Fund's LPA. The exact measurement for the carried interest in different funds can differ, such as containing different hurdle rates and waterfalls.

Derivative financial assets

The derivative asset held at fair value through profit or loss are formed of open foreign exchange forward contracts to hedge foreign exchange movements in non-GBP assets or liabilities in order to minimise foreign exchange exposure.

Deferred tax

Deferred tax comprises of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Investments in subsidiaries

Investments in subsidiaries represents Pollen Street Limited's investment in Pollen Street Capital Holdings Limited and Sting Funding Limited, which is recorded at cost less provision for impairments.

Trade & other payables and tax payable

The main items of the payables acquired include corporation tax and general business accruals.

5. Operating segments

The Group has two operating segments: the Asset Manager segment and the Investment Company segment.

The Asset Manager segment incorporates the activities of the Group that provide investment management and investment advisory services to a range of funds under management within Private Equity and Private Credit strategies. The primary revenue streams for the Asset Manager segment consist of management fees, performance fees and carried interest. Fund management services are also provided to the Investment Company segment, however fees from these services are eliminated from the Group consolidated financial statements. Fund Management EBITDA in the Strategic Report is the Operating Profit of the Asset Manager segment adjusted for the depreciation of the lease asset.

The Investment Company segment holds the Investment Assets of the Group. The primary revenue stream for this segment is interest income and fair value gains on the Investment Asset portfolio. The Operating Profit of the Investment Company segment is referred to as the Income on Net Investment Assets in the Strategic Report.

The following tables show the consolidated operating segments profit and loss movements for their respective years:

	For the year ended 31 December 2024			
Group	Asset Manager £'000	Investment Company £'000	Central £'000	Total £'000
Management fee income	49,600	-	(5,193)	44,407
Catch-up management fee income	5,875	-	-	5,875
Carried interest and performance fee income	11,320	-	(3,534)	7,786
Interest income on Credit Assets held at amortised cost	-	41,380	-	41,380
Gains on Investment Assets held at fair value[6]	-	18,998	-	18,998
Total income	**66,795**	**60,378**	**(8,727)**	**118,446**
Expected credit loss charge	-	(593)	-	(593)
Third-party servicing costs	-	(1,177)	-	(1,177)
Net operating income	**66,795**	**58,608**	**(8,727)**	**116,676**
Administration costs	(39,386)	(10,467)	7,922	(41,931)
Finance costs	(235)	(16,352)	-	(16,587)
Operating profit	**27,174**	**31,789**	**(805)**	**58,158**
Depreciation	(1,730)	-	-	(1,730)
Amortisation	-	-	(640)	(640)
Profit before tax	**25,444**	**31,789**	**(1,445)**	**55,788**

[6] The 'Gains on Investment Assets held at fair value' includes £0.3 million (2023: £0.6 million) from unrealised foreign exchange gains and realised & unrealised derivative gains, which are not included in Note 10.

	For the year ended 31 December 2023			
Group	Asset Manager £'000	Investment Company £'000	Central £'000	Total £'000
Management fee income	34,332	-	(5,420)	28,912
Carried interest and performance fee income	14,831	-	(3,351)	11,480
Interest income on Credit Assets held at amortised cost	-	57,668	-	57,668
Gains on Investment Assets held at fair value	-	5,102	-	5,102
Total income	**49,163**	**62,770**	**(8,771)**	**103,162**
Expected credit loss release	-	970	-	970
Third-party servicing costs	-	(2,374)	-	(2,374)
Net operating income	**49,163**	**61,366**	**(8,771)**	**101,758**
Administration costs	(33,026)	(10,833)	7,168	(36,691)
Finance costs	(230)	(20,360)	-	(20,590)
Operating profit	**15,907**	**30,173**	**(1,603)**	**44,477**
Depreciation	(1,233)	-	-	(1,233)
Amortisation	-	-	(640)	(640)
Profit before tax	**14,674**	**30,173**	**(2,243)**	**42,604**

Asset Manager EBITDA	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Operating profit of the Asset Manager	27,174	15,907
Depreciation of lease asset[7]	(1,451)	(959)
Fund Management EBITDA	**25,723**	**14,948**
Fund Management EBITDA Margin	**39%**	**30%**

Investment Company Returns	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Income on Net Investment Assets	31,789	30,173
Average Net Investment Assets	330,125	344,275
Return on Net Investment Assets	**9.6%**	**8.8%**

[7] Fund Management EBITDA is calculated by deducting the charge for the lease asset depreciation from the statutory operating profit of the Asset Manager as this charge is reported as depreciation of a right-of-use asset and financing costs under IFRS 16. The Fund Management EBITDA Margin is calculated by dividing the Fund Management EBITDA by the Fund Management Income.

All of the Credit Assets at amortised cost were held within the Investment Company segment and held by Pollen Street Limited, Pollen Street Investments Limited and Sting Funding Limited at year end . The Investment Assets held at fair value through profit or loss as at 31 December 2024 were £194.2 million (2023: £88.2 million), of which £194.2 million (2023: £88.2 million) were held within the Investment Company segment and held by Pollen Street Limited and Pollen Street Investments Limited, and no Investment Assets (2023: nil) were held within Pollen Street Capital Holdings Limited and its subsidiaries. The Gains on Investment Assets at fair value includes both realised and unrealised income.

Income

Management fee income represents all income in the form of management fees arising in the Asset Manager. Carried interest and performance fee income includes income earned by the Asset Manager that is in the form of a performance fee or the carried interest share from the funds under management. Interest income relates to income earned by the Investment Company on loans provided to third parties. Gains/(losses) on Investment Assets held at fair value include revenue earned by the Group on its Investment Asset portfolio.

There was realised carried interest of nil (2023: £1.2 million). The remaining carried interest income was unrealised.

For the Company, income is made up of dividend income of £39.0 million (2023: nil) received from subsidiaries and from costs of £1.5 million (2023: £0.1 million) that are charged to the Investment Company and the Asset Manager.

Expenses

Estimated credit losses relate to any charges/(releases) on the assets held at amortised cost within the Investment Company. Administrative costs include employee expenses such as salaries, bonuses and any employee benefits costs incurred by the Asset Manager.

The following table shows the fees payable to the Company's auditor PricewaterhouseCoopers LLP ("PwC"):

Group	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Fees for the audit of the Company and Group financial statements	640	624
Fees for the statutory audits of the subsidiaries	275	262
Audit related assurance services	38	855
Non-audit fees	-	55
Total	**953**	**1,796**

The audit related assurance services for the current year relate to client assets audit of a subsidiary. The audit related assurance services and non-audit fees for the year ended 31 December 2023 were in relation to work performed by PwC as Reporting Accountants in relation to historical financial information of the Group as part of the Reorganisation.

Central

The Central column consists primarily of the elimination of inter-segment fees, which are fees charged by the Asset Manager to the Investment Company, exceptional costs and the amortisation of intangibles acquired as part of the business combination.

6. Employees

The following tables show the average monthly number of employees and the Directors during the year.

Group – Average number of staff	For the year ended 31 December 2024	For the year ended 31 December 2023
Directors	7	7
Professional staff	86	82
Total	**93**	**89**

Company – Average number of staff	For the year ended 31 December 2024	For the year ended 31 December 2023
Directors	7	7
Total	**7**	**7**

There were no employees in the Company throughout the year (2023: nil) and the Company had 6 Directors as at 31 December 2024 (2023: 7). The Group had a total of 88 employees as at 31 December 2024 (2023: 84).

The following table shows the total staff costs incurred during the year. This includes the Group's five Non-Executive Directors of Pollen Street Group Limited (2023: five). The total number of employees and Directors as at 31 December 2024 was 94 (2023: 91).

Group	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Staff costs		
Wages and salaries	27,135	23,534
Social security costs	4,432	3,719
Defined contribution pension cost	173	148
Total	**31,740**	**27,401**

Wages and salaries include the expense recognised in relation to awards under the Group's deferred bonus plan.

7. Corporation tax

a) Tax expense

The tax charge for the Group for the year was £6.2 million (2023: £2.7 million). The Company incurred no tax during the year (2023: nil).

Group	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Current tax expenses		
UK corporation tax charge for the year	3,078	385
Prior year adjustment	38	(137)
Total current tax	**3,116**	**248**
Deferred tax expense		
Origination and reversal of timing differences	2,676	2,373
Changes in tax rate for deferred tax	-	152
Prior year adjustment	398	(109)
Total deferred tax	**3,074**	**2,416**
Total tax charge	**6,190**	**2,664**

The Company incurred no tax expense during the year (2023: nil).

b) Factors affecting taxation charge for the year

The taxation charge for the year is based on the standard rate of UK corporation tax of 25 per cent from 1 April 2024 (2023: 23.52 per cent). A reconciliation of the taxation charge for the year is based on the standard rate of UK corporation tax to the actual taxation charge is shown below.

The effective tax rate for the year ended 31 December 2024 is 11.1% (2023: 6.3%). The tax on profit before tax is different to the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%) primarily due to timing differences on taxation of management fee income and tax losses carried forward in the UK due to certain forms of income that are not subject to UK corporation tax.

Group	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Profit before taxation	55,788	42,604
Profit before taxation multiplied by the standard rate of UK Corporation tax (25.0%) (2023: 23.5%)	13,947	10,020
Effects of:		
Interest distributions paid	-	(7,549)
Non-taxable and non-deductible items	(3,427)	(949)
Origination and reversal of timing differences	1,871	1,257
Recognition of previously unrecognised losses	(6,568)	-
Changes in tax rate for deferred tax	-	127
Other permanent differences	(89)	-
Fixed asset differences	21	4
Prior year adjustment	435	(246)
Total tax charge	**6,190**	**2,664**

c) Deferred tax asset and liability

Following the Reorganisation that occurred on 24 January 2024, Pollen Street Limited ceased to be classified as an investment trust under Section 1158 of the Corporation Tax Act 2010. As such Pollen Street Limited now incurs corporation tax but is also able to recognise a deferred tax asset in respect of unused tax losses. The origination of the deferred tax asset in the current year has resulted in a tax credit.

