ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2024

POLLEN STREET GROUP LIMITED

POLLEN STREET

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01. Strategic Report

POLLEN STREET AT A GLANCE

ABOUT THE POLLEN STREET BUSINESS

Pollen Street Group Limited (the "Company" and together with its subsidiaries the "Group" or "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 assets under management ("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 top tier investors and deploys it into its Private Equity and Private Credit strategies. The strong recurring revenues from this business enable us to deliver scalable growth.

The Investment Company invests in the strategies of the Group delivering attractive risk adjusted returns aligned with our Limited Partner investors. The portfolio consists of both direct investments and investments in Private Equity and Private Credit funds managed by Pollen Street.

Further information on the Pollen Street business can be found on the Group's website.

BACKGROUND & BASIS OF PREPARATION

Pollen Street Group Limited was established on 24 December 2021, in Guernsey. On 24 January 2024, the Company became the immediate and ultimate parent of Pollen Street Limited (previously Pollen Street plc) by way of a scheme of arrangement pursuant to Part 26 of the UK Companies Act 2006 (the "Scheme"). On 14 February 2024, Pollen Street Limited distributed the entire issued share capital of Pollen Street Capital Holdings Limited to the Company, this is referred to as the "Distribution".

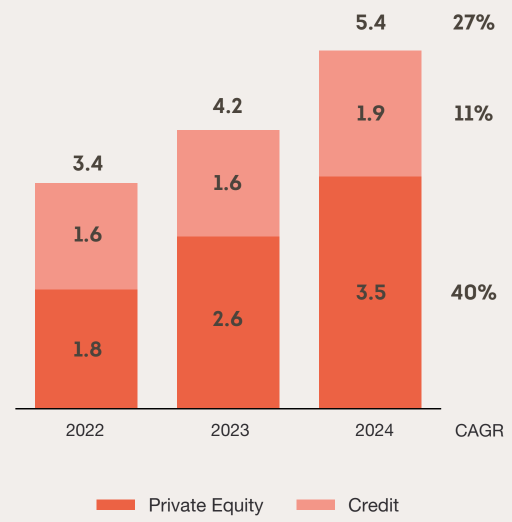
The Scheme and the Distribution are together referred to as the "Reorganisation". The Reorganisation is a capital reorganisation and has been accounted for using the book-value method. This method applies retrospectively, meaning that the Annual Report and Accounts are restated as if the Reorganisation had occurred at the beginning of the earliest period presented, i.e. from 1 January 2023. Further information on the Reorganisation is provided in Note 4 to the Financial Statements.

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.

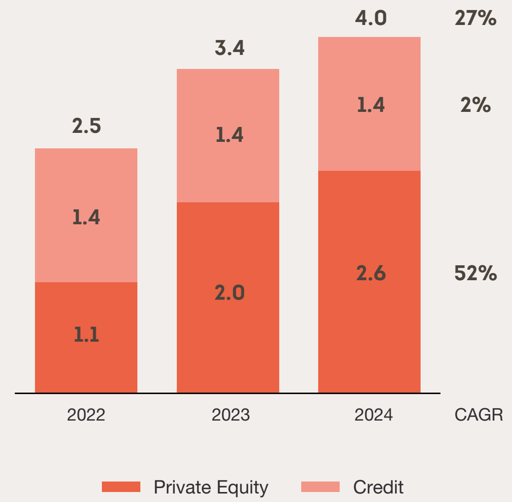
KEY FIGURES[1]

PROFIT AFTER TAX: £49.6 MILLION (2023: £39.9 MILLION, 2022: £26.4 MILLION)

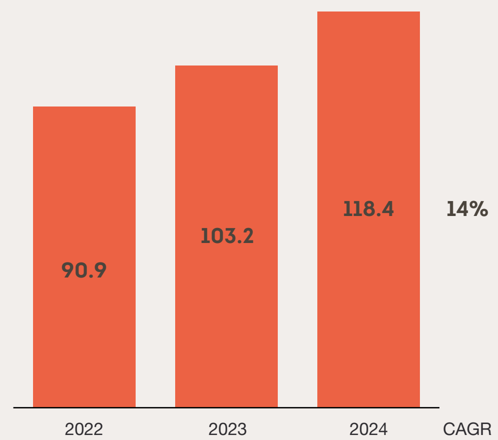
TOTAL AUM (£ BILLION)



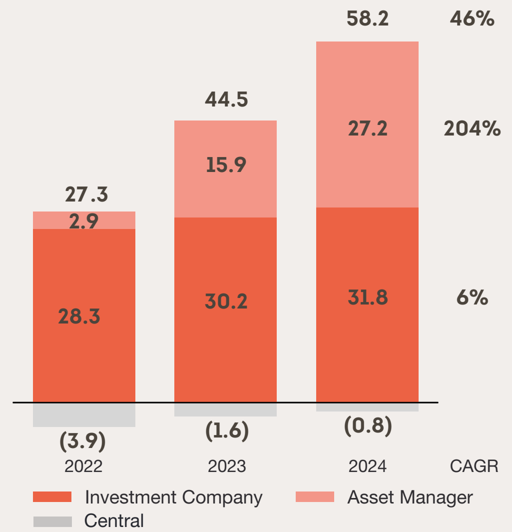
FEE-PAYING AUM (£ BILLION)



TOTAL INCOME (£ MILLION)

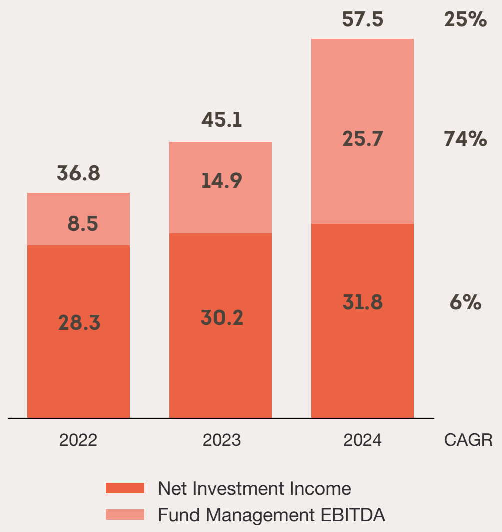


OPERATING PROFIT (£ MILLION)

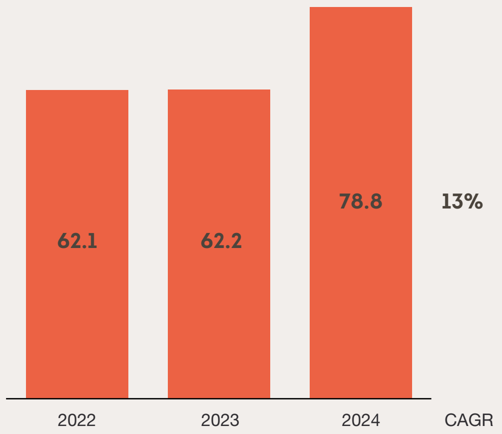


[1] *See Section 5, page 198, for the definition of terms and the reconciliation to Alternative Performance Measures ("APM"). APMs are not audited. Compound Annual Growth Rate ("CAGR") is calculated over a three-year period from 2022 to 2024. The 2022 comparatives are stated as if the Combination between Pollen Street Limited and Pollen Street Capital Holdings Limited occurred on 1 January 2022. The Operating Loss for the Central segment of £0.8 million (2023: £1.6 million, 2022: £3.9 million), includes exceptional items and start-up losses of the US business (2023 only) and amortisation of intangibles.*

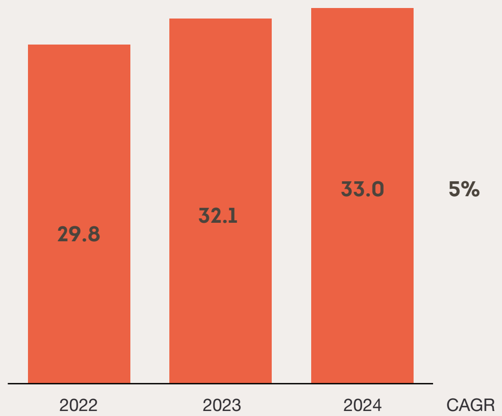
EBITDA (£ MILLION)



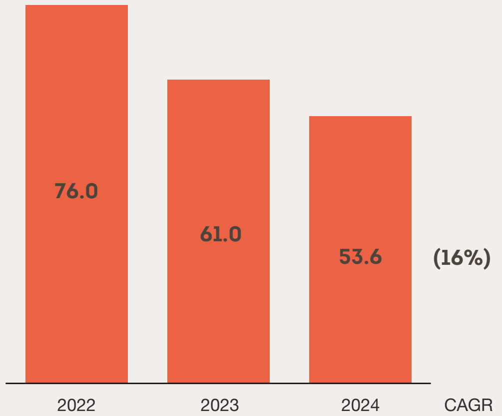
EARNINGS PER SHARE (PENCE)



DIVIDENDS DECLARED (£ MILLION)



DIVIDENDS PER SHARE (PENCE)



[1] *EBITDA is calculated as the Operating Profit of the Asset Manager plus the Operating Profit of the Investment Company, in accordance with IFRS reporting standards, excluding exceptional items, but including the full cost of the office lease which are reported as depreciation of a lease asset and financing costs under IFRS 16. Refer to Note 5 for further details. 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.*

Robert Sharpe
Chair

CHAIR'S STATEMENT

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

Lindsey McMurray
Chief Executive Officer

CEO REPORT

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

Michael England
Partner

PRIVATE EQUITY STRATEGY

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

Matthew Potter
Partner

PRIVATE CREDIT STRATEGY

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

Crispin Goldsmith
Chief Financial Officer

CFO REPORT

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. See page 199 for full definitions. 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.

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).

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

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[2], 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.

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

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%**

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[3]).

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.

	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)[4]
Profit before Tax	**55.8**	**42.6**
Corporation tax	(6.2)	(2.7)
Profit after Tax	**49.6**	**39.9**

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

[4] *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).*

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 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

Alison Collins
Head of ESG

RESPONSIBLE INVESTING

OUR APPROACH

At Pollen Street we are committed to investing responsibly. Our aim is to invest and operate in a way that delivers positive outcomes for our investors, our people, our industry and wider society. We achieved a great deal over the year, working alongside our portfolio companies and borrowers as we believe that ESG is one of the tools that enables us to build better, more sustainable businesses. Early in our investment process our scoring mechanism allows us to identify potential risks and opportunities, helping us to make more informed decisions and ultimately invest in fairer, more transparent businesses that have the foundations to grow quickly and sustainably.

In 2024, Pollen Street continued to make progress, helping portfolio companies to achieve their sustainability goals. This has been achieved through the spotlight on data and scoring, cross-portfolio collaboration, and effective monitoring and measurement including the continued roll-out of ESG ratchets in Private Credit which we believe benefit both our borrowers and our investors by enhancing the sustainability of investment returns. We have also been working to strengthen our approach to reporting and climate risk management, considering the evolving regulatory environment.

HIGHLIGHTS INCLUDE:

- **Continuing to drive strong governance** which is core to our operating model, where we believe that a fairer, more transparent business supports strong and sustainable growth. In 2024, this included a focus on supply chain sustainability.

- **Strengthening social responsibility** through investment in capabilities for products and propositions that have a social impact, and a people-first approach to drive business success.

- **Focus on ESG data and analytics** with this being the third year of using ESG scores in our proprietary data model. We score and rank our investments in both Private Equity and Private Credit and track progress against the previous years. The Private Equity companies improved their scores by an average of 9 per cent compared to the prior year, and we used the scoring with borrowers in Private Credit, with 16 ESG margin ratchets now in place (2023: 8).

- **Strengthening approaches to climate risk** by understanding and mitigating climate risks within the Task Force on Climate-Related Financial Disclosures ("TCFD") framework. We are pleased to announce that 100 per cent of our portfolio companies are aligned to the Private Markets Decarbonisation Roadmap and are capturing their carbon emissions, with 74 per cent already preparing decarbonisation plans.

DRIVING PROGRESS

We track our commitment to positive ESG outcomes through direct and measurable goals. Pollen Street has set a number of targets at both Group and portfolio level. These include:

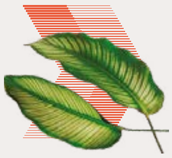
- Pollen Street is committed to promoting strong governance throughout the portfolio including the inclusion of ESG matters on all portfolio company board agendas, as well as comprehensive policy coverage; and

- Pollen Street is maintaining a carbon neutral status for each year at the corporate level and working with our portfolio companies to be net zero within five years of investment (for new investments after 2021).

OUR RESPONSIBLE INVESTING STRATEGY

Our strategy is designed to deliver impact for the benefit of all our stakeholders. We have a clear ambition with initiatives across each of the Environment, Social and Governance segments, as set out below.

DRIVING A POSITIVE IMPACT IN A TANGIBLE WAY FOR THE REAL ECONOMY



	ENVIRONMENT **Create a lasting positive environmental impact**	SOCIAL **Promote diversity, equity and inclusion (“DEI”) and leverage capabilities for socially-impactful products & propositions**	GOVERNANCE **Regulatory best practice through all operational processes**
AMBITION	› Fund green alternatives for sustainable homes and transport › Minimise operational carbon footprint, supporting carbon reduction plans and net zero commitments › Consider climate risk as part of investment and risk management process	› Financial Inclusion - loans and other financial products made available to a broader audience › Enable SMEs to promote growth and job creation in Pollen Street’s markets › Creating opportunities to reduce inequalities - promoting diversity, equity and inclusion	› Commitment to transparent reporting and communications › Effective AML & cyber procedures and governance › Engagement with portfolio companies on governance, to identify gaps and provide support › Responsible lending – best practice amongst our credit partners
RECENT HIGHLIGHTS	› Fifth year of carbon measurement › Introduced Private Markets decarbonisation roadmap to map portfolio activities › Maintained carbon neutral status	› Strengthened community & charity efforts with Future First and Human Rights Watch › DEI initiatives across firm and portfolio – with a focus on social mobility - 10,000 Interns, GAIN & EY Foundation	› ESG margin ratchet now in place for 16 credit facilities driving uplift in ESG scores › Built Policy library and guidance to share with portfolio companies › Delivered TCFD disclosures, using third parties to support climate risk framework and roadmap
SHORT-TERM FOCUS	› Strengthen carbon measurement activities for carbon footprint, including Scope 3 emissions › Tracking climate commitments and plans for firm and portfolio › Continued investment in sustainable finance propositions	› Broaden DEI targets and measures › Engage with collaboration initiatives to deliver impactful change	› Enhance oversight and regulatory governance frameworks › Continue to deliver ESG training and education across the Board, firm and portfolio › Strengthening supply chain sustainability procedures

SUSTAINABLE DEVELOPMENT GOALS (“SDG”) ALIGNMENT

ESG IN THE INVESTMENT PROCESS

Our approach to investing is guided by our focus on actions that generate positive outcomes for our investors, people, portfolio companies and wider society. As a core part of our investment process, we engage with both our Private Equity and Private Credit partners to identify ESG risks and opportunities that are relevant to them and where we can support them. Further information on our approach is set out in our 2023 ESG report (https://content.pollencap.com/public/esg/pollen_street_esg_report_2023.pdf).

INCREASING SUSTAINABILITY ENGAGEMENT AND COLLABORATION ACROSS INVESTMENTS

We are committed to promoting positive societal and environmental impacts directly in the companies we invest in and the products they offer. But we can also amplify this impact through the support and influence we have on our portfolio, with funding for more sustainability initiatives or simply access to our resources and expertise.

In 2024, we continued to invest in businesses that provide products and propositions that deliver a positive impact. In Private Equity, we invested in Keylane Group BV ("Keylane") who provide robust SaaS solutions that helps insurance companies adhere to strict compliance regulations, which promote a sustainable, long-term insurance industry. In Private Credit, we lent to Fundu Limited ("Fundu"), which provides funding to help grow the Finnish economy, backed by Government guarantees.

SCORING AND ANALYTICS – A DEDICATION TO HIGH-QUALITY ESG REPORTING AND TRANSPARENCY

Pollen Street employs a comprehensive data-driven approach to ESG integration, leveraging precise analytics to drive meaningful engagement and sustainable business practices across our portfolio. Our proprietary scoring methodology processes detailed ESG metrics to identify areas for enhancement, enabling the development of robust policies and procedures.

We collect over 50 ESG metrics from each portfolio company annually, using the score to track progress through comprehensive dashboards and scorecards, driving action plans during the year. For new investments, the Pollen Street ESG team uses the scores to develop detailed post-investment plans with specific short, medium, and long-term objectives, designed to progress toward our standards for sustainable business practices.

During 2024, this data framework ensured alignment with industry standards and reporting requirements, including the UN PRI, the ESG Data Convergence Initiative ("EDCI"), and Sustainable Finance Disclosure Regulations ("SFDR").

Looking ahead, we continue to look for opportunities to enhance our ESG reporting capabilities, focusing on automation and efficiency improvements to deliver more granular insights. This commitment enables increasingly tangible ESG improvements across the portfolio while meeting growing demands for standardised, transparent reporting.

We will publish more details, including relevant data points and scores for the 2024 reporting period, as part of our annual ESG report later this year.