The following table shows the deferred tax asset and liability for the year:

	For the year ended 31 December 2024			For the year ended 31 December 2023		
Group	Deferred tax asset £'000	Deferred tax liability £'000	Total £'000	Deferred tax asset £'000	Deferred tax liability £'000	Total £'000
Opening balance	-	(3,093)	(3,093)	-	(94)	(94)
Prior year adjustment	-	(242)	(242)	-	(26)	(26)
Credit / (charge) to profit or loss	3,256	(5,531)	(2,275)	-	(2,508)	(2,508)
Deferred tax adjustment	-	-	-	-	(465)	(465)
Closing balance	**3,256**	**(8,866)**	**(5,610)**	**-**	**(3,093)**	**(3,093)**

The deferred tax asset in respect of short-term timing differences and carried forward losses of £9.3 million is expected to crystallise fully in 2025. The deferred tax liability in respect of the recognition of fair value gains within the Investment Company and carried interest in the Asset Manager will crystallise as the realised gain from these begins to flow to the Group in the medium term.

8. Earnings per Share

The table below shows the Group’s earnings per share for the year ended 31 December 2024:

Group	For the year ended 31 December 2024	For the year ended 31 December 2023
Profit after tax (£’000)	49,598	39,940
Average number of shares (‘000)	62,977	64,210
Earnings per ordinary share	**78.8 pence**	**62.2 pence**

9. Credit Assets at amortised cost

a) Credit Assets at amortised cost

The disclosure below presents the gross carrying value of financial instruments and the associated allowance for ECL provision under IFRS. See Notes 2 and 3 for more detail on the allowance for ECL.

			As at 31 December 2024			As at 31 December 2023
Group	Gross Carrying Amount £'000	Allowance for ECL £'000	Net Carrying Amount £'000	Gross Carrying Amount £'000	Allowance for ECL £'000	Net Carrying Amount £'000
Credit Assets at amortised cost						
Stage 1	283,226	(596)	282,630	411,491	(693)	410,798
Stage 2	15,785	(368)	15,417	21,527	(576)	20,951
Stage 3	19,316	(7,940)	11,376	19,783	(7,042)	12,741
Closing balance	**318,327**	**(8,904)**	**309,423**	**452,801**	**(8,311)**	**444,490**

The Company has no Credit Assets at amortised cost (2023: nil).

The reduction in Credit Assets at amortised cost is driven by the rotation of the portfolio to focus on investing in Pollen Street managed funds from direct investments.

The following table analyses ECL by staging for the Group:

	For the year ended 31 December 2024			
Group	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 1 January 2024	693	576	7,042	8,311
Movement from stage 1 to stage 2	(2)	90	-	88
Movement from stage 1 to stage 3	(1)	-	280	279
Movement from stage 2 to stage 1	-	(75)	-	(75)
Movement from stage 2 to stage 3	-	(101)	173	72
Movement from stage 3 to stage 1	-	-	(104)	(104)
Movement from stage 3 to stage 2	-	15	(66)	(51)
Movements within stage	(12)	(3)	752	737
Decreases due to repayments	(241)	(38)	(234)	(513)
Remeasurements due to modelling	159	(96)	97	160
Allowance for ECL as at 31 December 2024	**596**	**368**	**7,940**	**8,904**

Group	For the year ended 31 December 2023			
	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 1 January 2023	1,013	678	7,590	9,281
Movement from stage 1 to stage 2	(75)	235	-	160
Movement from stage 1 to stage 3	(202)	-	468	266
Movement from stage 2 to stage 1	2	(150)	-	(148)
Movement from stage 2 to stage 3	-	(156)	335	179
Movement from stage 3 to stage 1	-	-	(124)	(124)
Movement from stage 3 to stage 2	-	60	(150)	(90)
Decreases due to repayments	-	(24)	(274)	(298)
Remeasurements due to modelling	(45)	(67)	(803)	(915)
Allowance for ECL as at 31 December 2023	**693**	**576**	**7,042**	**8,311**

b) Expected Credit Loss allowance for IFRS 9

Under the IFRS 9 expected credit loss model, impairment provisions are driven by changes in credit risk of instruments, with a provision for lifetime expected credit losses recognised where the risk of default of an instrument has increased significantly since initial recognition.

The following table analyses ECL by staging for the Group:

Group	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
As at 1 January	8,311	9,281
Release for period – Stage 1	(97)	(300)
Release for period – Stage 2	(208)	(21)
Charge / (release) for period – Stage 3	898	(649)
Charge / (release) for period	**593**	**(970)**
Loans sold & write-offs	-	-
Allowance for ECL	**8,904**	**8,311**

Measurement uncertainty and sensitivity analysis of ECL

The recognition and measurement of ECL is highly complex and involves the use of significant judgement and estimation. This includes the formulation and incorporation of multiple forward-looking economic conditions into ECL to meet the measurement objective of IFRS 9.

The Group has adopted the use of three economic scenarios, representative of Oxford Economics view of forecast economic conditions, sufficient to calculate an unbiased ECL. They represent a "most likely outcome", the Base scenario, and two, less likely, outer scenarios, referred to as the "Upside" and "Downside" scenarios.

The ECL recognised in these financial statements reflects the effect on expected credit losses of a range of possible outcomes, calculated on a probability-weighted basis, based on the economic scenarios described in Note 3, including management overlays where required. The probability-weighted amount is typically a higher number than would result from using only the Base (most likely) economic scenario. ECLs typically have a non-linear relationship to the many factors which influence credit losses, such that more favourable macroeconomic factors do not reduce defaults as much as less favourable macroeconomic factors increase defaults. The ECL calculated for each of the scenarios represent range of possible outcomes that have been evaluated to estimate ECL. As a result, the ECL calculated for the Upside and Downside scenarios should not be taken to represent the upper and lower limits of possible actual ECL outcomes. There is a high degree of estimation uncertainty in numbers representing tail risk scenarios when assigned a 100 per cent weight. A wider range of possible ECL outcomes reflects uncertainty about the distribution of economic conditions and does not necessarily mean that credit risk on the associated loans is higher than for loans where the distribution of possible future economic conditions is narrower.

For Stage 3 impaired loans, LGD estimates consider independent recovery valuations provided by external valuers where available, or internal forecasts corresponding to anticipated economic conditions.

Analysis shows that the ECL would have been £0.5 million higher, as at 31 December 2024 (2023: £0.6 million higher), if the weighting of the scenarios were changed to allocate a 100 per cent weight to the downside scenario. The sensitivity of the ECL has been further analysed by assessing the impact of £10.0 million of portfolio Credit Assets at amortised cost moving from Stage 1 to Stage 2 based on the ECL coverage of the loan book at the reporting date. The analysis shows that the ECL would have been £0.2 million higher (2023: £0.6 million higher) under this sensitivity as the provision coverage increases from Stage 1 to Stage 2.

c) Disposals of Credit Assets at amortised cost

The Group did not dispose of any assets for the year ended 31 December 2024 (2023: nil) and so no profit or loss on disposal was recorded during the year (2023: nil).

d) Geographical analysis

The Group had the following geographical exposures of its Credit Assets at amortised cost in GBP equivalent:

Group	As at 31 December 2024 £'000	As at 31 December 2023 £'000
UK	281,702	402,428
Europe	27,721	42,062
Total	**309,423**	**444,490**

The majority of revenue was obtained in the UK. For the year ended 31 December 2024, the Group earned revenues from European Credit Assets of GBP equivalent 3.7 million (2023: GBP equivalent 5.4 million).

10. Investment Assets at fair value through profit or loss

a) Investment Assets at fair value through profit or loss

The following table shows the total Investment Assets at fair value through profit or loss of the Group, which includes both Equity Assets and Credit Assets for the year ended 31 December 2024.

	For the year ended 31 December 2024		
Group	Equity Assets £'000	Credit Assets £'000	Total £'000
Opening balance	26,839	61,381	88,220
Additions at cost	45,172	49,812	94,984
Realisations	(168)	(8,021)	(8,189)
Unrealised gains through profit or loss	11,541	1,330	12,871
Realised gains through profit or loss	-	5,813	5,813
Foreign exchange revaluation	-	477	477
Closing balance	**83,384**	**110,792**	**194,176**
Comprising:			
Valued using net asset value	43,916	85,115	129,031
Valued using an earnings multiple	15,385	-	15,385
Valued using a discounted cash flow	1,360	25,677	27,037
Valued using a liquidity discount	22,723	-	22,723
Closing balance	**83,384**	**110,792**	**194,176**

For the Group as at 31 December 2023:

	For the year ended 31 December 2023		
Group	Equity Assets £'000	Credit Assets £'000	Total £'000
Opening balance	16,449	48,057	64,506
Additions at cost	10,390	33,837	44,227
Realisations	-	(25,682)	(25,682)
Unrealised gains through profit or loss	-	2,912	2,912
Realised gains through profit or loss	-	2,747	2,747
Foreign exchange revaluation	-	(490)	(490)
Closing balance	**26,839**	**61,381**	**88,220**
Comprising:			
Valued using net asset value	11,180	48,824	60,004
Valued using an earnings multiple	14,300	-	14,300
Valued using a discounted cash flow	1,359	12,557	13,916
Closing balance	**26,839**	**61,381**	**88,220**

The Company has no Investment Assets at fair value through profit or loss (2023: nil).

b) Fair value classification of total Investment Assets

The Group Investment Assets at fair value through profit or loss are classified as level 3 assets with a value as at 31 December 2024 of £194.2 million (2023: £88.2 million). There were no movements for the Group (2023: no movements) between the fair value hierarchies during the year.

c) Sensitivity analysis of assets at fair value through profit or loss

The investments are in Equity Assets, Private Equity Funds and Private Credit Funds, which are valued using different techniques, including net asset value ("NAV"), earnings multiple, discounted cash flows ("DCF"), recent transactions and a market approach. Sensitivity to the quantitative information regarding the unobservable inputs for the Group's Level 3 positions as at 31 December 2024 and 31 December 2023 is given below:

Valuation technique	Sensitivity applied	As at 31 December 2024 £'000 Impact of sensitivity	As at 31 December 2023 £'000 Impact of sensitivity
Net asset value	NAV changed by 10%	12,903	6,000
Earnings multiple	Earnings multiple changed by 1x	1,296	1,156
Discounted cash flow	Cash flows changed by 10%	2,704	1,392
Liquidity discount	Discount changed by 10%	2,840	-

d) Financial assets and liabilities not carried at fair value but for which fair value is disclosed

For the Group as at 31 December 2024:

	Carrying Value	Fair Value			
Group	£'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets					
Credit Assets at amortised cost	309,423	-	-	317,629	317,629
Carried interest receivable	1,365	-	-	1,365	1,365
Trade and other receivables	35,542	-	35,542	-	35,542
Cash and cash equivalents	11,195	11,195	-	-	11,195
Total assets	**357,525**	**11,195**	**35,542**	**318,994**	**365,731**
Liabilities					
Trade and other payables	(29,249)	-	(29,249)	-	(29,249)
Interest-bearing liabilities	(188,265)	-	(188,265)	-	(188,265)
Total liabilities	**(217,514)**	**-**	**(217,514)**	**-**	**(217,514)**

For the Group as at 31 December 2023:

	Carrying Value	Fair Value			
Group	£'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets					
Credit Assets at amortised cost	444,490	-	-	454,254	454,254
Carried interest receivable	1,365	-	-	1,365	1,365
Trade and other receivables	17,942	-	17,942	-	17,942
Cash and cash equivalents	19,746	19,746	-	-	19,746
Total assets	**483,543**	**19,746**	**17,942**	**455,619**	**493,307**
Liabilities					
Trade and other payables	(19,149)	-	(19,149)	-	(19,149)
Interest-bearing liabilities	(210,764)	-	(210,764)	-	(210,764)
Total liabilities	**(229,913)**	**-**	**(229,913)**	**-**	**(229,913)**

Note 9 provides further details of the loans at amortised cost held by the Group.

The fair value of the receivable and payable balances approximates their carrying amounts due to the short-term nature of the balances. The Group considers that the carrying values of these receivables and payables approximate their fair value.

e) Geographical analysis

The Group had the following geographical exposures of its Investment Assets held at fair value through profit or loss in GBP equivalent:

Group	As at 31 December 2024 £'000	As at 31 December 2023 £'000
UK	52,992	27,333
Europe	127,582	60,887
USA	13,602	-
Total	**194,176**	**88,220**

The majority of revenue was obtained in the UK. For the year ended 31 December 2024, the Group earned revenues from US and European Investment Assets of GBP equivalent 14.6 million (2023: GBP equivalent 5.0 million).

11. Fixed assets

The table below sets out the movement in fixed assets for the Group during the year.

Group	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Cost		
Opening balance	1,607	1,470
Additions	156	137
Closing balance	**1,763**	**1,607**
Accumulated depreciation		
Opening balance	(330)	(56)
Depreciation expense	(284)	(274)
Closing balance	**(614)**	**(330)**
Net book value	**1,149**	**1,277**

The Group's fixed assets comprise of fixtures and fittings, office equipment and electric vehicles.

The Company has no fixed assets (2023: nil).

12. Leases

The Group leases include office premises where the Group is a tenant which include fixed periodic rental payments over the fixed lease terms of no more than five years remaining from the reporting date. The total cash outflow during the year in relation to leases was £1.6 million (2023: £1.4 million).

Set out below are the carrying amounts of lease assets recognised and the movements during the year.

Group – Lease assets	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Cost		
Opening balance	4,873	5,042
Remeasurement due to lease modification	2,494	-
Lease maturity	-	(169)
Closing balance	**7,367**	**4,873**
Accumulated depreciation		
Opening balance	(1,056)	(266)
Depreciation expense	(1,451)	(959)
Lease maturity	-	169
Closing balance	**(2,507)**	**(1,056)**
Net book value	**4,860**	**3,817**

The table below shows the provision for restoration costs on lease contracts which has been recognised as part of the lease assets acquired:

Group – Lease provision	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Opening balance	82	99
Unwinding of discount	5	1
Lease maturity	-	(18)
Closing balance	**87**	**82**

Set out below are the carrying amounts of lease liabilities and the movements during the year.

Group – Lease liabilities	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Opening balance	4,152	5,268
Remeasurement due to lease modification	2,309	-
Accretion of interest	235	229
Payments	(1,564)	(1,345)
Closing balance	**5,132**	**4,152**

Remeasurement due to lease modification

During the year ended 31 December 2024, the Group's office lease underwent a rent review, resulting in an increase in quarterly lease payments from £325,000 to £390,953. This change necessitated a remeasurement of the lease liability and right-of-use asset in accordance with IFRS 16. The remeasurement resulted in an increase of £2.5 million to the lease asset and £2.3 million to the lease liability. This adjustment reflects the present value of the revised lease payments for the remaining lease term, discounted using the original discount rate determined at the lease commencement date.

The table below shows the lease liabilities by maturity:

Group – Lease liabilities	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Current	1,376	1,402
Non-current	3,756	2,750
Closing balance	**5,132**	**4,152**

The following are the amounts recognised in the Consolidated Statement of Profit or Loss:

Group – Amounts recognised in profit or loss	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Depreciation expense	1,451	959
Finance costs – Lease liability interest	235	229
Finance costs – Unwinding of discount	5	1
Closing balance	**1,691**	**1,189**

The incremental borrowing rate ("IBR") has been estimated based on what the lessee would have to pay to borrow over a similar term as the leases at origination of the lease. The rate of the IBR is in line with the interest margin payable on the Group's debt facilities. If the IBR had been 1 per cent higher or lower, the impact on the lease liabilities would be as follows:

Group	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Lease assets		
Increase IBR by 1%	(113)	(210)
Decrease IBR by 1%	183	226
Lease liabilities		
Increase IBR by 1%	(90)	(110)
Decrease IBR by 1%	214	114

The Company has no lease assets or lease liabilities (2023: nil).

13. Goodwill and intangible assets

The following tables show the goodwill and intangible assets held by the Group for their respective periods:

	For the year ended 31 December 2024			For the year ended 31 December 2023		
Group	Goodwill £'000	Intangibles £'000	Total £'000	Goodwill £'000	Intangibles £'000	Total £'000
Cost						
Opening balance	224,540	4,000	228,540	227,191	4,000	231,191
Transfer to reserves	-	-	-	(2,651)	-	(2,651)
Closing balance	**224,540**	**4,000**	**228,540**	**224,540**	**4,000**	**228,540**
Amortisation						
Opening balance	-	(800)	(800)	-	(160)	(160)
Amortisation	-	(640)	(640)	-	(640)	(640)
Closing balance	**-**	**(1,440)**	**(1,440)**	**-**	**(800)**	**(800)**
Net book value	**224,540**	**2,560**	**227,100**	**224,540**	**3,200**	**227,740**

Goodwill

a) Impairment testing

Goodwill is calculated as the consideration for an acquisition less the value of the assets acquired. The goodwill relates to the acquisition of 100 per cent of the share capital of Pollen Street Capital Holdings Limited ("PSCHL") by Pollen Street Limited ("PSL") on 30 September 2022. The goodwill recognised was made up of one cash-generating unit, which includes future management and performance fees.

As per the requirements of IAS 36 "Impairment of assets", goodwill is tested for impairment annually. The goodwill recognised as part of the acquisition above is compared to a financial model used to estimate the value in use ("VIU") of PSCHL. The value in use involves identifying the cashflows associated with the revenue streams of PSCHL and carrying out a forecast of future cashflows that are discounted back to their net present value based on discount rates obtained from relevant industry comparable information.

Goodwill was tested for impairment on 31 December 2024 and no impairment was identified (2023: no impairment identified). The cashflows have been forecast four years into the future (2023: five years), where the final year is assigned a terminal value. The value in use of goodwill was £328 million (2023: £296 million) which is £103 million (2023: £71 million) above the goodwill value of £225 million (2023: £225 million) presented by the Group. The value in use model has a number of assumptions; the most significant assumptions are the future income projections that are based on PSCHL's forecast profit after tax, the discount rate used of 12.7 per cent (2023: 12.4 per cent), and the long-term growth rate of 3.9 per cent (2023: 3.6 per cent).

The future cashflow projections are based on management's best estimate using historical performance and third-party data and applying assumptions to future potential funds.

b) Sensitivities of key assumptions in calculating VIU

As at 31 December 2024, significant headroom is noted, and therefore no impairment is identified (2023: nil). The future income projections would need to fall short of its projected profit margins by over 31.5 per cent (2023: 23.3 per cent) over the period 2025 to 2028 (2023: 2024 to 2028) for the goodwill to be impaired. Alternatively, the discount rate would have to increase by 357 bps (2023: 350 bps) or the long-term growth rate would have to decrease by 500 bps (2023: 350 bps) for the goodwill to be impaired.