HIGHLIGHTS:

14/18

Average score for Portfolio Companies

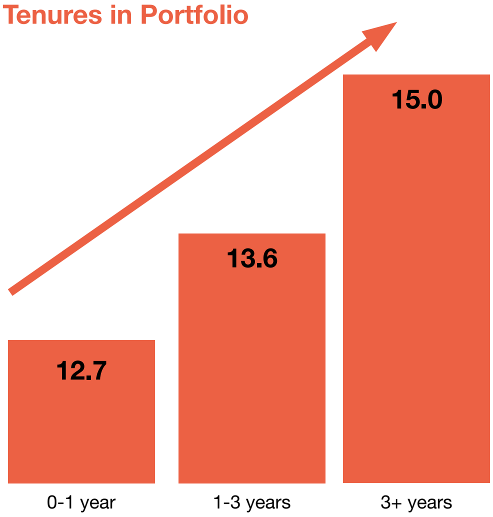
+3

Average Credit score improvement (out of 18)

★★★★★

5 Star rankings for both strategies in the UN PRI

Average ESG Scores by Companies' Tenures in Portfolio



ESG RATCHET TO STRENGTHEN COMMITMENTS TO ESG AND SUSTAINABILITY ACROSS OUR PRIVATE CREDIT STRATEGY

ESG margin ratchets serve as a tool for better risk management. By incentivising borrowers to improve their ESG performance, we can potentially reduce long-term risks associated with environmental, social, and governance factors. We introduced ESG ratchets in 2022, and in 2024 eight new ESG ratchets were rolled out with our borrowers, bringing the strategy total to 16 active ratchets by the end of the year. Through these ratchets we offer margin reductions to our lending facilities based on whether borrowers improve their ESG score or reach specific milestones such as net zero. There is a corresponding margin increase if their scores do not improve or meet agreed thresholds.

The ratchet provides a framework for Pollen Street to engage more closely with borrowers to understand and improve their scores, and to influence and support positive ESG developments. We're pleased to be able to drive this positive impact and work more closely with our borrowers on these important issues, as well as to drive competitive advantage.

CASE STUDY

ESG ratchet drives sustainable performance

MSPCAPITAL

Nicky Hollamby
Associate Director of Finance and
Chair of MSP ESG Committee

MSP Capital is a UK-based Development Finance provider. Pollen Street's Private Credit team has partnered with the borrower since 2023 and has deployed an ESG margin ratchet as part of the loan facility.

Our partnership with Pollen Street has catalysed significant advancement in our Sustainability initiatives, beginning with the establishment of our ESG committee to drive sustainable improvements.

We launched "Foundations for Better Futures", our ESG strategy, supported by Pollen Street's analytical frameworks and tools. This enabled the ESG committee and Board to identify and act on key enhancement areas. Environmental achievements included implementing carbon emissions tracking and offsetting 125% of Scope 1 and 2 emissions. We strengthened employee engagement through our first satisfaction survey and ESG awareness programs.

Our community investment delivered £37,000 in charitable contributions and engaged 250 participants in our Charity Volleyball tournament, while maintaining support for local food banks and community initiatives.

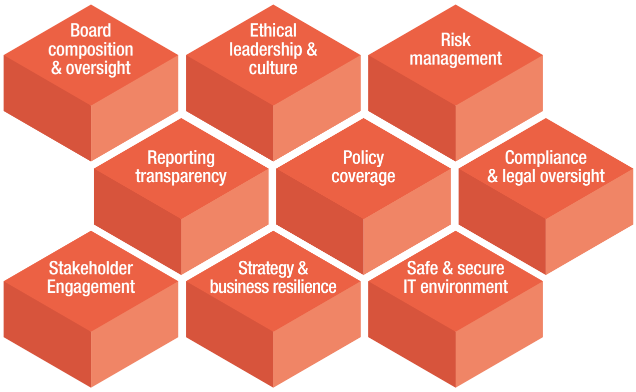
The Pollen Street partnership and ESG margin ratchet continue to enhance our ability to implement meaningful ESG initiatives aligned with our strategic objectives.

SUSTAINABILITY IN ACTION

GOVERNANCE

Strong governance is core to our operating model, where we believe that a fairer, more transparent business supports strong and sustainable growth and resilience. This creates long-term value for the benefit of all of our stakeholders. We also ensure that our investments observe industry standard guidelines as fundamentals, and aim to set the standard for best practice, actively managing ESG considerations and risks effectively. Governance is also fundamental to minimising climate risks, as set out within the TCFD section of this report.

Strong corporate governance is built on several key building blocks that form the foundation for effective oversight and management of an organisation.



In 2024, key activities included the development of a Policy library with guidance to share with portfolio companies, and we addressed specific governance topics including supply chain sustainability and helping portfolio companies address applicable regulatory frameworks.

MARKERSTUDY

Governance driving outcomes in Markerstudy's Sustainability Journey

MARKERSTUDY GROUP

Lizzie Smith-Foreman
Director of Group Marketing & Communications at Markerstudy

In 2024, Markerstudy achieved significant governance advancements and measurable outcomes in its sustainability strategy, positioning the company as an industry leader in responsible business practices.

STRATEGIC GOVERNANCE FRAMEWORK

Markerstudy implemented a comprehensive governance structure to address its sustainability challenges. This governance framework enabled systematic engagement with value chain partners through the formalised Sustainable Supply Chain Programme, building upon the successful 2023 pilot initiative.

MEASURABLE OUTCOMES AND PERFORMANCE METRICS

The governance approach delivered quantifiable results:

- 80 per cent of key suppliers formally adopted Markerstudy's Supply Chain Charter, demonstrating strong stakeholder alignment with corporate sustainability objectives
- 33 per cent of participating suppliers maintained independent third-party sustainability ratings, establishing transparent verification mechanisms and accountability structures
- External validation came through recognition as Sustainability Initiative of the Year at the 2024 Insurance Times Awards

STRATEGIC OVERSIGHT AND FUTURE DIRECTION

The Board has established a phased implementation strategy. This ensures proper oversight mechanisms are in place before expanding into areas such as packaging innovation and service delivery transformation in subsequent phases.

Markerstudy's governance-focused approach demonstrates how strategic leadership and accountability frameworks can drive meaningful sustainability outcomes and minimise risk throughout the value chain.

POWERING SOCIAL RESPONSIBILITY

Pollen Street's investment strategy largely focuses on People and Technology businesses, therefore Social considerations are tied to lasting business success. Pollen Street is also committed to drive broader societal change through financing socially impactful products and propositions, and we continue to promote diversity, equity, and inclusion in our firm and wider industry. This is a continuous area for improvement, as we have committed to short-term goals (25 per cent Women on portfolio Boards / Executive leadership by 2025) as well as broader long-term goals (decrease gender pay gap over life of the investment). The Pollen Street ESG team use a data-driven approach to hold portfolio companies accountable to their people, and further detail on the Group's approach to driving an inclusive culture is detailed on page 49.

HAVING A RESULT IN OUR COMMUNITIES

Pollen Street continues to strengthen our partnerships with Human Rights Watch and Future First, demonstrating our ongoing commitment to driving social impact. In October 2024, we hosted a significant briefing session in partnership with Human Rights Watch focused on the intersection of Human Rights and Economic Justice. This partnership reflects our commitment to engaging in meaningful dialogue around economic equality and corporate responsibility.

Building on the successful initiatives from previous years, Pollen Street maintains its active partnership with Future First, continuing to support social mobility through interactive sessions and mentoring opportunities. These engagement programs aim to provide practical insights for state school students interested in the industry.

Pollen Street continues to strengthen our commitment to diversity in financial services through strategic partnerships with both 10,000 Interns Foundation and GAIN (Girls Are Investors) in 2024. The summer internship program welcomed participants from both organisations, providing them with comprehensive exposure to both Private Equity and Private Credit strategies through structured learning, hands-on project work, and mentorship from senior team members.

INDUSTRY INITIATIVES ALIGNMENT

We are proud to participate in a number of organisations and initiatives to advance collaboration, best-practice and transparency on ESG and sustainability across the industry and broader society.

RESPONSIBLE INVESTMENT

We have been a signatory to the United Nations' Principles for Responsible Investment since 2019. We received a 4* rating in the Policy Governance and Strategy module and 5* in Private Equity and Private Debt modules in the most recent rankings.

Under the EU SFDR, Pollen Street has committed to Article 8 for current Private Equity and Private Credit funds and is working to align processes and disclosures with Article 8 requirements across all future funds.

DIVERSITY, EQUITY & INCLUSION

We are advocates and partners to a number of diversity organisations and initiatives, to advance awareness and representation across the industry:

CLIMATE CHANGE

Pollen Street is a member of the Climat International ("ICI") initiative in order to participate with industry peers and share best practice to address Private Equity's exposure to climate change risk.

We are also a member of Fairr Initiative, a growing investor network focusing on ESG risks in the global food sector.

ESG REPORTING EXCELLENCE

We have been an inaugural member of the ESG Data Convergence Initiative since 2021, participating in working groups to improve the metrics and benchmarks.

This is a joint investor initiative to collectively increase the quality, consistency and comparability of ESG data in private markets.

LOOKING AHEAD – RESPONSIBLE INVESTMENT STRATEGY IMPLEMENTATION

We have a continued commitment to enhance ESG performance through a systematic approach and collaborative engagement, enabling us to effectively manage risks while generating sustainable value for investors and stakeholders.

We have identified key strategic initiatives for the coming year. A primary focus will be on enhancing our ESG reporting and scoring methodologies to provide more granular insights into portfolio performance. This also enables us to meet emerging disclosure requirements linked to evolving ESG regulations whilst ensuring the accuracy and relevance of our ESG data.

Additionally, we will expand our stewardship across Private Equity and Private Credit investments to drive meaningful engagement. As we drive a focus on strong governance for safer, sustainable businesses, we will also be addressing emerging trends such as Responsible AI.

Furthermore, we continue to strengthen our climate risk management practices through deeper alignment with TCFD recommendations, reinforcing our commitment to address climate-related risks and opportunities.

These initiatives reflect our commitment to maintaining industry leadership in ESG integration whilst addressing evolving regulatory standards.

Alison Collins
Head of ESG
24 March 2025

CLIMATE-RELATED RISK MANAGEMENT – TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD")

STRATEGIC INTEGRATION OF CLIMATE CONSIDERATIONS

Our position as a specialist investor in financial and business services, with particular focus on SME & Consumer lending, insurance, and fintech sectors, requires consideration of climate-related impacts across our operations and our portfolio of investments. We recognise both the challenges and opportunities presented by the transition to a low-carbon economy and have integrated these factors into our investment strategy and decision-making processes.

Key Objectives of the TCFD Report

This report features the elements forming an integrated framework for assessing and managing climate-related risks and opportunities across the firm and its investment process.

1. Risk Identification and Assessment:
We aim to identify and assess climate-related risks associated with Pollen Street's investment strategy, evaluating the potential physical, regulatory and transitional risks that may impact the long-term performance of our assets.

2. Opportunity Analysis:
Recognising that climate change presents not only risks but also opportunities, we explore how our investments can contribute to a more sustainable and resilient financial sector.

3. Scenario Analysis:
To enhance our risk management capabilities, we conduct qualitative scenario analyses aligned with TCFD recommendations. These scenarios help us understand the potential impact of different climate-related outcomes, and to make informed decisions.

4. Disclosure of Findings:
Transparent communication is essential in building trust with our stakeholders. We have described our progress against the 11 recommendations of the TCFD, across four key pillars of Governance, Strategy, Risk Management and Metrics and Targets.

Through these activities, we aim to establish standards for climate-conscious investment practices while positioning our portfolio companies and borrowers to succeed in an evolving regulatory and environmental landscape.

Compliance statement

Since 2022, the Group has reported voluntarily against the TCFD Disclosures and 2024 marks the first year of fulfilling the full requirements under the FCA listing rules. The climate-related financial disclosures set out on pages 32 to 45 of this report are consistent with the 11 TCFD recommendations and recommended disclosures on governance, strategy, risk management, and metrics and targets, including the all-sector guidance and supplemental guidance for asset managers, except for Strategy (c), where further work is planned to undertake comprehensive financial modelling under different climate-related scenarios, and the development of a transition plan.

2024 HIGHLIGHTS

GOVERNANCE	› Utilising an established oversight structure with Board and ESG Committee to improve climate strategy and reporting. › Building our climate risk capabilities by partnering with SLR Consulting Limited ("SLR Consulting"), a specialised third-party advisor, to develop a structured operational framework.
STRATEGY	› Strengthening the TCFD roadmap to support scenario analysis and risks and opportunities identification, by engaging SLR Consulting and leveraging a comprehensive gap analysis. › Engaged with UNPRI, Initiative Climat International and other industry groups to incorporate best-practice climate tools frameworks.
RISK MANAGEMENT	› Advancing capabilities to identify and assess climate-related risks and opportunities at the firm level and improving methodologies for qualitative scenario risk assessment. › Continue to strengthen climate considerations in business processes and due diligence, utilising industry standards and working with third party specialists.
METRICS AND TARGETS	› Fifth year of carbon emissions measurement at firm and portfolio level, and maintained carbon neutral status at the Pollen Street Group level only. › Leveraging the Private Markets Decarbonisation Roadmap as a guide and actively aligning investments, ensuring all the Private Equity and Private Credit portfolio are committed to measure carbon emissions and setting decarbonisation plans.

GOVERNANCE

The organisation's governance structure for the oversight, strategy and implementation of climate-related risks and opportunities.

OVERSIGHT

Board Risk Committee

Management of risks, including any ESG and Climate risks, reviews and approves our register of principal risks and ensures the Board has full oversight.

STRATEGY & DELIVERY

ESG Committee

Promotes, supports and helps to integrate responsible investing practices across investments and the firms' operations.

Ensure key actions and decisions are escalated to the Board as applicable.

Risk & Operations Committee

A management level committee that provides stewardship of Group's risk framework.

Responsible for oversight of operational risks within the Group, escalating as applicable to the Board Risk Committee.

Investment Committee

Responsible for all investment decisions across all funds including setting investment strategies, review and approval of new investments, divestments, climate considerations and material matters related to current investments.

EXECUTION

ESG team

Implements ESG strategy and targets, collaborating with deal teams and business functions to drive best practices across Private Equity and Private Credit strategies.

Deal teams

Incorporates ESG and climate factors in investments, escalates due diligence findings, and follows up with counterparties on identified issues.

Portfolio companies and Borrowers

Implements climate initiatives and reports ESG metrics to Pollen Street to evaluate performance and manage risks.

1. BOARD OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

The Board, assisted by the ESG Committee and the Risk & Operations Committees, provides ultimate oversight over the Group's strategy, including management of any material risks and opportunities, and ensures that appropriate policies and procedures are in place, as well as approving relevant public disclosures.

The Board Risk Committee meets four times a year and are responsible for oversight of all risk matters across the Group including climate-related risks, which are included on the risk register. ESG is a standing agenda item and the Committee are provided with relevant information and metrics related to climate risk as required.

The Non-Executive Directors on the Board have deep corporate and regulatory expertise with experience of implementing TCFD and managing climate risks from their Board positions on large, listed companies. The Board recognises that ESG factors and climate concerns can impact the Group's performance, and have assigned authority to the CEO to lead on such matters.

ESG and climate-related training will be incorporated into the Risk Committee agendas at appropriate intervals.

2. MANAGEMENT'S ROLE IN ASSESSING AND MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES

The ESG Committee, which is one of the Group's management-level committees, are responsible for overseeing the implementation of the Group's responsible investment policies and initiatives, including climate matters across the firm and broader portfolio, meeting on a quarterly basis. The Investment Committee, comprising senior investment partners from across the Group, considers and reviews ESG and climate-related risks and opportunities as part of due diligence and the investment decision-making process across the Private Equity and Private Credit strategies, reviewing the summary of risks, opportunities and associated post-investment action plans.

The Group has a dedicated ESG team, which consists of a Head of ESG and an ESG Associate, who are responsible for the strategic direction and reporting of ESG at Pollen Street and engaging relevant Pollen Street staff and borrowers in line with our ESG Policy. The ESG team works closely with deal teams to ensure ESG considerations are fully embedded within the investment process; escalating and following up any ESG issues identified as part of diligence and ongoing monitoring.

Regular training on climate-related and regulatory matters is provided to staff to support the identification of climate risks and opportunities. These include recorded sessions led by third-party climate and regulatory experts.

The Group's governance priorities for 2025 are:

- strengthen our data-driven approach to climate governance, enabling more informed decision-making and oversight at the Board level; and
- take a pragmatic approach to enhancing our governance structure by improving coordination between operational teams and the Board on climate-related matters.

STRATEGY

The Strategy pillar includes the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material. This includes the following areas as related to the TCFD framework:

3. DESCRIPTION OF THE CLIMATE-RELATED RISKS AND OPPORTUNITIES THE ORGANISATION HAS IDENTIFIED OVER THE SHORT, MEDIUM AND LONG TERM

4. IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE ORGANISATION'S BUSINESSES, STRATEGY AND FINANCIAL PLANNING.

5. DESCRIPTION OF THE RESILIENCE OF THE ORGANISATION'S STRATEGY, TAKING INTO CONSIDERATION DIFFERENT CLIMATE-RELATED SCENARIOS, INCLUDING A 2°C OR LOWER SCENARIO.

Process undertaken for risk identification and assessment:
While our initial materiality assessment indicates limited exposure to climate-related risks due to our leased office locations in metropolitan areas, we acknowledge that climate change could affect our Group's operations and performance over time. This assessment considered both transition and physical climate risks.

We continued to work with a third-party experts as part of the exercise to strengthen our approach to climate risk, to support better understanding of the impacts a changing climate and the net zero transition has on Pollen Street's operations and investments.

The work includes the following elements:

- TCFD diagnostic gap analysis and roadmap, reviewing how climate risks are incorporated into the Group's risk management framework;
- Initial materiality assessment;
- Engaging external support to develop a long list of risks and opportunities;
- Internal workshop and engagement to prioritise risks and opportunities linked to different time horizons; and
- Qualitative scenario analysis.

Identifying and prioritising material climate risks and opportunities
We assess climate-related risks and opportunities across our funds and the regions where we operate. We have undertaken a qualitative climate-related risk and opportunity workshop with representatives from the investment teams and business functions. The purpose was to score and summarise material transition and physical risks and opportunities relevant to the business, and which might result in indirect financial impacts to Pollen Street.

Material risks are defined as those that have the potential to have a significant effect on our operations, strategy or financial performance if they are not suitably controlled. Material opportunities are those that have the potential to enhance the financial performance of the business.

Time horizons considered were selected based on Pollen Street's broader business planning cycles and targets. We look at three time horizons for climate-related risks and opportunities, defined as:

- Short term – 0-2 years
- Medium term – 3-7 years
- Long term – 7+ years

Climate-related risk	Time horizon	Impact	Management response
Transition risks encompass the financial impacts of transitioning to a low-carbon economy, including policy and regulatory changes, market shifts, and technological advancements.			
Market Changes in market dynamics due to climate trends may lead to fluctuations in asset value	Medium term	Medium	Pollen Street is strengthening climate risk assessments in due diligence by leveraging external expertise, where needed. We will also benchmark risks and management strategies against competitors.
Market Risks in underlying investments may be hidden or poorly understood	Short-medium term	Medium	Teams undertake thorough due diligence and continue to strengthen assessments as market demands and technologies evolve. We disclose our climate and wider ESG performance transparently, to help maintain our strong reputation with current and future investors.
Technology Potential for unsuccessful investment in new technologies, including climate-related products and solutions	Medium term	Medium	Investment teams take third-party advice and undertake research into new technologies. Due diligence assessments are undertaken as above.
Reputational Risk of reputational damage from lack of compliance with climate-related targets and regulations resulting in loss of access to capital, or loss of mandate	Medium term	Medium	Pollen Street aims to comply and keep up with new climate-related regulations and disclosure requirements We monitor, and engage legal experts on, regulatory and industry developments.
Market Potential challenges accessing ESG resources and expertise as the reporting and regulatory environment evolves	Short-medium term	Low	In-house training and upskilling of existing employees, as well as the use of third-party expertise and consultants helps to mitigate this risk. The group can access ESG expertise through leveraging best practise from current and future portfolio companies as they undertake similar exercises.
Physical risks refer to the direct impacts of climate change, such as extreme weather events, sea-level rise, and changes in temperature patterns. These risks are typically categorised as acute or chronic and can have significant financial and operational implications.			
Chronic Long-term chronic climate changes and weather events disrupting business operations	Medium-long term	Low	Pollen Street have disaster recovery plans in place for business operations and monitors the environment and the insurance market. This is a slower-moving risk, as the firm is based in UK based metropolitan areas.

These time horizons are broadly related to the length of an individual investment (short term), the length of a fund's life (medium term) and a reasonable period of visibility for the Group as a whole (long term). Impacts were ranked as low, medium or high based on likelihood and / or probability.

Our most material risks and opportunities are detailed in the tables below. Risks and opportunities were assessed as to the probability and potential impact, with the results presented below.

Climate-related risk	Time horizon	Impact	Management response
In addition to climate risks, Pollen Street has identified and invested in opportunities to support solutions that support the transition to a sustainable economy, enabling businesses and individuals to improve their resilience to climate-related risks and contribute positively to sustainability goals. These include investments in sectors such as electric vehicles and green home improvements.			
Market Further integration of ESG factors into business processes	Short-medium term	Low	Pollen Street is Further integrating ESG factors into investment processes as an opportunity to recognise the growing emphasis on risk management, enhance operational resilience and strategic decision-making.
Products & Services Investment opportunities that leverage shifts in consumer preferences to incorporate climate change mitigation	Short-medium term	Medium	Pollen Street actively identifies and invests in businesses that enable consumers and enterprises to adopt climate-conscious solutions in financial services, focusing particularly on opportunities in green lending, sustainable home improvements and low-carbon mobility.
Resilience Continue to pursue and improve an environmental sustainability strategy	Short-medium term	Low	The team strengthens its environmental sustainability practices through enhancement of measurement, policies and portfolio engagement. The strategy is underpinned by comprehensive carbon measurement and leveraging industry best practice.

Due to the nature of its operations and investments in the financial services sector, Pollen Street found that transition risks were most material to the business, with physical risks presenting a lower financial impact.

Acute physical risks were considered a lower impact. This is because Pollen Street operates in an office-based services sector and so impact to staff and operations is minimal, even in extreme conditions, resulting in low financial impact from disruptions to normal business operations.

As noted above, at a Group level we consider the impact of climate-related risks on the firm's operations and financial statements to be low. However, the Group is dedicated to evaluating and addressing the impact of identified climate-related risks and opportunities. We are committed to mitigating the potential impacts by demonstrating strong climate stewardship through transparent climate disclosures.

Addressing climate risk as part of the investment process

We acknowledge that ESG risks and opportunities exist across our portfolio companies and borrowers – varying by sector, geography and investment duration. While we avoid investments that cause environmental harm, we take a balanced approach to managing these considerations.

During our pre-investment evaluation, we place strong emphasis on ESG and environmental considerations. Our proprietary rating system assesses potential investments' ESG performance, with environmental metrics forming a core component of our ongoing performance tracking. Our due diligence examines climate risks and environmental management, while evaluating potential climate opportunities specific to each business and sector. We facilitate knowledge sharing across our portfolio through regular ESG and climate-focused forums.

We will continue to update and improve due diligence processes for both Private Equity and Private Credit strategies to include additional climate risk considerations.

Financial Planning

We will be strengthening our financial planning processes to incorporate climate-related scenarios and potential impacts over different time horizons, documenting as appropriate. This will help us understand how different climate-related outcomes may affect the financial performance of our investments, allowing us to make informed decisions and develop robust strategies for the future.

Scenario Analysis

As part of our engagement with SLR Consulting, we have conducted preliminary qualitative scenario analysis to evaluate identified climate risks. This assessment examined vulnerability, likelihood, and impact across three scenarios (orderly transition, disorderly transition, and hot house world) over short, medium, and long-term horizons.

The climate risks identified above were assessed under the different scenarios, and of the six identified risks, only one "Market – Changes in market dynamics due to climate trends may lead to fluctuations in asset value" was deemed to be medium risk under the orderly transition scenario. All other risks were scored low under all scenarios.

CLIMATE SCENARIOS



	Orderly Transition	Disorderly Transition	Hot House World
Network for Greening the Financial System (NGFS) (selected scenarios for the workshop in **bold**)	• **Net Zero 2050** • Below 2°C	• **Delayed Transition** • Divergent Net Zero	• **Current Policies** • Nationally Determined Contributions
Approx. temperature increase	1.0-2.0°C	2.1-3.5°C	3.0-5.0°C +
Description	Decisive global policy action is taken to limit global warming from early 2020s.	Policy measures are delayed until late 2020s/ early 2030s meaning increased costs, e.g., higher carbon prices.	No new policies are introduced leading to increasing physical impacts.

Less warming → requires stricter climate policy → increased transition

Higher warming → greater physical risks

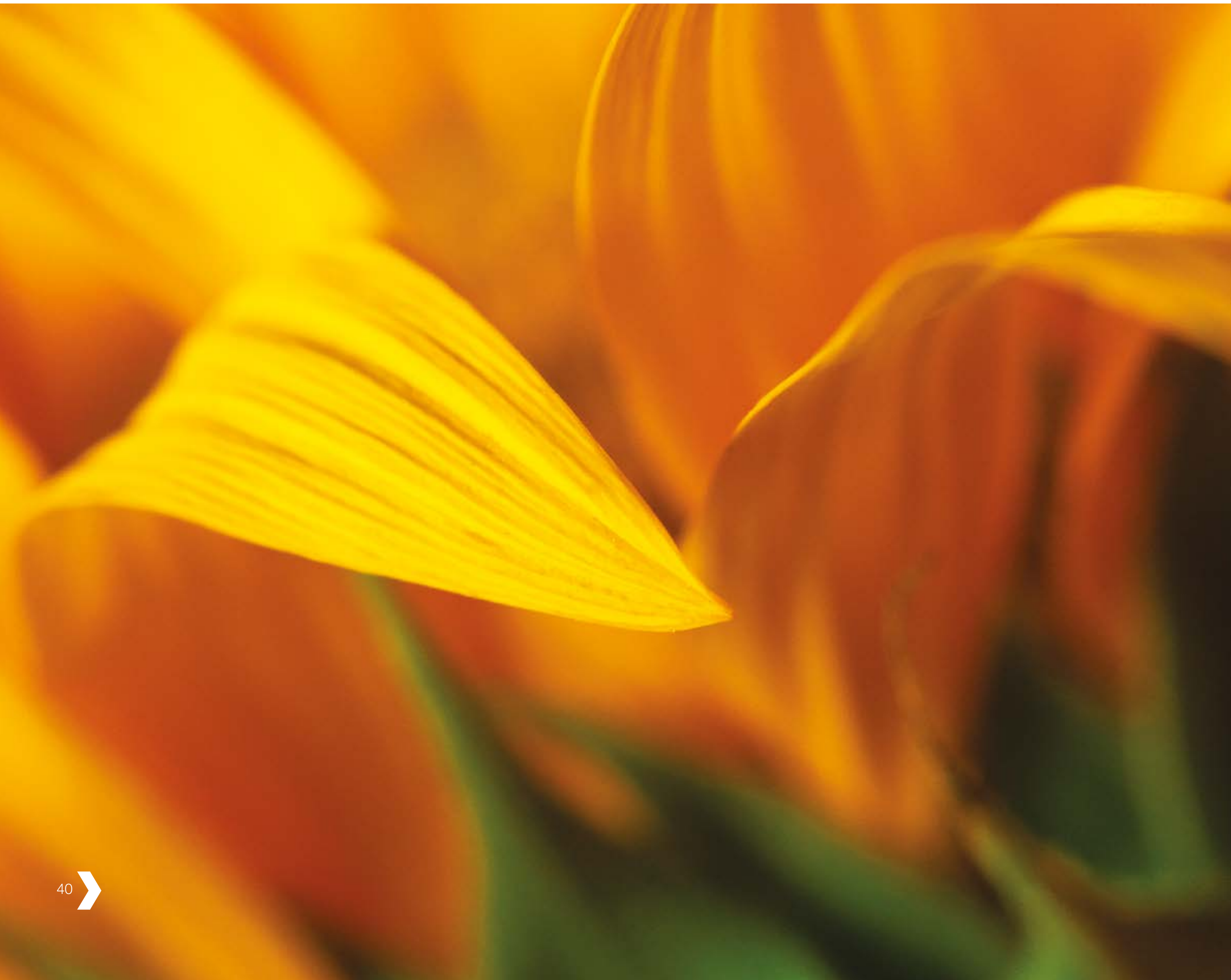
Strategic Resilience

As the Group invests primarily in Financial and Business services sectors, we consider the risk of significant effects of climate change associated with the scenarios laid out above on the Group's direct operations to be limited in terms of proportionality to the Group's broader risk agenda. Relevant disaster recovery and business continuity policies are in place to ensure the safe and continued operation of our office and IT infrastructure, which are overseen by the Executive Committee.

Pollen Street will continue to evaluate climate-related risks and opportunities, and quantify the impact on the financial statements in accordance with the timelines and based off likelihood and materiality.

The Group's strategic climate priorities for 2025 are:

- the Group will continue to enhance its assessment of climate-related risks and opportunities to strengthen strategic planning and decision-making across multiple time horizons;
- the Group will continue to update its climate scenario analysis and evaluate methods to quantify the financial impact of climate scenarios and develop transition plans for any significant climate risks identified.



RISK MANAGEMENT

Across the investment process, climate-related risks are reviewed and addressed as per the below.

Stage	Key features
› ORIGINATION	• High-level screening of exposure to material climate risks of the investment opportunities • Understanding of potential climate opportunities
› DUE DILIGENCE	• Review of climate risks and assessment of environmental management processes of the investees through a due diligence questionnaire and ESG score • Consider the propositional impact for climate opportunities specific to the investment opportunity and underlying business sector.
› INVESTMENT PERIOD	• Manage climate-related risks and opportunities through ongoing monitoring and engagement with portfolio companies and borrowers. • Ensure effective processes to identify and manage risks are employed, with reporting and disclosures meeting regulatory requirements. • Annual collection of Greenhouse Gas ("GHG") emissions (administered via third party) and other climate-related data to assess score and progress • Share best practice climate practices via ESG forums and communications, leveraging external expertise as applicable

6. THE ORGANISATION'S PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS

As set out in the risk management & principal risks and uncertainties section on page 41, the Group has developed a comprehensive risk management framework, with the Board overseeing the management of key and emerging risks, including climate and other ESG risks, which are included on the Group risk register. A working group that reports into the ESG Committee analyses and reviews climate-related risks and opportunities on a regular basis, refreshing the risk register and associated reporting as necessary.

We assess climate-related risks and opportunities across our investment portfolio. This includes analysing both physical risks and transition risks. We also consider the potential impact of climate-related risks on different asset classes and sectors.

The Group has a set of minimum standards to ensure climate change risks are assessed and measured within the investment process, which are incorporated into initial deal team investment assessments and ongoing portfolio management. This includes reviewing counterparty approach to environmental factors and collecting metrics to identify the environmental impacts of their operations, and to implement reasonable measures to minimise any negative impacts.

7. THE ORGANISATION'S PROCESSES FOR MANAGING CLIMATE-RELATED RISKS

Any climate-related risks are managed by the ESG and investment teams with support from other parts of the business as appropriate. The risks are also subject to challenge from our second line risk management function and on the roadmap of our internal audit programme.

At the investment level, through active ownership and engagement, we partner closely with portfolio companies to advance their ESG practice and to address any climate risks. Our approach includes ensuring board-level accountability for ESG and establishing dedicated ESG contacts at each company. We proactively guide all portfolio companies to align with the Private Markets Decarbonisation Roadmap and facilitate carbon measurement by connecting them with specialised carbon accounting partners. Additionally, we provide support on decarbonisation and net zero verification approaches, helping companies validate their environmental claims.

8. PROCESSES FOR THE INTEGRATION OF IDENTIFYING, ASSESSING AND MANAGING CLIMATE-RELATED RISKS INTO THE ORGANISATION'S OVERALL RISK MANAGEMENT

By integrating climate-related risks into our risk management framework, we aim to enhance the long-term resilience and sustainability of the Group. We continuously monitor and review our risk management practices adapting to evolving climate-related challenges and seize opportunities for sustainable growth. Our commitment to effective risk management ensures that we are well-positioned to navigate the changing landscape of climate-related risks, and capitalise on the opportunities presented by the transition to a low-carbon economy.

The monitoring of climate-related risks is integrated into Pollen Street's existing risk management and investment monitoring processes. Identified climate risks are monitored on a regular basis, including progress against ESG roadmaps, initiatives and KPIs. In addition, the ESG team, with support from the investment teams, conducts an annual portfolio-wide ESG review which includes climate-related risks.

Over the last year we have developed our proprietary ESG scoring model and we measure carbon footprint across the firm and portfolio. This enables us to analyse and track progress against our net zero targets, as well as to identify further improvement opportunities.

The Group's climate risk management priorities for 2025 are:

- enhance the integration of climate-related risks within our corporate risk management framework;
- strengthen our climate risk analysis and reporting capabilities through improved tools and a data driven approach; and
- enhance our climate risk management processes by utilising industry-leading frameworks and insights from Initiative Climat International.

METRICS AND TARGETS

9. METRICS USED BY THE ORGANISATION TO ASSESS CLIMATE-RELATED RISKS AND OPPORTUNITIES IN LINE WITH ITS STRATEGY AND RISK MANAGEMENT PROCESS.

As part of our annual ESG data collection, we regularly monitor a broad range of climate-related metrics along with a wider set of ESG measures. The metrics that we track range from standardised KPIs such as the adoption of climate-related policies and appropriate governance through to KPIs specific to individual portfolio companies. We also measure and report on greenhouse gas emissions from across all Private Equity portfolio companies and Private Credit counterparties, using a third party to undertake the assessment. We also incorporate climate-related metrics into our ESG scoring mechanism, which is used as a basis to target ESG improvements and action plans for portfolio companies and borrowers.

Key metrics tracked with results from latest available portfolio measures (2023):

- carbon emissions tracking – Scope 1,2 and 3 GHG emissions;
  - PE companies: Scope 1: 3,851 tCO2e, Scope 2: 1,554 tCO2e, Scope 3: 18,113 tCO2e (excluding purchased goods and services)
- implementation and status of net zero commitments and decarbonisation strategies; and
  - 46% of PE companies have net zero commitments
- % of renewable energy usage.
  - 71% of PE companies source renewable energy tariffs

For credit facilities which have ESG margin ratchets in place, a key factor is also on achieving accredited net zero targets.

We have adopted the Private Markets Decarbonisation roadmap as a framework for understanding the portfolio's decarbonisation activities and progress towards net zero. Data on alignment is collected as part of the annual ESG data collection and used to help guide and set decarbonisation targets across the portfolio, leveraging science-based targets methodologies or equivalent.

Further metrics and targets will be developed to link to specified climate risks and opportunities. As the Group's investments are within Financial and Business services which are asset light, financed emissions for investments do not have a direct correlation with identified climate risks.

10. DISCLOSURE OF SCOPE 1, SCOPE 2 AND, IF APPROPRIATE, SCOPE 3 GREENHOUSE GAS EMISSIONS AND THE RELATED RISKS.

We have performed an annual carbon footprint measurement exercise since 2019 with the results for the Group (excluding portfolio companies) shown below for the past three years. The numbers in the table below are calculated using a third-party, KeyESG, for Pollen Street.