Intangible assets

The intangible assets arose as part of the acquisition and represents existing customer relationships of PSCHL. The intangible assets have a finite life, which is estimated to be up to the end of 2028, and so the intangibles are amortised on a straight-line basis up to the end of 2028 and are included in Administration costs on the statement of profit or loss and other comprehensive income. See Notes 2 and 4 for further information on intangible assets.

14. Carried interest assets

The following table shows the total value of the carried interest held by the Group, which includes both the carried interest at fair value through profit or loss and the carried interest receivable:

Group	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Carried interest at fair value	23,708	15,967
Carried interest receivable	1,365	1,365
Closing balance	**25,073**	**17,332**

The Company has no carried interest entitlement (2023: nil).

Carried interest assets at fair value through profit or loss

a) Movements during the year

Group	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Opening balance	15,967	6,495
Net changes in fair value movement	7,741	10,672
Realised proceeds	-	(1,200)
Closing balance	**23,708**	**15,967**

b) Fair value classification of carried interest at fair value through profit or loss

Carried Interest at fair value through profit or loss is classified as a level 3 asset with a value as at 31 December 2024 of £23.7 million (2023: £16.0 million). There were no movements between the fair value hierarchies during the year (2023: no movements).

c) Sensitivity analysis of carried interest at fair value through profit or loss

The table below is the sensitivity impact on the inputs applied to the carried interest assets at FVTPL. The sensitivity parameters are considered reasonable assumptions in the movement in inputs:

		As at 31 December 2024		As at 31 December 2023	
Valuation Parameter	Sensitivity applied	Increase £'000	Decrease £'000	Increase £'000	Decrease £'000
Fund NAV	+/- 10%	5,874	(4,886)	4,450	(4,349)
Option volatility	+/- 10%	1,696	(504)	1,302	(716)
Option time to maturity	+/- 1 Year	2,086	(1,819)	1,532	(1,714)
Option risk free rate	+/- 1%	829	(384)	477	(475)

Carried interest receivable

Movements during the year

Group	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Opening balance	1,365	557
Carried interest income recognised in the profit or loss	-	808
Closing balance	**1,365**	**1,365**

15. Trade and other receivables

The table below sets out a breakdown of the Group receivables:

Group	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Management and performance fees	17,762	6,496
Amounts due from debtors	50	4,555
Prepayments and other receivables	17,730	6,891
Closing balance	**35,542**	**17,942**

The receivables do not carry any interest and are short term in nature. The Group considers that the carrying values of these receivables approximate their fair value. There were no expected credit losses on receivables recorded during the year (2023: nil).

The table below sets out a breakdown of the Company receivables:

Company	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Amounts due from debtors	1,486	108
Promissory note	22,500	-
Closing balance	**23,986**	**108**

The receivables in the Company include an amount due from Pollen Street Limited of £1.4 million (2023: £0.1 million) and to Pollen Street Capital Holdings Limited of £74k (2023: nil). There were no expected credit losses on receivables recorded during the year (2023: nil).

16. Derivative financial assets & liabilities

The table below presents the movement in the undiscounted notional values of the foreign exchange forward contracts for the Group:

Group	For the year ended 31 December 2024		For the year ended 31 December 2023	
	EUR £'000	USD £'000	EUR £'000	USD £'000
Opening notional balance	42,987	19,360	45,560	19,683
Net movement in notional value	(14,215)	24,162	(2,573)	(323)
Closing notional balance	**28,772**	**43,522**	**42,987**	**19,360**

The Company has no derivative financial assets (2023: nil).

The table below presents the mark to market of the foreign exchange forward contracts as at the end of the year for the Group:

Group	For the year ended 31 December 2024			For the year ended 31 December 2023		
	EUR £'000	USD £'000	Total £'000	EUR £'000	USD £'000	Total £'000
Opening balance	(191)	12	(179)	(839)	(77)	(916)
Fair value movement	219	(1,507)	(1,288)	648	89	737
Closing balance	**28**	**(1,495)**	**(1,467)**	**(191)**	**12**	**(179)**

The fair value for the forward contracts is based on the forward rate curves for the respective currencies. The maturity date for derivatives that were held as at 31 December 2024 was less than one year (2023: less than one year). The mark-to-market value is presented in the Derivative Financial Liabilities line on the statement of financial position.

Fair value classification of derivatives

The Group derivatives are classified as level 2 in the fair value hierarchy with a GBP equivalent value on 31 December 2024 of £(1.5) million (2023: £(0.2) million). There were no movements between the fair value hierarchies during the year. The derivatives are valued using market forward rates and are contracts with a third party so are not traded on an exchange.

17. Interest-bearing borrowings

The table below sets out a breakdown of the Group's interest-bearing borrowings.

Group	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Current liabilities		
Credit facility	-	132,493
Interest and commitment fees	218	437
Prepaid interest and commitment fees	280	(192)
Total current liabilities	**498**	**132,738**
Non-current liabilities		
Credit facility	190,500	78,026
Prepaid interest and commitment fees	(2,733)	-
Total non-current liabilities	**187,767**	**78,026**
Total interest-bearing borrowings	**188,265**	**210,764**

On 10 June 2024, the Group refinanced its debt facility, this was subsequently upsized on 13 December 2024 to £240 million, being a £120 million term loan and £120 million revolving credit facility. The previous debt facility had a £170 million term loan and £30 million revolving credit facility. As at 31 December 2024, the new debt facility was drawn £190.5 million, being £120 million on the term loan and £70.5 million on the revolving credit facility. This debt facility is charged interest at SONIA plus a margin and matures in June 2028.

As at 31 December 2024, the Group had fully repaid and extinguished all liabilities in relation to its two amortising term loans previously secured against SME facilities which were fully repaid on 13 December 2024 and 16 December 2024.

The Company has no interest-bearing borrowings (2023: nil).

The table below shows the related debt costs incurred by the Group during the year:

Group	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Interest and commitment fees	15,762	19,141
Other finance charges	825	1,449
Total finance costs	**16,587**	**20,590**

The table below shows the movements in interest-bearing borrowings of the Group. Drawdowns and repayments of interest-bearing borrowings on revolving facilities are shown gross.

Group	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Opening balance	210,764	263,633
Drawdowns of interest-bearing borrowings	240,500	37,000
Repayments of interest-bearing borrowing	(260,519)	(91,094)
Origination and legal fees	(2,880)	-
Finance costs	16,351	20,360
Interest paid on financing activities	(15,951)	(19,135)
Closing balance	**188,265**	**210,764**

The tables below analyse the Group's financial liabilities into relevant maturity groupings.

	As at 31 December 2024			
Group	<1 year £'000	1 – 5 years £'000	More than 5 years £'000	Total £'000
Credit facility	-	187,767	-	187,767
Interest and commitment fees	498	-	-	498
Total exposure	**498**	**187,767**	**-**	**188,265**

	As at 31 December 2023			
Group	<1 year £'000	1 – 5 years £'000	More than 5 years £'000	Total £'000
Credit facility	132,493	74,912	3,114	210,519
Interest and commitment fees	245	-	-	245
Total exposure	**132,738**	**74,912**	**3,114**	**210,764**

18. Trade and other payables

The table below set out a breakdown of the Group payables:

Group	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Staff salaries and bonuses	16,282	12,935
Audit fee accruals	953	1,059
Deferred income and other payables	12,014	5,155
Closing balance	**29,249**	**19,149**

The table below sets out a breakdown of the Company payables:

Company	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Amounts due to creditors	28,153	-
Deferred income and other payables	1,014	108
Closing balance	**29,167**	**108**

The payables in the Company include an amount due to Pollen Street Limited of £28.1 million (2023: nil) and to Pollen Street Capital Holdings Limited of £43k (2023: nil).

19. Financial risk management

This Note details the management of financial risk and includes quantitative data on specific financial risks.

The Group has a comprehensive risk management framework that includes risk appetite statements, risk policies, procedures, a committee oversight structure, a risk register, risk reporting, monitoring and risk controls. Further details can be found in the Risk Management section. The Board maintains oversight of this framework through the Board Risk Committee.

The most significant financial risks that the Group is exposed to are credit risk, market risk, capital management and liquidity risk. Market risk includes interest rate risk, foreign currency risk and price risk. Capital management includes the risk of there being insufficient capital, including insufficient capital of a particular type.

Credit risk
Credit risk is the risk of loss arising from failure of a counterparty to pay the amounts that they are contractually due to pay. The Group is exposed to credit risk principally through the Investment Company.

The Investment Committee approves all investment decisions, and all investments are subject to extensive due diligence prior to approval. The performance of each investment is monitored by the Investment Committee by way of regular reviews of the investment and any collateral. Sector and asset class concentrations across the investment portfolio are closely monitored and controlled, with mitigating actions taken where appropriate.

Credit risk is mitigated through first loss protection, where the Group is senior to equity in the partner and where the Group benefits from underlying collateral, as well as diversification across the wide range of platforms that makes up its portfolio.

Credit risk is analysed further in Note 20.

Market risk
In addition to the underlying trading performance of the Group's investment portfolio, the fair value or future cash flows of a financial instrument held by the Group may fluctuate because of changes in market prices. Market risk can be summarised as comprising three types of risk:

- Interest rate risk – the risk of loss arising from changes in market interest rates;
- Currency risk – the risk of loss arising from changes in foreign exchange rates; and
- Price risk – the risk of loss arising from changes in other market rates.

The Group's exposure, sensitivity to and management of each of these risks is described in further detail below. Management of market risk is fundamental to the Group's investment objective. The investment portfolio is continually monitored to ensure an appropriate balance of risk and reward.

a) Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Group invests in Credit Assets which may be subject to a fixed rate of interest, or a floating rate of interest (which may be linked to base rates or other benchmarks). The Group's borrowings are subject to a floating rate of interest.