		2024 tCO2e	2023 tCO2e	2022 tCO2e
Scope 1 ›	Direct emissions form the organisation's activity	-	-	-
Scope 2 ›	Emissions from the use of purchased electricity (market-based)	-	1.2	2.4
Scope 3 ›	**Indirect emissions that occur in value chain**			
	Business travel	242.6	376.9	117.0
	Employee commuting including working from home	14.4	14.9	11.0
	Waste generated in operations (inc. water)	3.5	8.5	3.1
	Upstream leased assets	1.2	1.1	-
	Total Scope 3 emissions	**261.7**	**401.4**	**131.1**
Total ›	**Total Scopes 1,2, and 3 emissions**	**261.7**	**402.6**	**133.5**
Intensity ›	Scope 1 and 2 emissions per FTE	-	0.01	0.03
	Scope 1,2 and 3 emissions per FTE	3.0	4.8	1.7
	Scope 1,2 and 3 emissions per AuM (£bn)	48.5	95.9	38.9

The method used for calculating GHG emissions is in line with the GHG Protocol Corporate Accounting and Reporting Standard. Scope 1 represents the direct emissions from owned or controlled sources (such as gas boilers or owned fleet vehicles), Scope 2 represents the indirect emissions from the generation of purchased electricity and Scope 3 represents other indirect emissions across our value chain (including business travel, employee commuting including work from home, waste and water and excluding purchased goods and services and financed emissions).

Comparisons with previous reporting year

As per previous years, the Group has no Scope 1 emissions. Scope 2 emissions (market-based) have decreased to zero due to vacating the US office facility during 2023, and as we source 100% renewable energy in the London office, this has reduced the market-based scope 2 emissions to zero.

The bulk of the group's Scope 3 emissions arise from business travel, which decreased in 2024, driven by international fund raising patterns, and reduced European M&A activity compared to the prior year.

Streamlined energy and carbon reporting (SECR)

During 2024, the Group consumed 137mWh of electricity in its London offices, all of which were purchased via renewable energy tariffs. The associated Scope 2 carbon emissions (market-based) are reported in the above table under the GHG protocol methodology. Pollen Street's offices are housed in a building with an EPC energy rating of B, which features modern insulation and improved sustainability credentials.

Actions taken to reduce carbon emissions

We remain committed to supporting our employees make more sustainable choices by offering initiatives such as the cycle-to-work scheme and a salary sacrifice scheme for electric vehicles. Additionally, we source 100% renewable electricity for our London offices, helping to lower our Scope 2 emissions in accordance with the market-based GHG protocol methodology. We also continuously refine our processes and technologies to enhance energy efficiency and minimise travel where feasible.

While we acknowledge that these efforts alone do not eliminate our operational emissions, we offset our remaining carbon footprint by purchasing accredited carbon credits, ensuring we maintain carbon-neutral status. These offsets cover our Scope 2 and Scope 3 emissions, as detailed in the table above.

11. TARGETS USED BY THE ORGANISATION TO MANAGE CLIMATE-RELATED RISKS AND OPPORTUNITIES AND PERFORMANCE AGAINST TARGETS

Pollen Street has set targets as follows:

- Pollen Street as a firm to maintain carbon neutral status each year
- Portfolio companies to set net zero targets within 5 years of Pollen Street investment

The Group maintained carbon neutral status in 2024, not only by making carbon reductions, but also by purchasing accredited carbon offsets for reported scope 1, 2 and 3 emissions for group operations through Ecologi, which totalled 261.7 tCO2e in the period. In addition to committing to carbon neutral status for each year, we will consider net zero commitments in the coming period.

We are working with portfolio companies to set net zero commitments within five years of Pollen Street investment. Working with Initiative Climat International, using the Private Markets Decarbonisation roadmap to map the activities and progress towards this goal as detailed above. We also score portfolio companies on their climate and environmental management strategies as part of our deal scoring model, setting expectations to improve practice in this area and to put in place meaningful carbon reduction plans. We use these scores as part of an ESG margin ratchet for Private Credit investments, subject to achieving ESG performance targets.

Our priorities for metrics and targets for 2025 are:

- expand and refine our carbon emissions measurement, focusing on comprehensive Scope 3 and financed emissions across our investment portfolio with an ongoing focus on data quality;
- support the adoption of science-based net zero targets at both Group and portfolio level, ensuring meaningful and measurable commitments across our investments; and
- monitor and support portfolio companies' progress on decarbonisation initiatives, aligned with the Private Markets decarbonisation roadmap.

Alison Collins
Head of ESG
24 March 2025

STAKEHOLDER ENGAGEMENT & SECTION 172 STATEMENT

The Directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Group as set out in Section 172 of the Companies Act 2006.

The Directors are required to understand the views of the Group's key stakeholders and describe in the Annual Report how their interests and the matters set out in Section 172 of The Companies Act 2006 ("Section 172") have been considered in Board discussions and decision making in accordance with the UK Corporate Governance Code. Whilst the Company is a Guernsey registered company and therefore the Directors are not subject to the UK Companies Act 2006 requirements, the UK Corporate Governance Code 2018 requires that the matters stated under Section 172 are reported on by all companies irrespective of domicile.

The Directors overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Group as set out in Section 172. Fulfilling this duty supports the Group in achieving its objectives and helps to ensure that all decisions are made in a responsible and sustainable way. In accordance with the requirements of The Companies (Miscellaneous Reporting) Regulations 2018, the Group explains how the Directors have discharged their duty under Section 172 below.

Understanding the views and interests of our stakeholders helps the Board to make reasonable and balanced decisions. Working closely with our stakeholders is an integral part of our business model and strategy and the Board seeks to understand the needs and priorities of the Group's stakeholders, and these are taken into account during all its discussions and as part of its decision-making process. Details of how the Board has engaged with its key stakeholders and considered their interests in Board discussions and decision-making are set out in this section.

The Board defines the Group's key stakeholders as individuals or groups who have an interest in, or are affected by, the activities of our business; accordingly, the Board has considered its key stakeholders to be fund investors, employees, borrowers & portfolio companies, shareholders and regulators. Information on environmental, human rights, employee, social and community issues is set out on pages 24 to 31 of this Annual Report and Accounts.

FUND INVESTORS

The Group manages funds on behalf of third-party investors. Continued support from our fund investors is critical to enable the Group to grow its AuM and deliver the Group's strategy. Fund investors are crucial to our business, providing capital for our investment activities and receiving our fiduciary commitment. Our dedicated investor relations team manages existing relationships and cultivates new ones. The Group is committed to maintaining strong relationships with our investors through transparency, trust, and consistent engagement.

How We Engage

The Group has a dedicated investor relations function, which together with our senior management, manage the Group's relationships with all fund investors whilst seeking to develop new relationships with prospective investors. The Group maintains an ongoing dialogue with investors to ensure there is a clear understanding of expectations and performance. Fund performance is presented through quarterly reporting and update calls, as well as at Annual General Meetings and Limited Partner Advisory Committee on an annual, or as required, basis.

Furthermore, prospective fund investors conduct due diligence as part of their investment process. During the year, the Group facilitated detailed due diligence for both Private Equity and Private Credit investor bases as part of the Group's significant fundraising activities across the strategies, ensuring alignment with their concerns and priorities. Regular feedback on these meetings and ongoing fundraising activity is provided to the Board.

What Matters to Them?

From our engagement over the year, we have identified that our investors are focused on several key areas including: fund performance as they prioritise consistent and robust returns on their investments, transparency through high-quality reporting and open communication, and alignment of interests by valuing a fiduciary approach that ensures their interests are prioritised in all decision-making processes.

Key Priorities for 2025

- We will continue providing a market-leading offering to our investors whilst simultaneously adapting to their evolving priorities;
- We will continue to maintain investor trust through continuous engagement, ensuring their ongoing investment and support; and
- We will continue to enhance transparency by refining communication channels and providing more granular insights into fund performance.

SHAREHOLDERS

Continued shareholder support and engagement is critical to the existence of the business and the delivery of the long-term strategy of the business.

The Group's shareholders include institutional, professional, professionally advised and retail investors. The Group understands the need to communicate effectively with existing and potential shareholders, briefing them on strategic and financial progress and attaining feedback. The Board is committed to maintaining open channels of communication and to engage with shareholders in a manner which they find most meaningful, in order to gain an understanding of the views of shareholders.

How We Engage

In 2024, Pollen Street Group Limited continued to prioritise effective communication and engagement with our shareholders, ensuring their interests were considered in our decision-making processes. Our approach to shareholder engagement has combined traditional methods with innovative platforms to reach a diverse investor base. We continued to hold our regular investor roadshows, organised by our corporate brokers. These events provided shareholders and potential institutional investors with opportunities to engage directly with our management team, discuss our strategy, and provide feedback on our performance on key market issues and shareholder concerns. This includes market dynamics and corporate perception.

A significant development in our shareholder engagement strategy was the initiation of our partnership with the Investor Meet Company platform. This platform has allowed us to cater specifically to our retail audience, providing them with direct access to company presentations and Q&A sessions. Through this initiative, we have been able to collect valuable data, analytics, and feedback, which has informed our decision-making and helped us ensure fair treatment of all shareholders.

By leveraging the insights gained from these engagement activities, we have strengthened our ability to report meaningfully against the engagement principles of our governance code. This approach has also enhanced our Section 172 statement, demonstrating our commitment to promoting the success of the Group while considering the interests of all shareholders.

Our diverse engagement strategy has enabled us to maintain open lines of communication with our entire shareholder base, ensuring that we remain responsive to their needs and concerns as we drive the Group forward. The Group welcomes engagement from shareholders at the AGM as it sees it as an important opportunity for all shareholders to engage directly with the Board. The Board values any feedback and questions it receives from shareholders ahead of and during the AGM and will take action or make changes, when and as appropriate. All Directors attended the 2024 AGM either in person or via electronic means. All voting at general meetings is conducted by way of a poll. Following the AGM, the voting results for each resolution are published and made available on the Group's website.

The Annual Report and Accounts and Interim Report are made available on the Group's website and are circulated to shareholders. These reports provide shareholders with a clear understanding of financial performance and position of the Group. The publication of these is announced via the London Stock Exchange. Feedback and questions the Group receives from the shareholders and analysts help the Board evolve its reporting.

In the event shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by contacting the management team or writing to the Chair at the registered office. Other members of the Board are also available to shareholders if they have concerns that have not been addressed through the normal channels. Feedback can also be gained via the Group's corporate brokers, which is communicated to the Board on a regular basis.

What Matters to Them?

Our ongoing engagement with shareholders throughout the year suggests the following as key areas of focus: financial performance and growth, fund performance, share price and valuation, dislocation between share price and underlying value, liquidity of the shares and return of capital. Our shareholders view the dividend policy complementing the Group's growth strategy as key components of value creation along with the support of the Buyback program. This comprehensive view of shareholder value creation reflects the multifaceted approach of our investors and our shareholder engagement process.

Key Priorities for 2025

- We will continue to engage with our shareholders regularly to maximise the engagement. The Board considers that engagement with, and participation from, our shareholders is of key importance to the success of the business and in achieving our aim of creating long-term and sustainable shareholder value.

EMPLOYEES

The Group's success is intrinsically linked to its people, and achieving strategic goals depends on retaining, developing, and motivating employees. We recognise that proactive engagement with employees fosters an open corporate culture where ideas and concerns can be shared freely. Our approach to employee engagement is multifaceted, focusing on communication, career development, and wellbeing. Our engagement strategy is key to ensuring that our employees remain well informed and we promote an open corporate culture within which employees can openly share their ideas and views.

How We Engage

We pro-actively engage with employees formally and informally throughout the year, through initiatives:

- an annual company-wide offsite inclusive of all employees and a bi-monthly townhall, both focusing on Group performance, new investment activity, team developments and general business initiatives and enhancements. This forum also allows us to provide employees with strategic updates on performance and news, latest deals, awards and recent media coverage;
- regular company-wide communications on new deal announcements and news alerts keeping employees up to date with our latest deals, strategic focus, and news as it happens;
- a set of core company values which are communicated and reinforced through our daily operations, including recruitment, career development, people decisions and in our interactions both internally and externally;
- a community and charity strategy, including partnership with not-for-profit organisations such as the E&Y Foundation, Future First, employee volunteering opportunities and charity support;
- a DEI strategy with a focus on social mobility and under-represented groups in the industry, including partnership with Level 20, GAIN and 10,000 interns. We also conduct an annual engagement and DEI survey, allowing us to collect DEI data and understand employee engagement and sentiment. Results of our survey are published in our annual ESG report and we report back to employees the results of the survey. In response to the feedback collated we agree tangible actions for the year ahead;
- a competency-based recruitment process, supported with unconscious-bias and interview training to ensure fair and equal opportunities for all candidates and to enhance diversity of thought within our teams;
- an employee engagement strategy focusing on annual events and observances that acts as a conduit for bringing our people together and regular team-building events to continuously strengthen our working relationships, company culture and shared values. Employees are also encouraged to recognise successes and share news across the team regarding specific wins and achievements or events (such as Corporate Social Responsibility events);

- a learning and development curriculum, which includes a manager development and coaching programme, a company-wide Growth Mindset programme, leadership development, targeted role-specific training, an external speaker series and bite-size learning sessions covering a multitude of topics;
- managers who meet with their direct reports on a regular basis to better understand levels of engagement and to identify any particular challenges or concerns. This is enhanced by an embedded performance process with twice-annual reviews and ongoing feedback sessions to discuss and monitor performance and progression against objectives; and
- a Human Resources team that meets with employees on a regular basis to understand engagement and to support employee development. A people update is presented at monthly Executive Committee meetings, ensuring people, culture and engagement remain a strategic priority. In turn, relevant content is included and discussed at Board level.

The Board has carefully considered the methods described in the Financial Reporting Council's UK Corporate Governance Code 2018 (the "UK Corporate Governance Code") for engaging with colleagues. The Board concluded that these methods are not appropriate given Pollen Street's scale and comparatively small employee base concentrated in a single London site, concluding instead that the approaches described in the bullet points above to be the most effective engagement approach for the business in its current state. The Board will keep these matters under review in the future.

What Matters to Them?

From our engagement over the year, we know that our employees are focused on a range of matters including professional and personal development, operating within a progressive and entrepreneurial environment where they can voice ideas and concerns, recognition of their successes and contribution along with appropriate reward and advancing social mobility within the industry.

Key Priorities for 2025

- We will continue to enhance the development of our employees by expanding tailored training programs, individual development plans, and leadership initiatives. Investing significantly in these efforts to address future skill requirements, foster innovation, and support career progression, aligning development initiatives with business goals;
- We will strengthen Board oversight of corporate culture by continuing to capture employee feedback and integrating their insights into Board discussions and strategic decision-making. Prioritising initiatives that promote employee wellbeing, align with core values, and a promote a cohesive corporate culture the organisation; and
- We will continue to enhance communication and collaboration between the Board, senior management, and employees through transparent two-way communication channels, fostering alignment, visibility of leadership decisions, and ensuring employee perspectives are reflected in the Group's strategic direction.

BORROWERS & PORTFOLIO COMPANIES

Portfolio companies and borrowers are essential stakeholders in the Group's investment ecosystem. These businesses are not only the source of returns for fund investors and shareholders, but also play a significant role in creating economic value and driving sustainable growth by building great businesses serving the financial ecosystem. The Group is committed to fostering strong relationships with these stakeholders to ensure mutual success.

Responsible portfolio management focuses on sustainable value creation through financial and non-financial enhancements. Our investment teams foster strong relationships with portfolio company management, leveraging deep industry expertise to drive strategic decision-making. This approach creates value for fund investors, shareholders, and portfolio company stakeholders alike.

How We Engage

Through our Private Equity strategy, we back inspirational leadership teams who have the passion and discipline to drive strong growth safely. We foster a strong relationship with each of them, accelerating their success through applying deep sector knowledge and a proven operational framework. We work side by side with them to deliver on key strategic priorities for each business, and as part of this, we appoint members of our investment team to each of the portfolio company boards. This creates alignment to deliver success together.

In our Private Credit strategy, we have created a deep network, increasingly becoming the go-to provider in the market. Through this, we build close ties with borrower leadership teams ahead of deals signing, and this base is used to foster a collaborative dynamic throughout the lifetime of the deal. This is supported by a comprehensive suite of covenants that are structured to create alignment with our borrowers.

The Hub Team, drives additional value from the portfolio by bringing to bear proven operational excellence and implementation experience. The Hub engages with portfolio companies to identify opportunities, implement safeguards, and drive efficiencies through technology innovation and digital transformation. This takes the form of a combination of hands-on guidance and best practice sharing, with current focus on improving the portfolio companies' approach to:

- Go-to-market
- Artificial Intelligence ("AI") implementation
- Operational service design

During the year, the Group held a series of forums for portfolio leaders and CTOs, which focused on the practical benefits that can be achieved through the use of AI, and its expanding influence on transforming operational processes. These sessions stepped through implementable use cases that have the greatest potential to drive efficiencies across the portfolio in the context of the developing technology landscape.

What Matters to Them?

From our engagement over the year, we know that our portfolio companies and borrowers are focused on a range of matters including having a partner that works alongside them to grow their business, is able to provide the capital that they need to unlock further growth and is committed to making a difference.

Key Priorities for 2025

- We will continue to demonstrate to these stakeholders that the Group can accelerate their growth, to deliver against their business objectives through strategic guidance, operational support, and access to capital; and
- We will continue to apply our expertise to enhance the approach to operational excellence of portfolio companies and borrowers. Supporting them in delivering against their strategic objectives through sharing best practice in go-to-market, technology innovation and embedding responsible investing practices.