The Group intends to manage the mismatch it has in respect of the income generated by its Credit Assets, on the one hand, with the liabilities in respect of its borrowings, on the other hand, by matching any floating rate borrowings with investments in Credit Assets that are also subject to a floating rate of interest. To the extent that the Group is unable to match its funding in this way, it may use derivative instruments, including interest rate swaps, to reduce its exposure to fluctuations in interest rates, however some unmatched risk may remain. The Group has not used any interest rate derivative instruments in the current or prior year.

Exposure of the Group's financial assets and liabilities to floating interest rates (giving cash flow interest rate risk when rates are reset) and fixed interest rates (giving fair value risk) is shown below:

			As at 31 December 2024			As at 31 December 2023
Group	Floating rate £'000	Fixed rate £'000	Total £'000	Floating rate £'000	Fixed rate £'000	Total £'000
Credit Assets at amortised cost	224,315	85,108	309,423	266,965	177,525	444,490
Cash and cash equivalents	11,195	-	11,195	19,746	-	19,746
Interest-bearing borrowings	(188,265)	-	(188,265)	(210,764)	-	(210,764)
Total fixed and floating rate exposure	**47,245**	**85,108**	**132,353**	**75,947**	**177,525**	**253,472**

The Company has no fixed or floating rate exposure (2023: nil).

A 1 per cent change in interest rates impacts Group income on the assets with a floating rate by £2.2 million for year to 31 December 2024 (2023: £2.7 million). For the year ended 31 December 2024, a 1 per cent change in interest rates impacts the debt expense on the floating rate liabilities by £1.9 million (2023: £2.1 million).

b) Currency risk

Currency risk arises from foreign currency assets and liabilities. The Group uses economic hedges to hedge currency exposure between the Pound Sterling and other currencies using foreign exchange contracts.

The Group monitors the fluctuations in foreign currency exchange rates and uses forward foreign exchange contracts to hedge the currency exposure of the Group's non-GBP denominated investments. The Group re-examines the currency exposure on a regular basis in each currency and manages the Group's currency exposure in accordance with market expectations. The Group did not designate any derivatives as hedges for accounting purposes as described under IAS 39 or IFRS 9 during the current or prior year and records its derivative activities on a fair value basis.

The Group's foreign exchange exposures are summarised in the tables below:

		As at 31 December 2024		As at 31 December 2023
Group	EUR £'000	USD £'000	EUR £'000	USD £'000
Credit Assets at amortised cost	27,721	14,453	42,062	-
Investment Assets at fair value	928	13,602	1,828	16,006
Trade and other receivables	10,973	213	1,674	86
Cash and cash equivalents	1,530	1,440	1,350	1,592
Total assets	**41,152**	**29,708**	**46,914**	**17,684**
Trade and other payables	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**
Net assets	**41,152**	**29,708**	**46,914**	**17,684**
Derivatives notional	(28,879)	(42,026)	(54,591)	(19,360)
Net exposure	**12,273**	**(12,318)**	**(7,677)**	**(1,676)**

If the GBP exchange rate increased by 10 per cent against the above currencies, the impact on Group profit for the year ended 31 December 2024 would be £0.7 million (2023: £(0.96) million).

The Company has no currency risk exposure (2023: nil).

c) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the Group and market prices of its investments. This risk applies to financial instruments held by the Group, including Equity Assets, Credit Assets, carried interest held at fair value and derivatives. Sensitivity analysis on these financial instruments is included in their respective notes to these financial statements.

Capital management

The Group manages its capital to ensure that the Group and its subsidiaries have sufficient capital and the optimum combination of debt and equity. The Group also manages its capital position to ensure compliance with capital requirements imposed by the Financial Conduct Authority ("FCA") on certain subsidiaries within the Group.

The Group monitors capital using a ratio of debt-to-equity. Debt is calculated as total interest-bearing borrowings (as shown in the Consolidated Statement of Financial Position). The Group's net debt-to-tangible equity ratio was 50 per cent as at 31 December 2024 (2023: 54 per cent). It is less than the borrowing limit of 100 per cent set by the Board.

The Group's debt facility is subject to financial covenants. The Group's debt facility agreements are subject to a ratio of total net debt to collateral asset value of Credit Assets on a rolling annual period. During the year the Group was fully compliant with regulatory capital requirements relating to its regulated subsidiaries and the covenants on its debt facilities.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its obligations in respect of financial liabilities as they fall due.

The Group manages its liquid resources to ensure sufficient cash is available to meet its expected contractual commitments both under normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. It monitors the level of short-term funding and balances the need for access to short-term funding, with the long-term funding needs of the Group.

As at 31 December 2024 the Group had a committed debt facility totalling £240 million (2023: £200 million) with a maturity date of June 2028. This facility includes a term and revolving facility secured on a range of assets. The Group has no other debt facilities following the repayment and extinguishing of the prior year facilities. Further details of the Group's debt facilities are in Note 17.

The Group utilises its treasury system data such as live cash balance, debt balances and upcoming payment obligations in order to monitor liquidity on an ongoing basis.

The tables below show the cash flows of the Group's financial assets and liabilities on an undiscounted basis by contractual maturity:

	As at 31 December 2024				
Group	<3 months £'000	3-12 months £'000	1-5 years £'000	5+ years £'000	Total £'000
Credit Assets at amortised cost	683	18,642	238,328	51,770	309,423
Investment Assets at fair value through profit or loss	41,894	11,833	65,009	75,440	194,176
Trade and other receivables	25,939	4,810	4,793	-	35,542
Cash and cash equivalents	11,195	-	-	-	11,195
Total assets	**79,711**	**35,285**	**308,130**	**127,210**	**550,336**
Liabilities					
Trade and other payables	(19,561)	(7,697)	(1,991)	-	(29,249)
Lease liabilities	(391)	(1,173)	(3,966)	-	(5,530)
Interest-bearing borrowings	(498)	-	(187,767)	-	(188,265)
Total liabilities	**(20,450)**	**(8,870)**	**(193,724)**	**-**	**(223,044)**

	As at 31 December 2023				
Group	<3 months £'000	3-12 months £'000	1-5 years £'000	5+ years £'000	Total £'000
Credit Assets at amortised cost	72,218	103,751	239,781	24,729	440,479
Investment Assets at fair value through profit or loss	-	13,137	62,751	12,332	88,220
Trade and other receivables	5,569	9,922	2,451	-	17,942
Cash and cash equivalents	19,746	-	-	-	19,746
Total assets	**97,533**	**126,810**	**304,983**	**37,061**	**566,387**
Liabilities					
Trade and other payables	(14,042)	(3,314)	(1,793)	-	(19,149)
Lease liabilities	(391)	(1,173)	(5,530)	-	(7,094)
Interest-bearing borrowings	(2,052)	(130,686)	(74,912)	(3,114)	(210,764)
Total liabilities	**(16,485)**	**(135,173)**	**(82,235)**	**(3,114)**	**(237,007)**

	As at 31 December 2024				
Company	<3 months £'000	3-12 months £'000	1-5 years £'000	5+ years £'000	Total £'000
Trade and other receivables	23,986	-	-	-	23,986
Total assets	**23,986**	**-**	**-**	**-**	**23,986**
Liabilities					
Trade and other payables	(29,167)	-	-	-	(29,167)
Total liabilities	**(29,167)**	**-**	**-**	**-**	**(29,167)**

	As at 31 December 2023				
Company	<3 months £'000	3-12 months £'000	1-5 years £'000	5+ years £'000	Total £'000
Trade and other receivables	108	-	-	-	108
Total assets	**108**	**-**	**-**	**-**	**108**
Liabilities					
Trade and other payables	(108)	-	-	-	(108)
Total liabilities	**(108)**	**-**	**-**	**-**	**(108)**

20. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group's credit risks arise principally through exposures to loans originated or acquired by the Group and cash deposited with banks, both of which are subject to risk of borrower default.

The Group establishes and adheres to stringent underwriting criteria. The Group invests in a granular portfolio of assets, diversified at the underlying borrower level, with each loan being subject to a maximum single loan exposure limit. This helps mitigate credit concentrations in relation to an individual customer, a borrower group or a collection of related borrowers.

The credit quality of loans is assessed through evaluation of various factors, including credit scores, payment data, collateral available from the borrower and other information.

The Group further mitigates its exposure to credit risk through structuring facilities whereby the facilities are secured and structured so that the borrower provides the first loss, and the Group finances the senior risk.

Further risk is mitigated in the property sector as the Group takes collateral in the form of property to mitigate the credit risk arising from residential mortgage lending and commercial real estate.

Set out below is the analysis of the gross closing balances of the Group's Credit Assets at amortised cost split between unsecured and secured as at 31 December 2024:

Group	As at 31 December 2024		
	Unsecured £'000	Secured £'000	Total £'000
Credit Assets at amortised cost	13,632	304,695	318,327
Total secured and unsecured exposure	**13,632**	**304,695**	**318,327**

For the Group as at 31 December 2023:

Group	As at 31 December 2023		
	Unsecured £'000	Secured £'000	Total £'000
Credit Assets at amortised cost	68	452,733	452,801
Total secured and unsecured exposure	**68**	**452,733**	**452,801**

21. Equity

a) *Share capital and premium*

The table below shows the movement in shares of the Company during the year:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
No. Issued, allocated and fully paid ordinary shares of £0.01 each	**Ordinary shares**	**Treasury shares**	**Ordinary shares**	**Treasury shares**
Opening number of shares	64,209,597	-	64,209,597	4,712,985
Shares issued during the year	-	-	-	-
Number of shares bought back	(3,222,257)	3,222,257	-	-
Cancellation of treasury shares	-	-	-	(4,712,985)
Closing number of shares	**60,987,340**	**3,222,257**	**64,209,597**	**-**

Share capital represents the number of ordinary shares issued in the capital of the Company multiplied by their nominal value of £0.01 each. Share premium substantially represents the aggregate of all amounts that have ever been paid above nominal value to the Company when it has issued ordinary shares. The nominal value of ordinary shares as at 31 December 2024 was £0.6 million (2023: £0.6 million). Treasury shares have no entitlements to vote and are held directly by the Company. Treasury shares are excluded from the Consolidated Statement of Financial Position.

b) *Other reserves*

On 21 November 2023, following shareholder and court approval the share premium account was cancelled. Accordingly, £299.6 million, previously held in the share premium account, was transferred to the Special Distributable Reserve in 2023. As at 31 December 2023, the special distributable reserve balance was £351.6 million.