REGULATORS

Regulators play a critical role in providing oversight of the Group's operations, ensuring compliance with legal and regulatory frameworks across the jurisdictions in which the Group operates. Constructive engagement with regulators is essential to maintaining the trust of fund investors, shareholders, and other stakeholders while safeguarding the Group's long-term success. The Group regularly considers how it meets various regulatory and statutory obligations, how it follows voluntary and best-practice guidance and how any governance decisions it makes can have an impact on its stakeholders, both in the shorter and in the longer term.

How We Engage

The Group takes a proactive and collaborative approach to engaging with regulators, ensuring that its operations align with all relevant regulatory requirements and best practices. During the year, the Group actively engaged with regulators to secure necessary clearances and approvals for its activities, including those from the Financial Conduct Authority to secure the necessary engagement and approvals needed for the activities of the Group's regulated entities as alternative investment managers. These engagements reflect the Group's commitment to operating transparently and responsibly.

The Group contributes to industry bodies, through which the Group participates in consultations, provides input on regulatory developments, and helps shape industry standards. Furthermore, the Group maintains open communication channels with regulators to address any concerns promptly and ensure compliance with evolving regulations.

What Matters to Them?

Through its interactions with regulators, the Group understands that key areas of focus include adherence to legal and regulatory obligations across all jurisdictions, transparent reporting and governance practices, and active participation in shaping industry standards through consultation and feedback.

Key Priorities for 2025

- We will continue meeting our legal and regulatory obligations across all jurisdictions in which the Group operates;
- We will strengthen our relationship and maintain open and active dialogue with our regulators and other key government agencies; and
- We will continue to enhance our governance practices through regular reviews and updates of governance frameworks to align with evolving regulatory expectations.

BUSINESS REVIEW

This section, which forms part of the Strategic Report, covers other business and statutory disclosures.

KEY INFORMATION

Pollen Street Group Limited is a public company limited by shares, incorporated, domiciled and registered in Guernsey with registered number CMP70165. The Company is listed on the Equity Shares (Commercial Companies) category ("ESCC category") and is traded on the London Stock Exchange's ("LSE") main market for listed securities. On 14 January 2025, it was announced that the Company would be admitted to the FTSE 250 on 17 January 2025. The registered office is Mont Crevelt House, Bulwer Avenue, St Sampson, GY2 4LH, Guernsey.

PRINCIPAL ACTIVITIES

The Group's principal activity is to act as an alternative Asset Manager across both Private Equity and Private Credit strategies and to make direct investments and investments in funds managed by Pollen Street through the Investment Company, as detailed further below. The Company's principal activity is to be the holding company for two 100 per cent owned subsidiaries engaged in these activities, which are Pollen Street Limited (the "Investment Company") and Pollen Street Capital Holdings Limited (the "Asset Manager").

Prior to completion of the Reorganisation, the Company's principal activities were establishing the corporate governance structures necessary to complete the Reorganisation.

ASSET MANAGER

The Asset Manager is an alternative asset manager which manages our AuM, which it invests on behalf of the Group's clients. It is dedicated to investing within the financial and business services sectors across both Private Equity and Private Credit strategies.

In Private Equity, the Group seeks to invest behind structural growth trends which form the basis of our investment themes. We apply our deep sector knowledge and proven operational framework to support businesses at the forefront of these opportunities. The management team works closely with the portfolio companies and their teams to implement our established playbook to drive strong growth safely. We build on the solid foundations of our portfolio companies to create customer-centric, data-driven organisations that can become market leaders. We have delivered consistently strong performance across our Private Equity funds with impressive revenue and EBITDA growth and steady deployment activity.

In Private Credit, the Group focuses on asset-backed lending ("ABL") to mid-market companies across Europe. Through our partners we provide the funding to support everything from building homes, funding SME's and corporates to vehicle financing. Our credit facilities are typically on a senior asset-secured basis, secured against diverse portfolios of cash flow generating assets together with additional corporate guarantees. We believe this is an underpenetrated investment strategy with a huge market opportunity. Our deep network and market expertise allows us to generate consistent premium returns compared with other public or private debt strategies.

INVESTMENT COMPANY

The Investment Company may directly originate assets onto the Investment Company's balance sheet, or it may invest into funds managed or advised by the Asset Manager. This could be investing alongside the Group's scaling and flagship strategies to align interests with our Limited Partner investors and seed new strategies. The Directors believe that this approach will help to accelerate the launch of new strategies and grow AuM.

BORROWING

The Board has set a limit on net borrowings at 100 per cent of share capital and reserves. This limit was adhered to during the year ended 31 December 2024 and the year ended 31 December 2023.

HEDGING

The Group hedges currency exposure between Sterling and any other currency in which the Group's assets may be denominated, including US Dollars and Euros.

The Group seeks to arrange suitable hedging contracts, such as foreign exchange swap agreements and other foreign currency derivative contracts in a timely manner and on terms acceptable to the Group to hedge its foreign exchange risk. Details of derivative financial instruments in place at 31 December 2024 and 31 December 2023 can be found in Note 16.

CORPORATE ADVISORS AND SERVICE PROVIDERS

The Group uses a diverse range of advisers and service providers, such as the Company Secretary, Registrar, internal auditors and corporate brokers, to support its business. The Board maintains regular contact with these providers, primarily at the Board and Committee meetings.

The Group formally assesses their performance, fees and continuing appointment annually to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the expected level of service.

CORPORATE AND OPERATIONAL STRUCTURE

Following the reorganisation, the Company became the holding company for two 100 per cent owned subsidiaries, as a result, the financial statements for the year ended 31 December 2024 are prepared on a consolidated basis. Please see Note 28 for details of the Company's subsidiaries, associates and investments in unconsolidated structured entities.

RISK MANAGEMENT

Effective risk management underpins the successful delivery of our strategy and longer-term sustainability of the business, and offers an integrated approach to the evaluation, control and monitoring of the risks that the Group faces.

A clear organisational structure with well defined, transparent, and consistent lines of responsibility exists, and effective processes to identify, manage, monitor, and report the risks the Group is or might be exposed to, or the Group poses or might pose to others, have been implemented. The risks arising from the pursuit of the business' strategy, as well as the risks to achieving the Group's strategy have been analysed carefully and arrangements in place are appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and the activities of the Group. The Board is responsible for oversight of the Group's risk management systems and processes and oversees the management of the key risks across the organisation.

The Group's culture is expressed through the record of good conduct of its personnel, the dedicated governance arrangements that it has embedded within all areas of the business, as well as staff that are sensitive to the need to maintain appropriate management and control of the business. As well as the adoption of a robust governance structure, the Group demonstrates a strong control culture with clear oversight of responsibilities, with the adoption of a tailored set of systems and controls together with ongoing compliance monitoring. The monitoring and control of risk is a fundamental part of the management process within the Group.

The Group's governance structure is by way of committees, designed to ensure that the Board has adequate oversight and control of the Group's activities. The effectiveness of the governance framework is considered by senior management on an ongoing basis such that in the event that a material deficiency in control environment or risk management framework of the Group is identified, it shall be addressed without undue delay. The Group's Investment Committees are responsible for all investment decisions across all funds including setting investment objectives, consideration and approval of new investments, divestments, ESG risks and opportunities, and material matters in relation to current investments, ensuring that risks are considered consistently across our portfolios.

The Group has established the Risk Committee as a Board-level Committee with responsibility for risk oversight. The Group has also established the Risk and Operations Committee as a management level Committee to provide stewardship of the risk framework of the Group, promote the risk awareness culture for all employees, and review the key risk together with the management approach to each risk. More details of the Risk Committee are set out on pages 88 to 89.

RISK MANAGEMENT FRAMEWORK

The Group has developed a comprehensive risk management framework that ensures that the Group identifies, monitors, mitigates and manages risk with oversight from the risk committees and the boards. The Group's risk management framework includes risk identification, risk appetite, accountability, risk limits, controls and reporting. These components, when used together, enable effective oversight of risk across the Group. Under this framework there are a wide range of risk mitigants that are targeted at the risks to which the business is exposed. All areas of the business are engaged in the risk management work and the Group has a strong risk culture.

The risks arising from the pursuit of the business' strategy, as well as the risks to achieving the Group's strategy have been analysed carefully and arrangements in place are appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and the activities of the Group. Challenge comes through the first, second and third lines of defence; the Group has established committees that oversee specific areas of the business, each of which will report to the relevant governing bodies.

The risk management process can be split into five main areas.

RISK IDENTIFICATION

The Group periodically reviews its risk profile using a range of techniques. Both current risks and emerging risks are considered where assessment is informed by material risk events that may have occurred during the period, lessons learnt from previous events or near misses, and any changes to the external risk landscape such as new investment opportunities, operational complexity, regulatory changes, and changes in the economic climate.

RISK ANALYSIS

An assessment process takes place including risk analysis, description, and estimation. The Group has classified its risk exposure into five principal risks: reputation, strategic, conduct, financial and operational. The principal risks are broken down into smaller risks to help to identify and articulate the risks to which the group is exposed and to ensure the risk registers are a mutually exclusive and collectively exhaustive map of all risks within the Group.

RISK EVALUATION

Risks are evaluated, and ranked and prioritised taking into account the Group's Risk Appetite Statement which outlines the level and type of risk tolerated in pursuit of our strategic objectives and financial goals. Risk evaluation allows a holistic view of the risk exposure of the Group to be achieved.

RISK TREATMENT

A comprehensive assessment of identified risks has been undertaken, ensuring that the Group is well-positioned to manage those risks inherent in its business model. Implementing robust risk controls helps mitigate the risks associated with the Group's activities. Preventative, corrective, directive, and detective controls are widely used in the pursuit of mitigating risks and harms to the Group.

RISK MONITORING AND REVIEW

A clear organisational structure with well defined, transparent, and consistent lines of responsibility exists, and effective processes to manage, monitor, and report the risks the Group is or might be exposed to, or the Group poses or might pose to others, have been implemented. The Board is responsible for oversight of the Group's risk management systems and processes and oversees the management of the key risks across the Group.

RISK ENVIRONMENT 2024

During 2024 the global economic and financial landscape continued to present a complex mix of opportunities and challenges.

The end of 2024 saw the world remain in an era of profound geopolitical change. Conflict escalation in the Middle East and Ukraine continued to threaten global stability. The results of political elections held globally during the year heightened market volatility, and secular megatrends – from AI to sustainability – accelerated and reshaped economies and industries and look to continue to do so. Decarbonisation, digitisation, deglobalisation, destabilisation in geopolitics, and demographic aging look to be structural forces as we head into the new year.

Despite the global challenges witnessed throughout 2024, the Group's overall risk profile has remained relatively stable. We continue to navigate the challenges presented to us and ensure preparedness considering both current and emerging risks. In addition to navigating key risks, opportunities also exist, and we hope that 2025 will be a year of transformation and consolidation for the industry if we are able to harness technological advancements and adapt to changing investor preferences.

As we enter 2025, we remain confident that we are best placed to learn from the challenges presented to us and emerge stronger.

PRINCIPAL RISKS & UNCERTAINTIES

The Group's assessment of risk has identified a broad range of internal and external factors which it believes could adversely impact the Group. The following summary of key risks has been identified as having the potential to be material; it is not exhaustive of those faced by the Group. It includes emerging risks and has been reviewed by the Risk and Operations Committee and the Risk Committee on a regular basis and recorded on the Group's risk register.

ESG and Climate-Related Risks are also considered, further information on these are included in the Climate-Related Risk Management – Our TCFD Disclosures section.

KEY

Risk Description **Risk Management** **2024 Summary**

ECONOMIC & MARKET CONDITIONS

Risk Description	Risk Management	2024 Summary
Economic and market factors may affect the Group's investments, track record or ability to raise new capital.	Pollen Street operates closed ended funds without redemption rights for investors, therefore are not subject to redemption risk, allowing a greater degree of freedom to pursue investment objectives throughout macroeconomic cycles. Regular investment reviews are undertaken. The Investment Committees focus on investment strategy, exit processes and refinancing strategies throughout the life of an investment. Pollen Street has an investment committee, and associated processes and sufficient resources are allocated to research and development of new opportunities and the firm's pipeline, taking advantage of favourable market conditions, and weather downturns.	The portfolios remained resilient throughout 2024. AuM continued to grow, and growth in the financial performance and progress towards medium-term targets was in line with expectations.

FUNDRAISING

Risk	Mitigation	Change
The inability to secure new fund mandates, raise capital under existing mandates, or fundraising activity being subject to delay in an ever increasingly competitive market affecting the Group's revenue and cash flows.	The Group has a consistent track record of fundraising and delivering strong returns to investors. The Group has invested in its Investor Relations team to support capital raising across the Group. The investment team has sector specialist knowledge of and expertise in the industries that it invests in, and the investment team has an extensive network and investment experience to enable it to identify opportunities attractive to potential investors.	The risk at the end of 2024 remained elevated due to continuing market volatility and other economic pressures. The Investor Relations team benefited from additional resource and together with management continued to be actively focused on fundraising across the business. Despite the economic challenges, Pollen Street's core strategies provide a clear route for increasing its AuM despite the challenging macro environment.

MANAGEMENT FEE RATES AND OTHER FUND TERMS

Risk	Mitigation	Change
The management fee rates, and other terms that the Group receives to manage new funds could be reduced, affecting the Group's ability to generate revenue.	The Board believes that Pollen Street's highly invested operating platform, experienced investment team, historically strong investing track record and supportive and growing investor base positions the business to deliver future growth in AuM and revenue from management and performance fees.	Pollen Street's management fee revenue is long term and contractual in nature. Management fees on funds raised during 2024 were in line with comparable funds raised in prior years.

INVESTMENT UNDERPERFORMANCE AND FINANCIAL RISKS

Our Investment Assets are exposed to credit and market risks. They may be impacted by adverse economic and market conditions, including through higher impairment charges or reduced valuations. In addition, credit risk, market risk (such as interest rate risk, currency risk & price risk), capital management risks and liquidity risk exist.	The Group has a clear track record of delivering investment returns that are resilient to market conditions and in line with published guidance. Investments are monitored closely as part of the Group's ongoing investment monitoring programmes, adhering to the funds' investment strategy. Input is given by all Investment Committee members to ensure return objectives are met, and to anticipate and discuss any underperformance.	The Group has a diversified, granular portfolio of assets. Loans are subject to stringent underwriting and stress testing. Investment performance remains strong. Further information is set out in more detail in Note 19.

TALENT AND RETENTION

Failure to attract, retain and develop talented individuals to ensure that the Group is able to deliver key performance objectives and to ensure that the right skills are in the right place at the right time to deliver the Group's strategy. Inadequate succession planning for key individuals.	The Group has reward and retention schemes in place for all employees, aligning individual, team, and organisational goals, driving value for the Group. The Group invests in both leadership development and ongoing development opportunities for all employees and has introduced a comprehensive induction programme for all new hires. Pollen Street is committed to raising awareness and encouraging diversity amongst the workforce and the ESG Committee spends significant time and effort progressing Pollen Streets DEI agenda.	The business has continued to strengthen its team throughout 2024. Employee engagement is considered, and the firm seeks to enhance employee satisfaction through various programs. The firm invests in training and development to enhance employee skills and knowledge.

INFORMATION SECURITY & RESILIENCE

Loss of personal data or unauthorised access to sensitive data threatening the firm's data integrity, confidentiality, availability due to unauthorised access and resulting in data breaches or other cyber security incidents. Risk can result from inadequate security measures, human error, malicious attacks or technological failures.	The Group maintains strong technical and operational controls against identified cyber and information security threats. Staff awareness, being key to any modern defence plans, is enhanced through new joiner and ongoing training, and regular communications to staff about relevant threats observed across the industry. Resilient systems are deployed to protect the Group's assets and are validated through regular testing and simulations. The Group holds a defined incident response plan as a set of guideline procedures to be followed in the event of an information security attack or breach. The primary aim of any response is to protect the Group's assets, remediate any issues and minimise the impact of the breach as quickly as possible. The plan sets out communication, oversight and other considerations to be undertaken.	The Group invests annually in detailed external security reviews and penetration tests. All technology and security policies have been reviewed and updated during the year and the protections in place continue to operate well. The technology team is appropriately sized to manage the various security demands and utilises industry standard tooling to ensure monitoring and response management is efficient and thorough. The Group tested its Disaster Recovery Plan and Business Continuity Plans in 2024 with no material findings.

EMERGING RISK IDENTIFICATION

The Risk Management Function continually scans the horizon to identify and communicate emerging risks facing the Group, which are expected to have a significant impact within 1 to 10 years. Emerging risks are those which may arise, or ones that already exist but have evolved. They are characterised by a high degree of uncertainty in terms of impact and likelihood and may have a substantial impact on the operations of the Group.

The Group monitors its emerging risks, supporting organisational readiness for external volatility, incorporating input and insight from both a top-down and bottom-up perspective:

- Top-down: Emerging risks identified by the Risk Committee and the Board, helping to define the overall attitude of the Group to risk.
- Bottom-up: Emerging risks identified at a business level and escalated where appropriate by the Risk and Operations Committee.

Key emerging risks for 2025 include:

- AI and machine learning integration: Increasing integration of AI and machine learning, along with broader economic, political, and cultural changes will affect investment strategies and how firms operate presenting both opportunities and risks.
- Cybersecurity risks: An existing risk which looks to continue throughout 2025 and beyond. AI enabled cyber-attacks, including AI-driven threats and ransomware are becoming more sophisticated.
- Geopolitical instability and economic volatility: Ongoing global tensions may affect market stability and exacerbate operational risks.

The Risk Committee will continue to monitor these risks and proactively respond to the evolving risk landscape.

We are committed to continuously enhancing the firm's operational resilience and driving strategic improvements in our resilience capabilities through comprehensive risk assessment, technology and infrastructure investment, and governance and oversight.