Following completion of the Scheme, the Group was no longer subject to the Association of Investment Company requirements to show the Revenue and Capital reserves. As such, the two reserves were reallocated to a newly created Retained Earnings reserve on 31 December 2023. As at 31 December 2023, the Group had a retained earnings reserve balance of £8.1 million.

Merger Reserves include the additional reserves accounted for as part of the acquisition that occurred during 2022. The Merger Reserve also includes the costs associated with the issuance of shares.

The Foreign Currency Translation Reserve reflects the foreign exchange differences arising on translation that are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

22. Dividends

The table below sets out the dividends paid during the year ended 31 December 2024 and 31 December 2023.

	Payment Date	Amount per Share (pence)	Total £'000
Interim dividend for the period to 31 December 2022	March 2023	16.0p	7,916
Interim dividend for the period to 31 March 2023	June 2023	16.0p	7,916
Interim dividend for the period to 30 June 2023	September 2023	16.0p	7,916
Interim dividend for the period to 30 September 2023	December 2023	16.0p	7,916
Interim dividend for the period to 31 December 2023	March 2024	13.0p	8,347
Interim dividend for the period to 30 June 2024	October 2024	26.5p	16,516
Second interim dividend for the period to 31 December 2024	May 2025	27.1p	16,528

The second interim dividend for the period to 31 December 2024 of 27.1 pence was approved on 24 March 2025 and will be paid on 2 May 2025.

The following table show the total dividends declared and the total dividends paid:

	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Total dividends paid in the year	24,863	31,664
Total dividends in relation to the year	33,043	32,095

For the year ended 31 December 2024, dividends are declared on a semi-annual basis. In prior years, dividends were declared and paid quarterly, such that the distributions to shareholders for the year ended 31 December 2024 includes the year end dividend for the period to 31 December 2023 and the interim dividend for the period to 30 June 2024. As a result of this re-phasing there was a one-off reduction in dividend payments made in 2024.

23. Net asset value per ordinary share

The following table shows the net asset value per ordinary share:

Group	As at 31 December 2024	As at 31 December 2023
Net asset value per ordinary share (pence)	950.0	906.8
Net assets attributable (£'000)	579,356	582,246

The Group net asset value per ordinary share as at 31 December 2024 is based on net assets at the year-end of £579.4 million (2023: £582.2 million) and ordinary shares of 60,987,340 (2023: 64,209,597) in issue at the year-end.

24. Cash generated from operations

Group		For the year ended 31 December 2024	For the year ended 31 December 2023
	Notes	£'000	£'000
Profit before taxation		55,788	42,604
Adjustments for:			
Charge / (release) in expected credit loss	9	593	(970)
Gains on Investment Assets held at fair value	10	(18,684)	(5,659)
Net interest from Credit Assets at amortised cost		(7,855)	(3,748)
Finance costs	17	16,587	20,590
Foreign exchange revaluation		226	3
Gains in carried interest	14	(7,741)	(10,280)
Depreciation of fixed assets	11	284	274
Depreciation of lease assets	12	1,451	959
Amortisation of intangible assets	13	640	640
Increase in receivables	15	(17,600)	(5,072)
Increase / (decrease) in payables	18	10,100	(1,379)
Increase / (decrease) in derivatives	16	1,288	(737)
Cash generated from operations		**35,077**	**37,225**

Company		For the year ended 31 December 2024	For the year ended 31 December 2023
	Notes	£'000	£'000
Profit before taxation		39,022	-
Adjustments for:			
Increase in receivables	15	(23,878)	(100)
Increase in payables	18	29,059	100
Cash generated from operations		**44,203**	**-**

25. Related party transactions

IAS 24 'Related Party Disclosures' requires the disclosure of the details of material transactions between the Group and any related parties. Accordingly, the disclosures required are set out below.

The Group considers all transactions with companies that are controlled by funds managed by the Group as related party transactions.

The Group holds 4.0 per cent (2023: 4.0 per cent) equity in Tandem Money Limited a portfolio company of funds managed by the Group. This is included in Investment Assets at fair value through profit or loss in Note 10.

The Group has a servicing agreement with Oplo Group Limited, a wholly owned subsidiary of Tandem Money Limited. As at 31 December 2024, the portfolio of mortgages serviced under this agreement was £4.3 million (2023: £6.2 million).

The Group has an unsecured loan in place with Kingswood Group, a wealth and investment manager that is controlled by Private Equity funds managed by the Group. As at 31 December 2024, the facility had an outstanding balance of £13.6 million (2023: nil).

The Group has a facility outstanding to Freedom Finance Limited, a portfolio company managed by the Group, with a balance of £11.1 million (2023: £11.1 million). The facility was repaid in full post year end.

The Group has a participation in debt instruments issued by Soteria Insurance Limited ("Soteria"), a subsidiary of a portfolio company managed by the Group, with a balance of £5.5 million (2023: £9.0 million). Soteria is also an LP in PSC Credit III (B) SCSp and as a result the Group charges Soteria management fee and carried interest. These credit instruments are included in Credit Assets at amortised cost in Note 9.

During the year, the Group made commitments to PSC Credit IV (B) SCSp of £70.0 million which is a Private Credit fund managed by the Group. On 26 July 2024 the Group increased its commitment in PSC V (A) LP by £22.0 million to take the total commitment to £42.0 million. On 29 November 2024, the Group purchased a £11.3 million commitment in PSC Marlin LP ("Marlin"), including a remaining capital commitment of £0.1 million. Please see Note 26 for analysis of Group commitments to Pollen Street managed funds and any undrawn amount at year end.

During the year, the Group carried out foreign exchange transactions with Lumon Risk Management LTD ("Lumon", formerly Infinity International Limited) in relation to EUR and USD derivative transactions. Lumon is one of the Group's panel providers of foreign exchange and all foreign exchange transactions are carried out on a best execution basis. Lumon is a portfolio company owned by a Private Equity fund that is managed by the Group. The derivatives exposure with Lumon is disclosed in Note 16.

During the year, the Company bought back 3,222,257 shares (2023: nil). During the year, the Company cancelled no treasury shares (2023: 4,712,985). There were no purchases of own shares during the year.

The Board of Directors are considered to be the key management personnel of the Group. Their remuneration, including all forms of consideration such as salary and fees, other benefits, pension contributions and annual bonus is fully disclosed in the Annual Report on Remuneration.

26. Contingent liabilities and capital commitments

As at 31 December 2024, there were no contingent liabilities for the Group (2023: nil).

The Group had £47.1 million (2023: £41.9 million) of undrawn committed credit facilities and undrawn commitments in relation to direct Pollen Street managed fund investments of £66.3 million (2023: £35.9 million).

27. Ultimate controlling party

It is the opinion of the Directors that there is no ultimate controlling party of the Group.

28. Investments in subsidiaries

On 24 January 2024, Pollen Street Group Limited was introduced as the new parent of Pollen Street Limited by way of a scheme of arrangement. Pollen Street Limited subsequently distributed the entire issued share capital in Pollen Street Capital Holdings Limited to Pollen Street Group Limited on 14 February 2024. The Company now has two wholly owned subsidiaries with a clear and operationally useful distinction between the businesses carried on by the Investment Company and the Asset Manager.

Refer to Note 4 for more details.

Company	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Opening balance	-	-
Increase in investments in subsidiaries	571,269	-
Closing balance	**571,269**	**-**

a) Impairment testing

As per the requirements of IAS 36 "Impairment of assets", investments in subsidiaries are tested for impairment annually.

The carrying value of investments in subsidiaries is compared to a financial model used to estimate the value in use of Pollen Street Limited ("PSL") and Pollen Street Capital Holdings Limited ("PSCHL"). The value in use involves identifying the independent cashflows associated with the revenue streams of PSL and PCSHL and carrying out a forecast of future cashflows that are discounted back to their net present value based on discount rates obtained from relevant industry comparable information.

Investments in subsidiaries were tested for impairment on 31 December 2024 and no impairment was identified.

The cashflows have been forecast four years into the future, where the final year is assigned a terminal value. The value in use of the investments in subsidiaries was £376 million for PSL and £366 million for PSCHL, which is £44 million and £127 million respectively above the investments in subsidiaries value presented by the Company. The value in use model has a number of assumptions; the most significant assumptions are the future income projections that are based on forecast profit after tax, the discount rate used of 12.5 per cent for PSL and 12.7 per cent for PSCHL, and the long-term growth rate of 3.9 per cent for both PSL and PSCHL.

The future cashflow projections are based on management's best estimate using historical performance and third-party data and applying assumptions to future potential funds.

b) Sensitivities of key assumptions in calculating VIU

The table below is the sensitivity impact on the inputs applied to the investments in subsidiaries. The sensitivity parameters are considered reasonable assumptions in the movement in inputs:

		As at 31 December 2024		As at 31 December 2023	
Valuation Parameter – PSL	Sensitivity applied	Increase £'000	Decrease £'000	Increase £'000	Decrease £'000
Future income projections	+/- 10%	37,631	(37,631)	-	-
Discount rate	+/- 100 bps	(39,965)	50,516	-	-
Growth rate	+/- 100 bps	39,911	(31,596)	-	-

		As at 31 December 2024		As at 31 December 2023	
Valuation Parameter – PSCHL	Sensitivity applied	Increase £'000	Decrease £'000	Increase £'000	Decrease £'000
Future income projections	+/- 10%	36,568	(36,568)	-	-
Discount rate	+/- 100 bps	(39,611)	49,820	-	-
Growth rate	+/- 100 bps	39,290	(31,288)	-	-

Investments in consolidated entities

The consolidated financial statements of the Group include the following subsidiaries:

Name	Country on incorporation	Class of shares	Holding	Activity
Avant Credit of UK, LLC	USA	Ordinary	100%	Lending company
Bud Funding Limited	UK	Ordinary	100%	SPV
Financial Services Infrastructure Limited	UK	Ordinary	100%	Dormant
Honeycomb Finance Limited	UK	Ordinary	100%	Lending company
Juniper Lending Fund GP S.a.r.l	Luxembourg	Ordinary	100%	General partner
Pollen Street Capital (US) Holdings LLC	USA	Ordinary	100%	Holding company
Pollen Street Capital (US) LLC	USA	Ordinary	100%	Asset management services
Pollen Street Capital Holdings Limited	Guernsey	Ordinary	100%	Holding company
Pollen Street Capital Limited	UK	Ordinary	100%	Asset management services
Pollen Street Capital Partners Limited	UK	Ordinary	100%	Holding company
Pollen Street Investments Limited	Guernsey	Ordinary	100%	Investment company services
Pollen Street Limited	UK	Ordinary	100%	Investment company services
PollenUp Limited	UK	Ordinary	100%	Dormant
PSC 3 Funding Limited	UK	Ordinary	100%	Dormant
PSC Accelerator GP Limited	Guernsey	Ordinary	100%	General partner
PSC Accelerator II (C) GP Limited	Guernsey	Ordinary	100%	General partner
PSC Accelerator II GP Limited	Guernsey	Ordinary	100%	General partner
PSC Accelerator II GP S.a.r.l	Luxembourg	Ordinary	100%	General partner
PSC Accelerator Nominee Limited	Guernsey	Ordinary	100%	Nominee
PSC Accelerator Nominee II Limited	Guernsey	Ordinary	100%	Nominee
PSC Credit (OE) I GP S.a.r.l	Luxembourg	Ordinary	100%	General partner
PSC Credit (P) GP S.a.r.l	Luxembourg	Ordinary	100%	General partner
PSC Credit (T) GP S.a.r.l	Luxembourg	Ordinary	100%	General partner

PSC Credit Holdings LLP	UK	Capital contribution	100%	Asset management services
PSC Credit III GP S.a.r.l	Luxembourg	Ordinary	100%	General partner
PSC Credit IV GP S.a.r.l	Luxembourg	Ordinary	100%	General partner
PSC Credit Limited	Cayman	Ordinary	100%	Holding company
PSC Digital Limited	UK	Ordinary	100%	Holding company
PSC Group Carry GP Limited	Guernsey	Ordinary	100%	General partner
PSC III Carry GP Limited	UK	Ordinary	100%	General partner
PSC III G GP Limited	Guernsey	Ordinary	100%	General partner
PSC III GP Limited	UK	Ordinary	100%	General partner
PSC Investments (Q) GP Limited	UK	Ordinary	100%	General partner
PSC IV GP Limited	Guernsey	Ordinary	100%	General partner
PSC IV GP S.a.r.l	Luxembourg	Ordinary	100%	General partner
PSC Marlin GP Limited	Guernsey	Ordinary	100%	General partner
PSC Nominee 1 Limited	UK	Ordinary	100%	Dormant
PSC Nominee 3 Limited	UK	Ordinary	100%	Dormant
PSC Nominee 4 Limited	Guernsey	Ordinary	100%	Nominee
PSC Nominee 5 Limited	Guernsey	Ordinary	100%	Nominee
PSC Plane GP (Guernsey) Limited	Guernsey	Ordinary	100%	General partner
PSC Service Company Limited	UK	Ordinary	100%	Service company
PSC US Credit GP MM LLC	USA	Ordinary	100%	General partner
PSC V GP Limited	Guernsey	Ordinary	100%	General partner
PSC V GP S.a.r.l	Luxembourg	Ordinary	100%	General partner
Saturn GP Limited	UK	Ordinary	100%	General partner
SOF Annex Nominees Limited	UK	Ordinary	100%	Dormant
SOF General Partner (Cayman) Limited	Cayman	Ordinary	100%	General partner
SOF General Partner (Guernsey) Limited	Guernsey	Ordinary	100%	General partner
SOF General Partner (Scotland) II Limited	UK	Ordinary	100%	General partner
SOF General Partner (UK) Limited	UK	Ordinary	100%	General partner
Sting Funding Limited	UK	Ordinary	100%	SPV

All shares held in the Group's subsidiaries represent ordinary shares except otherwise stated.

On 28 December 2023, PSC Income Fund I GP LLC and PSC SPV I GP LLC were dissolved. Therefore, these subsidiaries are included in the prior year comparatives, but not included in the consolidated financial statements of the Group at 31 December 2024.

Investments in unconsolidated structured entities

The Group has interests in a number of entities who act as general partner to a number of funds structured as limited partnerships. The limited partnerships are not treated as subsidiary undertakings of the Group because the rights of the general partners are exercised on behalf of other investors in the limited partnerships and, being fiduciary in nature, are not considered to result in power over the relevant activities of the limited partnerships. As such, the Group is considered an agent.

The list of such limited partnerships in which the Group has an interest at 31 December 2024 are:

Name	Jurisdiction
ISC IV (C) SCSp	Luxembourg
Juniper Lending Fund SCSp	Luxembourg
PSC Accelerator Carry LP	Guernsey
PSC Accelerator II (A) LP	Guernsey
PSC Accelerator II (B) SCSp	Luxembourg
PSC Accelerator II (C) LP	Guernsey
PSC Accelerator II Carry LP	Guernsey
PSC Accelerator LP	Guernsey
PSC Credit (OE) I SCSp	Luxembourg
PSC Credit (P) SCSp	Luxembourg
PSC Credit (T) Carry SCSp	Luxembourg
PSC Credit (T) SCSp	Luxembourg
PSC Credit III (A) SCSp	Luxembourg
PSC Credit III (B) SCSp	Luxembourg
PSC Credit III Carry SCSp	Luxembourg
PSC Credit IV (A) SCSp	Luxembourg
PSC Credit IV (B) SCSp	Luxembourg
PSC Credit IV Carry SCSp	Luxembourg
PSC Glebe LP	Guernsey
PSC III Carry LP	UK
PSC III G, LP	Guernsey
PSC III Pooling LP	Canada
PSC Investments (C), LP	Guernsey
PSC IV (B) LP	Guernsey
PSC IV (C), SCSp	Luxembourg
PSC IV Carry, LP	Guernsey
PSC Partners LP	Guernsey
PSC IV, LP	Guernsey
PSC Leto LP	Guernsey
PSC Marlin LP	Guernsey
PSC Neptune LP	Guernsey
PSC Plane (Guernsey) LP Incorporated	Guernsey
PSC Plane Carry LP	Guernsey
PSC Science SCSp	Luxembourg
PSC Tiger LP	Guernsey
PSC US Wolverine LLC	Delaware

PSC V (A) LP	Guernsey
PSC V (B) SCSp	Luxembourg
PSC V Carry LP	Guernsey
PSC Venus LP	Guernsey
PSCM Carry LP	Guernsey
PSCM Pooling LP	Guernsey
Special Opportunities Fund Carry LP	Guernsey
Special Opportunities Fund (Guernsey) LP	Guernsey
Special Opportunities Fund A LP	UK
Special Opportunities Fund B LP	UK
Special Opportunities Fund C LP	UK
Special Opportunities Fund D LP	UK
Special Opportunities Fund Employee LP	Cayman
Special Opportunities Fund F LP	UK
Special Opportunities Fund G LP	UK
Special Opportunities Fund J LP	UK
Special Opportunities Fund S1 LP	UK
Special Opportunities Fund S2 LP	UK

The maximum exposure to loss for investments in unconsolidated limited partnerships is the carrying amount of any investments in limited partnerships and loss of future fees. As at 31 December 2024, the carrying amount was £150.0 million (2023: £75.1 million).

On 28 December 2023, PSC US Badger LLC and PSC US Buckeye LLC were dissolved. Therefore, the Group no longer has an interest in these entities through subsidiaries who act as general partner to these entities. As at 31 December 2024, PSC US Wolverine LLC is in the process of being dissolved.

Qualifying Limited Partnership

The Group holds an interest in Qualifying Limited Partnerships ("QLP"), the balances and transactions of which have been incorporated into these financial statements on a proportional consolidation basis. However, under proportional consolidation and due to the de minimis interest in the QLPs, there is no impact on the Consolidated Statement of Profit or Loss or the Consolidated Statement of Financial Position.

The list of such qualifying limited partnerships in which the Group has an interest at 31 December 2024 are:

Name	Jurisdiction
PSC III LP	UK
PSC Investments (Q) LP	UK
PSC Investments B LP	UK
PSC Investments LP	UK

Associates

The Group accounts for investments in funds or carried interest partnerships that give the Group significant influence, but not control, through participation in the financial and operating policy decisions, as associates at fair value through profit or loss. Information about the Group's investments in associates measured at fair value is shown below.

The table below shows the carried interest partnerships that are accounted for as associates by the Group. The carried interest partnerships appear as part of Carried interest in the Group's Consolidated Statement of Financial Position.