VIABILITY STATEMENT

The Company has chosen to voluntarily comply with the requirements of Listing Rules 6.6.6R(3) and present a Viability Statement. Therefore, the Directors have carried out a comprehensive and vigorous assessment of the prospects of the Group over the three-year period to Pollen Street Group Limited's AGM in 2028. The Board believes this period to be appropriate for assessing viability, considering the Group's current trading position, the potential impact of principal risks, and aligning with the recommendations of the Financial Reporting Council's 2021 thematic review.

The Group's long-term prospects are primarily assessed through the strategic and financial planning process, culminating in the Board-approved Group Budget. As of the year-end, the Group's in a strong financial position, with cash balances of £11.2 million and £579.4 million of net assets, coupled with good visibility of future management fees and a largely predictable cost base, supports its ongoing viability.

To prepare the viability statement, the Board has considered the prospects of the Group in light of its current position and has considered each of the Group's principal risks, uncertainties and mitigating factors that are detailed on pages 57 to 60, to develop a comprehensive scenario analysis for viability.

These projections consider the Group's income, net asset value and the cash flows over the three-year period under a range of scenarios. The scenarios are not a business plan in itself, but rather a prudent view of how the Group may evolve, based principally upon its growth to date, in order to demonstrate its viability. Analysis to assess viability focused on the risks of delivery of the growth of the business and a series of projections have been considered, including changing new business volumes and the performance of the Investment Assets.

Key assumptions within the scenario analysis include:

- the raising of new funds, which impacts the amount of management fees;
- the timing and level of returns from funds, which impacts co-investment and carried interest cash flows and profit recognition; and
- changes in the cost base, primarily in relation to people costs and inflation.

Progress against the current year's budget, which underpins the Strategic Plan, is monitored through the year.

The stressed scenarios applied were deliberately challenging, with the combined scenario representing an extreme case. While the testing identified potential pressures on liquidity in the most severe cases, the Board concluded that the Group has sufficient mitigating actions available.

The recent geopolitical and macroeconomic disruption has also been considered in these scenarios.

All the analysis indicates that due to the stability and cash-generating nature of the Investment Asset portfolio, as well as the long-term debt facilities in place, the Group would be able to withstand the impact of the risks identified. Based on the robust assessment of the principal risks, prospects and viability of the Group, the Board confirms that they have reasonable expectation that the Group will be able to continue operating and meet its liabilities as they fall due over the three-year period to Pollen Street Group Limited's AGM in 2028. The Board also continuously monitors the financial performance of the Group against key financial metrics and ratios, ensuring a strict discipline in the financial management of the business.

GOING CONCERN

The Group has chosen to voluntarily comply with the requirements of Listing Rules 6.6.6R(3) and present a going concern statement. This statement includes the Directors' assessment of the appropriateness of adopting the going concern basis of accounting and their evaluation of the Group's prospects, in line with Provisions 30 and 31 of the UK Corporate Governance Code.

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 date of this Annual Report and Accounts. The Group benefits from income from long-term fund management contracts, with a significant majority of forecast management fees in the assessment period from funds that have already been raised. The firm benefits from a largely predictable cost base, of which over three quarters is personnel related. Based on the above there is good visibility of income, expenditure and future profitability during and beyond the period covered by this assessment. These financial projections have been performed for the Group under various new business volumes and stressed scenarios, and in all cases the Group is able to meet its liabilities as they fall due. The stressed scenarios included no new fundraising and late repayments of a number of structured facilities. 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 its debt facility 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 Group also has detailed policies and processes for managing the risk, set out in the Strategic Report on pages 57 to 60.

02. Corporate Governance Report

BOARD OF DIRECTORS

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were Robert Sharpe, Lindsey McMurray, Jim Coyle, Gustavo Cardenas, Joanne Lake and Richard Rowney.

ROBERT SHARPE

Chair of the Board

Appointed: 25 January 2022

Chair of the Nomination Committee. Member of the Remuneration Committee.

Robert has over 45 years' experience in retail banking and is currently Chair at MetroBank plc and Hampshire Trust Bank plc. He has held an extensive number of board appointments both in the UK and the Middle East including Non-Executive Director at Aldermore Bank plc, George Wimpy plc, Barclays Bank UK Retirement Fund, Vaultex Limited, LSL Properties plc, RIAS plc and several independent Non-Executive Director roles at banks in Qatar, UAE, Oman and Turkey. Robert was previously Chief Executive Officer at West Bromwich Building Society, a role he took to chart and implement its rescue plan. Prior to this, he was Chief Executive Officer at Portman Building Society and Bank of Ireland in the UK.

LINDSEY MCMURRAY

Chief Executive Officer

Appointed: 14 September 2023

Lindsey founded Pollen Street Capital Limited in 2013 and is the CEO as well as Chair of the Investment Committee. Lindsey has been a private equity investor for 25 years with a particular focus on the Financial Services sector.

Before she founded Pollen Street Capital Limited, Lindsey led the team managing the £1.1 billion Special Opportunities Fund within RBS and spent six years as a Partner at Cabot Square Capital, focusing on operating investments in real estate and other asset-backed investments.

Lindsey serves as Non-Executive Director of several portfolio companies. She has a First-Class Honours degree in Accounting and Finance and studied for an MPhil in Finance from Strathclyde University. Outside of work Lindsey is a keen runner and has successfully completed the Marathon Des Sables in 2007 and 2011. She also supports several charities with a particular focus on mentoring children in state schools, supporting climate action initiatives through producing documentary films, and supporting the speech and language charity, Auditory Verbal UK, which provided early years therapy to her daughter Grace.

JIM COYLE

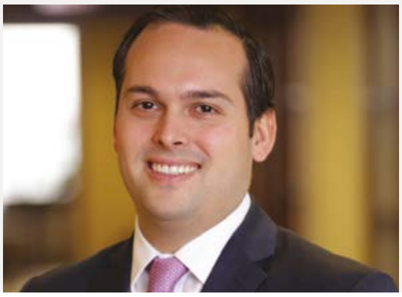
Senior Independent Director

Appointed: 25 January 2022

Chair of the Audit Committee. Member of the Risk Committee, the Nomination Committee and the Remuneration Committee

Jim is a Non-Executive Director and Chair of the Risk Committee at HSBC Bank (Singapore) Limited, Chair of HSBC Global Services Limited, and Chair of the Audit Committee at Ecclesiastical Insurance Office plc. He is also Deputy Chair of the Oversight Board and member of the Audit Governance Board of Deloitte LLP.

Former appointments include: Chair of the Audit Committee, member of the Risk Committee and member of the Chair's Nominations and Remuneration Committee at HSBC UK Bank plc and Chair of HSBC Trust Company (UK) Ltd; Chair of Marks & Spencer Unit Trust Management Limited; Chair of the Board and Chair of the Audit and Risk Committee of World First UK Limited; Chair of Supply@ME Capital PLC, Chair of the Audit and Risk Committee of Scottish Water, member of Committees of the Financial Reporting Council, Group Financial Controller for Lloyds Banking Group; Group Chief Accountant of Bank of Scotland; member of the Audit Committee of the British Bankers Association; Non-Executive Director of the Scottish Building Society; and Non-Executive Director and Chair of the Audit Committee of Vocalink plc.

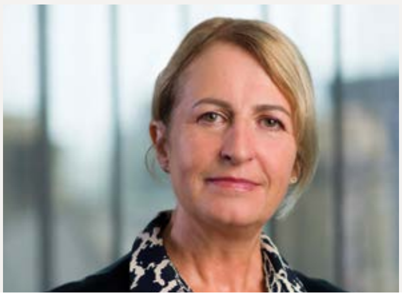


GUSTAVO CARDENAS

Non-Executive Director

Appointed: 14 September 2023

Gustavo Cardenas is a Managing Director at Wafra, where he leads Wafra's strategic partnership investment mandates in both mature and growth state asset management businesses. While at Wafra, Gustavo has completed several direct minority investments, GP financings and secondary investments as well as investments within closed end funds. Previously, Gustavo was a Vice President at Hamilton Lane, focused on co-investments and fund investments. He began his career in investment banking at Bank of America Securities and then at Mesoamerica Partners, a Central American financial group. Gustavo earned a BA from Harvard College and an MBA from the Wharton School of Business.



JOANNE LAKE

Independent Non-Executive Director

Appointed: 25 January 2022

Chair of the Remuneration Committee. Member of the Audit Committee, the Risk Committee and the Nomination Committee

Joanne has over 35 years' experience in financial and professional services and also acts as independent Non-Executive Chair of Made Tech Group plc, the AIM-listed leading provider of digital, data and technology services to the UK public sector, and is an independent Non-Executive Director at AIM-listed Gateley (Holdings) plc, the legal and professional services group and Braemar PLC, an established international provider of shipping, marine and energy services. Former appointments include: Chairman of wealth manager, Mattioli Woods plc, and Senior Independent Director of Henry Boot PLC.

Joanne is a Chartered Accountant and has previously held senior executive roles at UK investment banks including Panmure Gordon, Evolution Securities and Williams de Broe and in audit and business advisory services with PwC. Joanne is also a fellow of the Institute of Chartered Accountants in England & Wales and a member of its Corporate Finance Faculty and is a fellow of the Chartered Institute for Securities and Investment.

RICHARD ROWNEY

Independent Non-Executive Director

Appointed: 25 January 2022

Chair of the Risk Committee. Member of the Audit Committee, the Nomination Committee and the Remuneration Committee

Richard is the Group CEO of Nucleus Financial Platforms Group a leading retirement and wealth management specialist managing over £97 billion of assets under administration. The Group incorporates the businesses of Nucleus Wrap, James Hay, Curtis Banks, Talbot and Muir, Dunstan Thomas and Third Financial and has created one of the largest retirement platforms in the UK. Nucleus is backed by HPS Investment Partners, Epiris and FNZ and one of the UK's leading independent groups for investment platforms, products and wealthtech software. He is also a Non-Executive Director at MSP Capital Limited. Prior to this, Richard was Group Chief Executive of LV=, a leading financial services provider and a mutual where he worked as an executive member of the board for 13 years. Richard left LV= at the end of 2019 following the sale of the General Insurance business to the Allianz Group. Richard had led the business to win the Moneywise Most Trusted Life Insurer award as well as YouGov's UK's Most Recommended Insurer. Prior to his position as Chief Executive Officer he had been Managing Director of the group's Life & Pensions business which he successfully turned into one of the UK's leading protection and retirement specialist companies. Prior to his time at LV= Richard held various Chief Operating Officer and risk roles across Barclays corporate and retail banking. Richard holds a First-Class degree in Geography from the University of Leeds and an MBA from Henley Business School and completed the Harvard Management Programme in 2006.

DIRECTORS' REPORT

The Directors of Pollen Street Group Limited (company number 70165) present their report and audited financial statements of the Company and its subsidiaries, referred to as the Group, for the year ended 31 December 2024.

On 24 January 2024, the Company became the immediate and ultimate parent of Pollen Street Limited (previously Pollen Street plc) by way of a scheme of arrangement pursuant to Part 26 of the UK Companies Act 2006 and the Company's shares were listed on the Main Market of the London Stock Exchange. On 14 February 2024, Pollen Street Limited distributed the entire issued share capital of Pollen Street Capital Holdings Limited to the Company, this is referred to as the "Distribution". The Scheme and the Distribution are together referred to as the "Reorganisation".

The Reorganisation did not change the activities of the overall business for Pollen Street Group Limited and its subsidiaries. However, it did change the activities of the companies within the Group and it affected the presentation of the financial statements. From 24 January 2024, Pollen Street Limited ceased to be classified as an investment trust and Pollen Street Limited and its subsidiaries ceased all asset management activities, however they continue their operations of making both direct investments and investments in funds managed by Pollen Street. Further information on the Reorganisation is provided in Note 1 to the Financial Statements.

The information regarding the Company's principal activities and business review and details of the Directors' overarching duty in relation to The Companies (Guernsey) Law 2008 are set out in the Strategic Report on pages 52 to 53.

BOARD MEMBERS

The names and biographical details of the Board members who served on the Board as at the year-end can be found on pages 64 to 65.

During the year there were two board changes, Julian Dale stepped down as Chief Financial Officer and executive director with effect from 13 June 2024 and Lucy Tilley was appointed as Chief Financial Officer and as an executive director from 13 June 2024 to 18 October 2024. On 18 October 2024 by mutual agreement with the Board and the Company, Lucy Tilley stepped down as Chief Financial Officer and executive director. On 6 January 2025, Crispin Goldsmith was appointed as Chief Financial Officer, but has not been appointed as an executive director.

RE-ELECTION OF DIRECTORS

In accordance with the Code and the Articles, all Directors are subject to annual re-election by shareholders at the AGM. The individual performance of each Director standing for re-election has been evaluated and it is recommended that shareholders vote in favour of their re-election at the AGM. Accordingly, resolutions to re-elect all Directors will be contained within the 2025 AGM Notice of Meeting, which will be sent to shareholders within the prescribed timescales.

DIRECTORS' AND OFFICERS' INSURANCE AND INDEMNITIES

In accordance with the Company's Articles, a qualifying third-party indemnity is in force to the extent permitted by law for the benefit of each of the Directors in respect of liabilities incurred as a result of their office. For those liabilities for which Directors may not be indemnified, the Group maintains insurance for the Directors in respect of liabilities arising from the performance of their duties. The directors' and officers' liability insurance has been renewed and will remain in place under the current renewal until February 2026.

STATUS OF THE COMPANY

The Company was incorporated in Guernsey on 24 December 2021 and started trading on the Main Market of the London Stock Exchange on 24 January 2024. Prior to 24 January 2024 the Company was a private limited company with one shareholder and its only activity was in relation to the Reorganisation. It is the holding company of Pollen Street Limited and Pollen Street Capital Holdings Limited.

SHARE CAPITAL

As at 31 December 2024, the Company had 60,987,340 ordinary shares in issue, excluding treasury shares. The total number of shares in issue, including shares held in treasury was 64,209,597 (2023: 2 ordinary shares in issue). As part of the Scheme, 64,209,597 shares in Pollen Street Limited were transferred to the Company.

The authority granted to Pollen Street Limited at the 2023 AGM to buyback or allot shares was transferred to the Company in accordance with the Scheme. On 21 March 2024 the Company announced a Buyback Programme. 3,222,257 shares have been purchased by the Company during the year ended 31 December 2024 and held in treasury and no further shares have been purchased up to 24 March 2025 being the latest practical date prior to the issue of this report. There are currently 3,222,257 shares held in treasury.

At the AGM in June 2024 authority was given by the shareholders for the Company to purchase its own shares and allot shares. The Company will again request authority to buyback or allot shares at the 2025 AGM. As per the 2024 AGM, in addition to there being a Concert Party which is deemed a controlling shareholder, the resolution to waive Rule 9 of the Takeover Code in Connection with the Exercise by the Company of the Authority to Make Market Purchases of Ordinary Shares will be put to the Shareholders. Without approval of this waiver, the Company is unable to conduct purchases of its own shares. Concerns have been raised that the Concert Party's shareholding would increase as a result of any market purchases, but following buybacks in 2024, the increase in shareholding has been less than 1 per cent and the Concert Party aims not to increase its current shareholding level in case a share repurchase is taking place and it is committed to the success of the Group and maintaining the business.

On a winding up or a return of capital by the Company, the ordinary shareholders are entitled to the capital of the Company.

DIVIDENDS & DIVIDEND POLICY

During 2024 and as part of the Reorganisation the Group changed its dividend policy from a quarterly basis to a bi-annual dividend. As such the Company paid its first interim dividend in October 2024 following the release of the Interim Report. At the Company's AGM on 13 June 2024, shareholder approval was given for two dividend payments in relation to 2024, therefore no further shareholder approval is needed for the second (and final) interim dividend approved by the Board for 2024, which will be paid on 2 May 2025. For 2025 onwards this will be made up of an interim and final dividend.

The dividends in relation to or paid during the year ended 31 December 2024 by the Company and Pollen Street Limited and the year ended 31 December 2023 by Pollen Street Limited are set out in Note 22. A reconciliation of movements in reserves is presented in the Statement of Changes in Shareholders' Funds on pages 125 to 126. The Company may make distributions from retained earnings, revenue reserves, special distributable reserves or from realised capital gains.

Pollen Street declared an interim dividend of 26.5 pence per share in relation to the first half of the year and intends to declare 27.1 pence per share as a second interim dividend, in relation to the financial year 2024.

SUBSTANTIAL SHARE INTERESTS

Up to the Scheme on 24 January 2024 the Company was wholly owned by Joanne Lake. The following table shows the parties that, either held 5 per cent or more in the issued share capital of Pollen Street Limited at the time of the Scheme or have advised the Company during the period to 31 December 2024, that they have an interest of 5 per cent or more of the issued share capital of the Company pursuant to Rule 5 of the Disclosure Guidance and Transparency Rules ("DTR") for non-UK issuers.

Shareholders	Number of shares held	Percentage of issued ordinary share capital with voting rights held
Lindsey McMurray	11,946,390	19.59%
CC Beekeeper Ltd	4,012,006	6.58%
Minerva Analytics Ltd	4,000,000	6.56%
JPMorgan Asset Management (UK) Ltd	3,644,057	5.98%
Michael England	3,401,085	5.58%
Matthew Potter	3,295,938	5.40%
Quilter Plc	3,138,898	5.15%

Between 31 December 2024 and 24 March 2025, being the latest practicable date before the publication of this Annual Report, the Company received one further notification under DTR 5 from Minerva Analytics Ltd, notifying the Company that their shareholding had dropped below the 5% threshold.

Shareholders	Number of shares held	Percentage of issued ordinary share capital with voting rights held
Minerva Analytics Ltd	1,270,796	2.08%

ARTICLES OF INCORPORATION

Any amendments to the Company's Articles of Incorporation must be made by special resolution. The Articles of Incorporation were last updated in December 2023, in preparation for the Scheme.

POLITICAL & CHARITABLE DONATIONS

The Group has not made any political donations during the year (2023: nil) and intends to continue its policy of not doing so for the foreseeable future. The Group donated £45,485 to charity during 2024 (2023: £117,000).

CAPITAL REQUIREMENTS

During 2024, the Company was subject to the following externally imposed capital requirements:

- the Company's Articles of Incorporation restrict borrowings to the value of its share capital and reserves;
- the Group's borrowings are subject to covenants limiting the total exposure based on a cap of borrowings as a percentage of the eligible borrowing base; and
- some of the Group's entities are regulated by the Financial Conduct Authority and have minimum regulatory capital requirements.

The Group has complied with all the above requirements during the year ended 31 December 2024.

DIRECTORS' INTERESTS

Directors' interests in the share capital of the Company at the year-end are contained in the Directors' Remuneration Report on page 102.

The Company has established legally binding relationship agreements between Lindsey McMurray, other employee shareholders of the Group and the Company. Under the terms of the agreement, Lindsey McMurray undertook that she would:

- conduct all transactions and arrangements with a company of the Group at arm's length and on normal commercial terms for the duration of her appointment as a member of the Board;
- disclose to the Board any matter which could give rise to a potential conflict of interest between herself (and any family member or related trust) and a company of the Group; and
- not exercise her powers to prevent Pollen Street Group Limited from being managed in accordance with the principles of good governance and in compliance with the UK Listing Authority's listing

rules (the "Listing Rules"), UK Listing Authority's disclosure guidance and transparency rules (the "Disclosure Guidance and Transparency Rules"), the market abuse regulation (as defined in the relationship agreement) and the Corporate Governance Code.

Lindsey McMurray is entitled to appoint two-sevenths of the Board for so long as certain persons with whom she is deemed to be acting in concert collectively hold at least two-sevenths of Pollen Street Group Limited's shares or one seventh of the Group Board for so long as such persons hold at least one-seventh of Pollen Street Group Limited's shares.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board has established an ongoing process for identifying, evaluating and managing risk on behalf of the Group. The Board has carried out a robust assessment of its principal and emerging risks and the controls to help mitigate these. Further details of the Group's principal and emerging risks and uncertainties can be found in the Strategic Report on pages 57 to 60 and details of the Group's internal controls can be found on page 79. Details of the Group's hedging policies are set out in the Strategic Report on page 53.

INDEPENDENT AUDITORS

The Group's external auditors, Pricewaterhouse-Coopers LLP ("PwC"), were appointed on 9 April 2024 and last re-appointed on 13 June 2024 at the 2024 AGM.

The individual who acts on behalf of PwC as the Chartered Accountants and Recognised Auditors is Claire Sandford. This is the fourth year that Claire Sandford has represented PwC, with her five-year term ending after the year ended 31 December 2025 audit. Her successor has been appointed and will commence their tenure as the individual who acts on behalf of PwC as the Chartered Accountants and Recognised Auditors for the year ending 31 December 2026.

During 2024, the Company carried out a tender process in respect of the 2026 Audit. As a result of the tender process the Company has concluded that, subject to shareholder approval at the 2025 AGM, PwC should be reappointed as the external auditors for the forthcoming financial year. More details on the tender process can be found in the Report of the Audit Committee on pages 85 to 86.

AUDIT INFORMATION AND DISCLOSURE OF INFORMATION TO AUDITORS

As required by Section 249 (2) of The Companies (Guernsey) Law 2008, as amended, the Directors who held office at the date of this report each confirm that, so far as the Directors are aware, there is no relevant audit information of which the Company's Auditors are unaware, and each Director has taken all the steps that he or she ought to have as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

CHANGE OF CONTROL

There are no significant agreements to which the Company is a party that might be affected by a change of control of the Company except for:

- the agreement in relation to the Company's debt facility, where the lender is not obliged to fund a utilisation except in relation to a rollover loan and if negotiations to continue the facility are not concluded within 30 days, the liability may be repayable; and
- awards under the Company's Deferred Bonus Plan generally would have vested in full (to the extent not already vested) on a change of control of the Company.

GREENHOUSE GAS EMISSIONS

The Environmental, Social and Governance section in the Strategic Report provides further details on the Group's greenhouse gas emissions.

FUTURE DEVELOPMENTS

Indications of likely future developments in the business are discussed in more detail in the Strategic Report.

REGULATORY DISCLOSURES

The disclosures below are made in relation to Listing Rule 6.6.1

Listing Rule	
6.6.1(1) – capitalised interest	The Group has not capitalised any interest in the year under review.
6.6.1(2) – unaudited financial information	The Group publishes a quarterly trading update in addition to its Interim Report and Annual Report and Accounts. The financial statements in the interim report published in September 2024 were not audited.
6.6.1(3) – incentive schemes	The Group's incentive schemes are described in the Directors' Remuneration Report and the Annual Report on Remuneration.
6.6.1(4) and (5) – waiver	No Director of the Company has waived or agreed to waive any current or future emoluments from the Group.
6.6.1(6), (7) and (8)	Other than as part of the Scheme, during the year under review, no shares were issued by the Company.
6.6.1(9) (10) – contract of significance & contract for the provision of service	Lindsey McMurray and the other senior management of Pollen Street were considered to be controlling shareholders during the year ended 31 December 2024 under the Listing Rules because together they held more than 30 per cent of the shares in issue. During the year under review, the only contracts of significance subsisting to which the Group is a party and in which a Director of the Group is or was materially interested or between the Group and a controlling shareholder are customary employment contracts and the relationship agreement described in the Directors' Interests section on the previous page.
6.6.1(11) and (12) – waiving dividends	No dividends were waived by shareholders during the year.
6.6.1(13)	The Company continues to comply with the requirements of UKLR 6.2.3 and is able to carry on the business it carries on as its main activity independently from controlling shareholders at all times.

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.

APPROVAL

The Directors' Report was approved by the Board of Directors on 24 March 2025 and signed on its behalf by:

MUFG Corporate Governance Limited
Company Secretary
24 March 2025

CORPORATE GOVERNANCE STATEMENT

Introduction from the Chair

I am pleased to introduce this year's Corporate Governance Statement and my last as Chair of the Board, it has been a pleasure working with the Pollen Street Board and overseeing the evolution of the Group in recent years. I am confident that the governance framework that we have established will permit a seamless transition to a new Chair.

In this statement we explain how the Company operated in 2024 and complied with relevant corporate governance standards. This corporate governance statement forms part of the Directors' Report.

The Directors are ultimately responsible for the stewardship of the Company and this section explains how the Directors have fulfilled their corporate governance responsibilities. The Board remains fully committed to high standards of corporate governance. The governance arrangements were reviewed as part of the Reorganisation. These reviews concluded that the governance arrangements were appropriate for the Group. Therefore, the governance arrangements of the Company were established to be consistent with those of Pollen Street Limited prior to the delisting of its shares.

From 24 January 2024 the Company was an equity shares commercial company ("ESCC") on the London Stock Exchange, as such, the Company complies with the Listing Rules, the Disclosure Guidance and Transparency Rules, the UK Corporate Governance Code 2018 (the "Code 2018") and Companies (Guernsey) Law, 2008 as amended.

The Board reviewed the Principles and Provisions of the Code 2018 and its compliance with the Code 2018 throughout 2024 and has looked to update its corporate governance practices in line with the 2024 Corporate Governance Code that came into effect from 1 January 2025. Following this review, the Board is pleased to confirm that the Company has applied the Code 2018 Principles and complied in full with the Provisions for the financial year ended 31 December 2024 except in relation to provisions 5, 17 and 19. Provision 5 is addressed on page 50, provision 17 is addressed on page 92 and provision 19 is addressed on pages 72 and 76.

The Code 2018 was published by the Financial Reporting Council ("FRC") in July 2018. A copy of the Code 2018 is available from the website of the FRC at www.frc.org.uk. During the year the Company has worked to incorporate the changes made by the 2024 UK Corporate Governance Code ("Code 2024") and has applied the Code 2024 from 1 January 2025. The internal control requirements of the Code 2024 do not come into effect until 1 January 2026 so the Group is working on implementing these non-financial controls to ensure compliance when they come into effect. A copy of the Code 2024 is available from the website of the FRC at www.frc.org.uk.

THE BOARD OF DIRECTORS

The Board currently consists of six Directors: five Non-Executive Directors and one Executive Director. Four of the Non-Executive Directors are considered independent. However, it is noted that the Chair is not subject to an ongoing independence test. Despite Mr. Coyle reaching his 9 year tenure in December 2024 and Ms Lake being stated as a non-independent executive director in the Company's 2023 Annual Report and Accounts, alongside Mr Rowney, both of these Directors are deemed to be fully independent directors.

Biographies of the Directors are shown on pages 64 to 65 and demonstrate the wide range of skills and experience that they bring to the Board. The Directors possess business and financial expertise relevant to the direction of the Company and consider themselves to be committing sufficient time to the Company's affairs.

Each Non-Executive Director has been appointed pursuant to a letter of appointment entered into with the Company in accordance with the Company's Articles of Association. The Directors' appointment can be terminated in accordance with the Company's Articles of Association and without compensation. There are no agreements between the Company and any Director which provide for compensation for loss of office in the event that there is a change of control of the Company. Each Executive Director has entered into a service agreement with the Group as set out in the Directors' Remuneration Policy.

Copies of the letters of appointment and service agreements are available on request from the Company Secretary and will be available at the Pollen Street Group Limited's 2025 AGM.

During the year Julian Dale stepped down as the CFO and as an Executive Director and from 13 June to 18 October 2024 Lucy Tilley was the CFO and an Executive Director on the Board.

At the Annual General Meeting in June 2024 Mr Sharpe noted in his speech that he and Mr Coyle would reach their nine-year tenure at the end of 2024 and therefore the Company would imminently commence the search for a new Chair.

In June 2024 Per Ardua Associates Limited were appointed to assist with the search for a new Chair and the Nomination Committee agreed that Mr Sharpe and Mr Coyle would lead the process and conduct first interviews with candidates before second round interviews with Ms McMurray. The search for a new chair is ongoing 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 overlap with Mr Sharpe as the new chair transitions into the position.

The Board will be recommending the reappointment of Mr Coyle as a Director of the Company at the 2025 AGM. Mr Coyle reached 9 years of continuous appointment on the Boards of Pollen Street Limited and the Company in December 2024 and therefore, if re-elected, he will be serving as a Director beyond the nine-year recommended period of tenure. The Board considers that due to the recent change of Chair and the changes to CFO over the last year it would be in the best interest of the Company and shareholders that Mr Coyle remains as a Director, Senior Independent Director and Chair of the Audit Committee beyond the standard nine-year period. However, the search for a new director and replacement of Mr Coyle is in hand and Mr Coyle is expected to step down before the 2026 AGM. The Board believes that although Mr Coyle will be serving beyond a nine-year period (subject to re-election at the AGM), that Mr Coyle remains fully independent and is able to perform his role appropriately.

Whilst Ms. Lake was the sole shareholder of the Company prior to the Scheme, her role was ministerial and was not a material business relationship, therefore as Ms. Lake is no longer the sole shareholder of the Company the Directors are of the opinion Ms Lake is fully independent and is able to perform her role appropriately. In addition, when she was appointed to the Board of Pollen Street Limited she was independent and remained independent until stepping down from the Board at the completion of the Scheme.

TIME COMMITMENT

The Nomination Committee considers the time commitments of proposed director candidates prior to appointment to ensure that they are able to dedicate sufficient time to the role. Directors' external commitments are reviewed on a regular basis to ensure they continue to devote sufficient time to the role. All Directors are required to obtain prior approval before taking on any additional external appointments. Directors are expected to attend all Board and relevant Committee meetings and attendance in 2024 is set out in the table below. The Nomination Committee noted that some Directors have a number of other significant appointments. The Committee is satisfied that each Director has sufficient time to dedicate to Pollen Street, which is evidenced by attendance at Board and sub-committee meetings over 2024.

The Company noted the resolution to re-elect Joanne Lake at the 2024 AGM received 74.60 per cent due to concerns about over boarding. As stated by the Company on 18 June 2024 in an RNS, due to the small cap nature of each of her other directorships, the Board considers that Joanne has sufficient time to fulfil her duties as a director of the Company and Chair of the Remuneration Committee that this is evidenced by her excellent attendance record at meetings.

THE OPERATION OF THE BOARD

The Board of Directors meets at least six times a year and more often if required. The table below sets out the Directors' attendance at Board and Committee meetings from 1 January 2024 to 31 December 2024.

MEETING ATTENDANCE

Director	Board (Regular meetings)	Board (Additional meetings)	Board Sub-Committee	Audit Committee	Risk Committee	Remuneration Committee	Nomination Committee
Robert Sharpe	6/6	2/2	1/1	-	-	3/3	2/2
Lindsey McMurray	6/6	2/2	1/1	-	-	-	-
Jim Coyle	6/6	2/2	1/1	5/5	4/4	3/3	2/2
Gustavo Cardenas	5/6	2/2	1/1	-	-	-	-
Julian Dale	2/2	0/1	1/1	-	-	-	-
Lucy Tilley	1/1	1/1	-	-	-	-	-
Richard Rowney	5/6	2/2	1/1	4/5	3/4	2/3	2/2
Joanne Lake	6/6	2/2	1/1	5/5	4/4	3/3	2/2
Total	**6**	**2**	**1**	**5**	**4**	**3**	**2**

No individuals other than the Committee or Board members are entitled to attend the relevant meetings unless they have been invited to attend by the Board or relevant Committee.

Directors are provided with a comprehensive set of papers for each Board or Committee meeting, which equips them with sufficient information to prepare for the meetings.

The Board has a formal schedule of matters specifically reserved to it for decision, which includes:

- the Group's structure, including share issues;
- receiving reports and recommendations from Board Committees;
- reviewing and approving Board changes;
- considering and authorising Board conflicts of interest;
- monitoring financial performance and the overall performance of the business;
- reviewing and approving the Group's Annual Report and Accounts and Interim Report including associated accounting policies;
- reviewing the Group's strategy and endorsing any changes as necessary;
- reviewing and approving the Group's gearing targets and limits;
- the review and approval of terms of reference and membership of Board Committees; and
- reviewing and approving directors' and officers' liability insurance.

There is a procedure in place for the Directors to take independent professional advice at the expense of the Company.

FINANCIAL YEAR 2024

During 2024, key areas of focus in terms of our governance framework have included:

- implementing the final stages of the Reorganisation and transitioning from an Investment Trust to a Commercial Company;
- progressing our Board succession with the search for my own successor (the process being led by Jim Coyle in his role as Senior Independent Director ("SID") in accordance with good governance practice, and described in the Nomination Committee report on page 90);
- reviewing the Board succession plan and developing a Board skills and experience matrix to support future Board succession;
- reviewing the changes to the UK Corporate Governance Code which will apply to us from 1 January 2025 and the new UK Listing Rules; and
- approving the Audit Committee's recommendation to re-appoint PwC as the Company's auditor following an audit tender process during the year.

CULTURE

The Directors have considered and defined the Company's culture, purpose and values. By identifying the important elements of the Company's dynamic and driven culture, the Directors assess and monitor it and ensure that it remains aligned with the Company's purpose, values and strategy. The Board promotes a culture of openness and debate.

The Company operates around five core values; expert, caring, enterprising, progressive and driven. We aim to be a purpose-led asset manager delivering consistent returns and sustainable growth for our investors and stakeholders alongside positive impact for our people, portfolio companies and wider society. The culture of the Board is considered as part of the annual review of the board effectiveness and the strategy review processes. During the year the Company has implemented various initiatives to further develop and embed the culture in the Company, more details can be found on page 49 in the Strategic Report.

CHAIR AND SENIOR INDEPENDENT DIRECTOR AND DIVISION OF RESPONSIBILITIES

The Chair, Robert Sharpe, considers himself to have sufficient time to spend on the affairs of the Company. Mr Sharpe has no significant commitments other than those disclosed in his biography on page 64.

The SID, Jim Coyle, considers himself to have sufficient time to spend on the affairs of the Company. Mr Coyle has no significant commitments other than those disclosed in his biography on page 64.

The following sets out the division of responsibilities between the Chair and the SID.

Role of the Chair

The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. The Chair:

- demonstrates objective judgement;
- promotes a culture of openness and debate;
- facilitates constructive Board relations and the effective contribution of all Non-Executive Directors;
- ensures appropriate delegation of authority from the Board to executive management;
- ensures that Directors receive accurate, timely and clear information;
- in addition to formal general meetings, offers regular engagement with major shareholders in order to understand their views on governance and performance;
- ensures that the Board as a whole has a clear understanding of the views of shareholders;
- develops a productive working relationship with the Chief Executive Officer, providing support and advice, while respecting executive responsibility; and
- acts on the results of the annual evaluation of the performance of the Board, its Committees and individual Directors by recognising the strengths and addressing any weaknesses of the Board.

Role of the Senior Independent Director

The role of the SID is to provide a sounding board to the Chair and to serve as an intermediary for the other Directors and shareholders. Led by the SID, the Non-Executive directors meet without the Chair present at least annually to appraise the Chair's performance, and on other occasions as necessary. The SID is also available to meet with shareholders to provide a channel for any shareholder concerns with the Chair.

INDEPENDENCE OF DIRECTORS

Robert Sharpe, Jim Coyle, Richard Rowney and Joanne Lake were considered, on appointment, to be free from any business or other relationship that could materially interfere with the exercise of his or her independent judgement and have remained so since. The Board noted that Joanne Lake was the sole shareholder of the Company prior to 24 January 2024 for administrative purposes but did not consider this to impact on her independence and the Board is of the view that there are no relationships or circumstances relating to the Company that are likely to affect the judgement of any of the independent Directors.