	As at 31 December 2024					
Group	PSC V Carry LP £'000	PSC Accelerator II Carry LP £'000	PSC IV Carry LP £'000	PSC Accelerator Carry LP £'000	PSC Credit III Carry SCSp £'000	PSC Credit (T) Carry SCSp £'000
Net Assets Value	-	-	75,007	9,350	8,896	1,191
Country of incorporation	Guernsey	Guernsey	Guernsey	Guernsey	Luxembourg	Luxembourg
Group's interest in the associate	25%	25%	25%	25%	25%	25%

	As at 31 December 2023					
Group	PSC V Carry LP £'000	PSC Accelerator II Carry LP £'000	PSC IV Carry LP £'000	PSC Accelerator Carry LP £'000	PSC Credit III Carry SCSp £'000	PSC Credit (T) Carry SCSp £'000
Net Assets Value	-	-	53,828	9,749	4,672	852
Country of incorporation	Guernsey	Guernsey	Guernsey	Guernsey	Luxembourg	Luxembourg
Group's interest in the associate	25%	25%	25%	25%	25%	25%

29. Subsequent events

On 24 March 2025 a dividend of 27.1 pence per ordinary share was approved for payment on 2 May 2025.

The Company was admitted to the FTSE 250 on 17 January 2025.

Definitions and Reconciliation to Alternative Performance Measures

Definitions

Asset-Based Lending	Collateralised financing where loans are secured by a company's assets with credit limits determined by the assets' liquidation value.
Asset Manager	The business segment of the Group that is responsible for managing third-party AuM and the Investment Company's assets. All activities of this segment reside in Pollen Street Capital Holdings Limited and its subsidiaries.
AuM	The assets under management of the Group, defined as: • investor commitments for active Private Equity funds; • invested cost for other Private Equity funds; • the total assets for the Investment Company; and investor commitments for Private Credit funds.
Average Fee-Paying AuM	The fee-paying asset under management of the Group, defined as: • investor commitments for active fee-paying Private Equity funds; • invested cost for other fee-paying Private Equity funds; • the total assets for the Investment Company; and • net invested amount for fee-paying Private Credit funds. The average is calculated using the opening and closing balances for the period.
Average Number of Shares	Average number of closing daily ordinary shares, excluding treasury shares.
Co-investment	A direct investment made alongside or in a Fund taking a pro-rata share of all instruments.
Combination	The acquisition of 100 per cent of the share capital of Pollen Street Capital Holdings Limited by Pollen Street Limited (formerly Honeycomb Investment Trust Plc) with newly issued shares in Pollen Street Limited as the consideration that completed on 30 September 2022.
Credit Assets	Loans made by the Group to counterparties, together with investments in Private Credit funds managed or advised by the Group.
Equity Assets	Instruments that have equity-like returns; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples include ordinary shares or investments in Private Equity funds managed or advised by the Group. Carried interest receivable by the Group is not classified as an Equity Asset.
Fair Value	The amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.
Fee-Paying AuM	The fee-paying asset under management of the Group, defined as: • investor commitments for active fee-paying Private Equity funds; • invested cost for other fee-paying Private Equity funds; • the total assets for the Investment Company; and • net invested amount for fee-paying Private Credit funds.
Fund Management EBITDA	Fund Management Income less Fund Management Administration Costs, including the full cost of the office lease despite these costs being reported as depreciation of a right-of-use asset and financing costs under IFRS 16.
Fund Management Income	The income of the Group's Asset Manager according to IFRS reporting standards.
Fund Management EBITDA Margin	The ratio of the Fund Management Adjusted EBITDA and the Fund Management Income, expressed as a percentage.

Group	Pollen Street Group Limited and its subsidiaries.
IFRS	International Financial Reporting Standards as adopted by the United Kingdom.
Internal Rate of Return	The discount rate that makes the net present value of all cash flows from a particular investment equal to zero, effectively indicating the annualised rate of return that the investment is expected to generate.
Investment Asset	The Group's portfolio of Equity Assets and Credit Assets.
Investment Company	The business segment of the Group that holds the Investment Asset portfolio and the debt facilities. The activities of this segment predominately reside within Pollen Street Limited, Pollen Street Investments Limited, Sting Funding Limited and Bud Funding Limited.
Management Fee Rate	The ratio of the Fund Management Income attributable to management fees and the Average Fee-Paying AuM, annualised and expressed as a percentage.
Multiple on Invested Capital	The return on an investment by comparing the total value realised to the initial capital invested, indicating how many times the original investment has been multiplied.
Net Investment Assets	The Investment Assets plus surplus cash, net of debt.
Net Investment Asset Return	The ratio of the income from Investment Company to the Net Investment Assets, expressed as an annualised ratio.
Performance Fees	Share of profits that the Asset Manager is due once it has returned the cost of investment and agreed preferred return to investors.
Performance Fee Rate	The ratio of the Fund Management Income attributable to carried interest and performance fees and the total Fund Management Income, expressed as a percentage.
Private Credit	The Group's strategy for managing Credit Assets within its private funds.
Private Equity	The Group's strategy for managing Equity Assets within its private funds.
Registrar	An entity that manages the Company's shareholder register. The Company's registrar is Computershare Investor Services PLC.
Reorganisation	The reorganisation that was affected on 14 February 2024, to distribute the entire issued share capital of Pollen Street Capital Holdings Limited from Pollen Street Limited to the Company referred to as the Distribution. The Scheme and the Distribution are together referred to as the "Reorganisation".
The Scheme	The scheme of arrangement that was affected on 24 January 2024, to change the listing category of Pollen Street Limited's shares to that of a commercial company from an investment company and to introduce the Company as a Guernsey incorporated holding company as the new parent of the Group.
SMA	Separately Managed Accounts
Sterling Overnight Interbank Average Rate ("SONIA")	The effective overnight interest rate paid by banks for unsecured transactions in the British sterling market.
Structured Loan	Credit Asset whereby the Group typically has senior secured loans to speciality finance companies, with security on the assets originated by the speciality finance company and first loss protection deriving from the speciality finance company's equity. Corporate guarantees are also typically taken.

Reconciliation to Alternative Performance Measures

The alternative performance measures are used to improve the comparability of information between reporting periods, either by adjusting for uncontrollable or one-off factors that impact upon IFRS measures or, by aggregating measures, to aid the user to understand the activity taking place. Alternative performance measures are not considered to be a substitute for IFRS measures but provide additional insight on the performance of the business.

Management fee rate

Group	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Management fee income for the Asset Manager	55,475	34,332
Average Fee-Paying AuM	3,692,237	2,947,371
Management fee rate	1.50%	1.16%

The Management Fee Rate is calculated by dividing the management fee income for the Asset Manager by the Average Fee-Paying AuM. The Management Fee Rate is annualised.

Performance fee rate

Group	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Carried interest & performance fee income for the Asset Manager	11,320	14,831
Fund Management Income for the Asset Manager	66,795	49,163
Performance fee rate	17%	30%

The Performance Fee Rate is calculated by dividing the Carried interest and performance fee income for the Asset Manager by the Fund Management Income for the Asset Manager.

Fund Management EBITDA & Fund Management EBITDA Margin

Group	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Operating profit of the Asset Manager	27,174	15,907
Depreciation of lease asset	(1,451)	(959)
Fund Management EBITDA	**25,723**	**14,948**
Fund Management Income for the Asset Manager	66,795	49,163
Fund Management EBITDA Margin	39%	30%

The Fund Management EBITDA is calculated by deducting the charge for the lease asset depreciation from the statutory Operating Profit of the Asset Manager. The Fund Management EBITDA Margin is calculated by dividing the Fund Management EBITDA by the Fund Management Income.

Dividends per Share

Group Pence per share	For the year ended 31 December 2024	For the year ended 31 December 2023
Q1 interim dividend	-	16.0
Q2 interim dividend	26.5	16.0
Q3 interim dividend	-	16.0
Q4 interim dividend	27.1	13.0
Dividend per share (pence)	**53.6**	**61.0**

During 2024, following completion of the Reorganisation and conversion to a commercial company, the timing of dividend payments was changed to allow for dividends to be declared on a semi-annual, rather than a quarterly, basis. In addition, the partial dividend waiver given by former shareholders of Pollen Street Capital Holdings Limited at the time of the Combination expired at 31 December 2023. Consequently, there was a reduction in dividends per share declared from 61.0p for 2023 to 53.6p for 2024.

EBITDA

Group	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Operating profit of the Asset Manager	27,174	15,907
Depreciation of lease asset	(1,451)	(959)
Fund Management EBITDA	**25,723**	**14,948**
Operating Profit of the Investment Company	31,789	30,173
EBITDA	**57,512**	**45,121**

The Fund Management EBITDA is calculated by deducting the charge for the lease asset depreciation from the statutory Operating Profit of the Asset Manager. EBITDA of the Group is calculated as the sum of the Fund Management EBITDA and the Operating Profit of the Investment Company.

Tangible Net Asset Value, Debt-to-Tangible Equity Ratio & Net Debt-to-Tangible Equity Ratio

Group	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Net asset value	579,356	582,246
Goodwill & intangible assets	(227,100)	(227,740)
Tangible net asset value	**352,256**	**354,506**
Interest-bearing borrowings	188,265	210,764
Debt-to-tangible equity ratio	**53.4%**	**59.5%**
Cash and cash equivalents	11,195	19,746
Net debt-to-tangible equity ratio	**50.3%**	**53.9%**

The debt-to-tangible equity ratio is calculated as the Group's interest-bearing debt divided by the tangible net asset value, expressed as a percentage. The net debt-to-tangible equity ratio is calculated as the Group's interest-bearing debt less cash and cash equivalents, divided by the tangible net asset value expressed, as a percentage.