Care will be taken at all times to ensure that the Board is composed of members who, as a whole, have the required knowledge, abilities and experience to properly fulfil their role and are sufficiently independent.

DECISION-MAKING

The importance of the stakeholder considerations, in the context of decision making, is taken into account at every Board and Committee meeting. All discussions involve careful considerations of the longer-term consequences of any decisions and their implications for stakeholders.

The Board adopts the following general approach in its discussions and decision-making:

- The papers for each meeting include a reminder of Directors' Section 172 duties and the Group's key stakeholders. The Chair of the Board and committee chairs ensure that the ensuing discussions are properly informed by all relevant Section 172 matters.
- The Board assesses and approves the Group's purpose, values and strategy, ensures the strategy is aligned with the culture, and is responsible for promoting those values and culture.
- The Board regularly monitors progress on the implementation of the strategy and associated business plan, and reviews both annually to ensure they remain appropriate.
- Details of how the Board and its committees engage with our key stakeholders can be found on page 79 of this Corporate Governance Statement.
- The Board and its committees consider the potential consequences of its decisions in the short, medium and long term. It ensures that the Group's risk management processes identify any resulting risks to the business and its stakeholders, and have plans to appropriately address these risks.

BOARD PERFORMANCE REVIEW

The Board Performance Review conducted in 2024 was an internal review lead by the Company Secretary, however the Chair and Board note that the Company should conduct an external Board Performance Review every 3 years and therefore intends to conduct an external review no later than 2026.

The performance of the Board and its Committees and Directors as well as the independence of the Directors was evaluated by means of a tailored questionnaire during 2024. The questionnaire was completed by all Board members. It examined the effectiveness of the Board in the following areas:

- behaviours and dynamics;
- purpose and strategy;
- stakeholder relationships;
- governance; and
- priorities for change.

The independence of the Directors and their ability to commit sufficient time to the Company's activities was considered as part of the evaluation process.

Directors also completed a self-evaluation and an appraisal of the Chair. The responses to the Board Performance Review were anonymised and collated by the Company Secretary and a report provided to the Nomination Committee in the first instance and then reviewed by each committee and the Board. Overall, the results showed that the Board was working well and that all Directors continue to make positive contributions. The Directors felt that there was an appropriate balance of knowledge, skills, and specific sector experience on the Board and there were no significant concerns among the Directors about the Board's effectiveness.

Areas identified for further consideration included, continuing to improve information flow between the Company, the Board and committees to ensure coverage of key issues, further work on strategy with a full strategy day to be added to the annual calendar, further consideration to be given to the Company's culture and implementation of the culture policy and to develop further mechanisms to effectively obtain the views of wider stakeholders.

It was also acknowledged that increased diversity on the Board was required and that this was being addressed as part of succession planning and that new board members with experience in private equity and asset management would be beneficial.

The SID led the appraisal of the Chair and received all completed questionnaires and subsequently met with all Directors excluding the Chair to discuss the results. The comments received from this meeting were then discussed with the Chair.

The Chair received all Director self-appraisal forms, and these were discussed with the other Directors to provide an opportunity for Directors to raise any matters of concern. All Directors were deemed to be fulfilling their duties effectively, to have the skills and experience relevant to the leadership and direction of the Company and to be making a significant contribution to the Board.

The Directors were satisfied with progress against actions arising from the 2023 evaluation including continuing to closely monitor and observe the Company's risk and control systems; maintaining oversight of business performance and resilience whilst considering further opportunities for sustainable growth and updating processes and information regarding the Group following the Reorganisation.

As part of the Board Performance Review each director was asked to complete a skills and experience matrix, and the results were presented to the Nomination Committee and Board for review and discussion. The process did not identify any material gaps in knowledge or experience on the Board as a whole but it identified some areas of concentration and where it would be appropriate for whole Board training to be sought to ensure our knowledge is kept up to date. The process also prompted discussions on key considerations for the Board when appointing new Directors to support the implementation of the Company's future strategy.

TRAINING

The Company Secretary, the Company's legal advisers and the management team offer a comprehensive induction programme to new Directors to ensure they have the necessary knowledge of the Group, their duties and obligations as Directors and other matters as may be relevant from time to time. Board members are encouraged to keep up to date and attend training courses on matters that are directly relevant to their involvement with the Company.

The Company Secretary provides relevant governance updates at each board meeting, and has proposed a training programme for the Directors, which covers matters including the UK Listing Rules and the new "failure to prevent fraud" offence.

BOARD APPOINTMENT, ELECTION & TENURE

The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Incorporation and The Companies (Guernsey) Law, 2008 as amended.

During the year Robert Sharpe and Jim Coyle reached their 9 years tenure anniversary. Therefore, the Company has undertaken a recruitment process for a new Chair and new Senior Independent Director and Audit Committee Chair.

As the search for a new Chair is ongoing, Mr Sharpe remains as Chair for the time being and has exceeded his 9-year tenure but this is not seen as an impediment to the Company, and it is appropriate for Mr Sharpe to remain in his position until a new chair is found. Once a new chair is appointed the search for a replacement for Mr Coyle will commence. However, given the recent changes regarding the CFO and wider finance team in 2024, the Board is considering the appropriateness of Mr Coyle remaining in his position as audit chair for an additional year to assist with continuity. The Board is also cognisant of ensuring retention of knowledge and note that the Chair and SID departing in the same year would not necessarily be in the best interest of the Company.

None of the other Directors consider length of service as an impediment to independence or good judgement but, if they felt that this had become the case, the relevant Director would stand down.

The Board considers that all of the current Directors contribute effectively to the operation of the Board and the strategy of the Company.

DIRECTORS' SUCCESSION PLAN

The Board is aware of the need to consider Board tenure, independence and ensure continuity and a smooth transition of Directors and maintenance of an appropriate balance of skills, experience and diversity at all times and during the year the Nomination Committee has reviewed the Board Succession Policy and with Mr Sharpe and Mr Coyle reaching their 9 year tenure the future needs of the Company and structure of the Board have been at the forefront of Nomination Committee discussions. The Company used Per Ardua Associates Limited ("Per Ardua Associates") to assist with the search for a new chair and on their appointment they were asked to provide a shortlist of diverse candidates.

The initial intention was for Mr Coyle to step down at the AGM and his replacement appointed at the 2025 AGM. However, due to the extended timings for a search for a new Chair, an option is for Mr Coyle to remain on the Board during 2025 and to step down no later than the AGM in 2026. Thus, enabling the new Chair to be involved in the appointment process and ensure continuity of knowledge.

Following the departure of Lucy Tilley in October 2024, Crispin Goldsmith has been appointed as CFO, but has not been appointed as an executive director.

During the year the Nomination Committee reviewed the Board and Senior Management Succession Plans, to ensure maintenance of knowledge and ensure appropriate mix of skills, knowledge, experience and diversity in the Board and to ensure that there was an appropriate emergency plan in place for senior members of the Company.

CONFLICTS OF INTEREST

The Company's Articles of Incorporation provide that the Directors may authorise any actual or potential conflict of interest that a Director may have, with or without imposing any conditions that they consider appropriate on the Director in question. Directors are not able to vote in respect of any contract, arrangement or transaction in which they have a material interest, and, in such circumstances, they are not counted in the quorum at the relevant Board meeting. A process has been developed to identify any of the Directors' potential or actual conflicts of interest. This includes declaring any potential new conflicts before the start of each Board meeting. A schedule is maintained of each Director's potential conflicts of interest.

BOARD DIVERSITY

The Board is comprised of a mixture of individuals that have an appropriate balance of skills and experience to meet the needs of the Company and to date appointments are made first and foremost on the basis of merit and taking into account the recognised benefits of all types of diversity.

The Board acknowledges the Financial Conduct Authority ("FCA") Listing Rules that set positive diversity targets and build on the recommendations from the Hampton-Alexander Review on gender diversity on boards and the Parker Review regarding ethnic representation on boards. The Board supports the recommendation to have greater female and ethnic representation and wider diversity on the Board and includes this as a key consideration in its succession planning and recruitment of new directors. The Group maintains the following targets:

- at least 40 per cent of individuals on the Board to be women;
- at least one senior Board position to be held by a woman; and
- at least one individual on the Board to be from a minority ethnic background.

As detailed in the table below, throughout 2024 the Company has met targets two and three, with target one not being met due to the previous CFO's unplanned departure.

Following the Company's appointment to the FTSE 250 the Board will continue to focus on prioritising diversity at all levels of the Company.

The following tables show the gender diversity and the ethnic diversity of the Board as at 31 December 2024.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, SID and Chair)	Number in executive management	Percentage of executive management
Men	4	67%	2	-	0%
Women	2	33%	1	1	100%
Not specified/ prefer not to say	-	-	-	-	-

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	5	83%	3	1	100%
Mixed/Multiple Ethnic Groups	-	-	-	-	-
Asian/Asian British	-	-	-	-	-
Black/African/ Caribbean/Black British	-	-	-	-	-
Other ethnic group, including Arab	1	17%	-	-	-
Not specified/prefer not to say	-	-	-	-	-

The table below shows the gender diversity across the organisation as at 31 December 2024.

	Number of employees	Number in Senior Management
Men	59	6
Women	32	1
Not specified/ prefer not to say	-	-

COMMITTEES

As set out on page 75, the Committee structure was reviewed by the Board in 2024. Details of membership of the Committees are set out on page 73. The terms of reference of each Committee are available from the Company Secretary and on the Company website. Each Committee reports to the Board on its proceedings at the next Board meeting after each meeting.

Audit Committee

The Board has delegated certain responsibilities to its Audit Committee. An outline of the remit of the Audit Committee and its activities during the year are set out on pages 82 to 87.

The Audit Committee is chaired by Jim Coyle and meets at least on a quarterly basis. It is responsible for ensuring that the financial performance of the Group is properly reported and monitored and provides a forum through which the Group's external auditors may report to the Board. The Audit Committee reviews and recommends to the Board the Annual Report and Accounts, the Interim Report, quarterly trading updates and any other financial announcements.

Risk Committee

The Board has delegated certain responsibilities to its Risk Committee. An outline of the remit of the Risk Committee and its activities during the year is set out on pages 88 and 89.

The Risk Committee is chaired by Richard Rowney and meets on a quarterly basis. The Risk Committee is responsible for: reviewing the Group's internal control and risk management systems, in collaboration with the Audit Committee in respect of financial control;

setting and monitoring the Company's risk appetite; carrying out a robust assessment of the Company's emerging and principal risks; and key policies and processes for identifying and assessing both financial and non-financial business risks and the management of these risks along with an assessment of their robustness, appropriateness and effectiveness.

The Risk Committee reviews and approves statements to be included in the Annual Report and Accounts concerning internal controls and risk management; and assesses the adequacy of the levels of professional indemnity insurance and other insurance cover maintained for the Company.

The principal risks and uncertainties for the Group are set out in detail on pages 57 to 60.

Remuneration Committee

The Board has delegated certain responsibilities to its Remuneration Committee. The Committee is chaired by Joanne Lake and meets at least twice a year. An outline of the remit of the Remuneration Committee and its activities during the year is set out on pages 94 and 96.

The primary responsibility of the Committee is to consider and make recommendations to the Board on Directors' remuneration. Further details on the work on remuneration can be found in the Annual Report on Remuneration on pages 98 to 107.

Nomination Committee

The Board has delegated certain responsibilities to its Nomination Committee. The Nomination Committee is chaired by Robert Sharpe and meets at least twice a year. The Nomination Committee is responsible for overseeing the appointment of new directors and the succession planning of the Board and senior management as well as evaluating the Boards performance The report of the Nomination Committee is set out on pages 90 to 92.

COMPANY SECRETARY

The Board has direct access to the advice and services of the Company Secretary, which is responsible for ensuring that the Board and Committee procedures are followed, and that applicable rules and regulations are complied with. The Company Secretary is also responsible for ensuring good information flows between the Board and management, ensuring the timely delivery of information and reports to the Board and for ensuring that statutory obligations of the Company are met.

ANNUAL GENERAL MEETING

The Company's AGM will be held on 12 June 2025 and the notice of meeting will be circulated at least 21 days in advance of the meeting date. Eligible shareholders will be able to attend and vote at this AGM. The Company's shareholders are encouraged to attend the AGM and to participate in proceedings. The chair of the board and the directors of the Company, together with representatives of the Group, will be available to answer shareholders' questions at the AGM. Proxy voting figures will be available to shareholders at the Company's AGM.

SHAREHOLDER ENGAGEMENT

The Group engages in regular discussions with major shareholders, the feedback from which is provided to and greatly valued by the Board. The Directors are available to enter into dialogue and correspondence with shareholders regarding the progress and performance of the Company. Further information about the Company can be found on the Company's website.

INTERNAL CONTROL REVIEW AND ASSESSMENT PROCESS

The Group has established internal control frameworks to provide reasonable assurance on the effectiveness of the internal controls. The Board has appointed Deloitte LLP as internal auditor of the Group.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and for reviewing the effectiveness of the Group's system of internal controls including financial, financial reporting, operational, compliance and risk management. The Board has in place a robust process to assess and monitor the risks of the Group. The Board has reviewed the effectiveness of systems of internal control and risk management. During the year under review, the Board has not identified any significant failings or weaknesses in its internal control systems.

The Group has established a risk matrix, consisting of the key risks and controls in place to mitigate those risks. The Board confirms that there is an ongoing process for identifying, evaluating and managing the principal risks faced by the Group. Details of the Group's risks can be found on pages 57 to 60 of the Strategic Report, together with an explanation of the controls that have been established to mitigate each risk. This provides a basis for the Risk Committee and the Board to regularly monitor the effective operation of the controls and to update the matrix when new risks are identified.

The system of internal control and risk management is designed to meet the Group's particular needs and the risks to which it is exposed. The Board recognises that these control systems can only be designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.

FINANCIAL REPORTING CONTROLS

The Board maintains a robust system of internal control and risk management, focusing on the integrity of the Group's financial reporting process. This system, designed to manage rather than eliminate risks, includes a clear organisational structure, regular risk assessments, comprehensive control activities, and effective information systems. The Group adheres to International Financial Reporting Standards and continuously monitors control effectiveness through management reviews, internal and external audits, and Audit Committee oversight. The Board regularly reviews the system's effectiveness, conducting a specific review for this Annual Report and Accounts.

ANTI-BRIBERY & CORRUPTION

The Group has reviewed the compliance with the Bribery Act 2010. These matters are reviewed regularly by the Audit Committee and Risk Committee.

WHISTLE BLOWING POLICY

The Group has a whistleblowing policy and there are processes in place to encourage workers to report concerns or suspicions about any wrongdoing. There is also a dedicated whistleblowing e-mail address, which the Chief Compliance Officer is responsible for monitoring.

APPROVAL

This report was approved by the Board of Directors on 24 March 2025.

Robert Sharpe (on behalf of the Board)
Chair
24 March 2025

REPORT OF THE AUDIT COMMITTEE

As Chair of the Audit Committee, I am pleased to present the report of the Audit Committee for the year ended 31 December 2024.

MEMBERSHIP

During 2024 the Audit Committee was chaired by Jim Coyle. Jim is a Chartered Accountant and maintains his membership of the Institute of Chartered Accountants of Scotland. As such, he has relevant financial experience. The other members of the Audit Committee are Joanne Lake and Richard Rowney. They both have recent and relevant financial experience, as a result of their involvement in financial services and other industries. The members' biographies can be found on pages 64 to 65.

The Group's CEO and the Board Chair are not members of the Committee but attend meetings at the invitation of the Chair of the Committee. PwC, as external auditor, and members of the Group's management team also regularly attend meetings.

Full details of the number of Committee meetings and attendance by individual Committee members can be found on page 73.

THE ROLE OF THE AUDIT COMMITTEE

The role of the Audit Committee is defined in its terms of reference, which are available from the Company Secretary and on the Company website. The roles and responsibilities of the Audit Committee include to:

- monitor the financial reporting process and the integrity of the financial and narrative statements and other financial information provided to shareholders;
- review and monitor the integrity of the Annual Report and Accounts and the Interim Report and review and challenge where necessary the accounting policies of the Group;
- review the adequacy and effectiveness of the Group's internal financial and internal control and risk management systems, in collaboration with the Risk Committee in relation to non-financial controls;
- make recommendations to the Board on the reappointment or removal of the external auditors and to approve their remuneration and terms of engagement;
- review and monitor the external auditors' independence and objectivity;
- review the performance of the internal audit function and auditor;
- monitor the processes for compliance with laws, regulations and ethical codes of practice; and
- ensure the Company follows the Audit Committee and the External Audit: Minimum Standard.

THE COMMITTEE'S CHALLENGE OF INFORMATION

The Committee recognises the importance of its role, on behalf of shareholders and wider stakeholders, to ensure the integrity of the Group's financial reporting and risk management processes. It relies on a number of sources to ensure this integrity, including the views of the external auditor.

The Committee has worked with the management team over the course of 2024 to continue to improve the quality and timeliness of written and oral reporting to the Committee and we are pleased with the progress to date. These continued improvements have enriched the debate and discussion at meetings of the Committee and supported the Committee to fulfil its responsibilities, which are set out below. For example, the Audit Committee held a meeting in December 2024, January 2025 and March 2025, to challenge the

key assumptions and judgements used in preparing the Annual Report and Accounts. This included a review of the International Financial Reporting Standards ("IFRS") 9 and 15 assumptions, and the valuation of carried interest and direct equity investments.

In addition to this, the Audit Committee reviewed management's preparation for the full-year accounts including the key accounting judgements proposed by management. The review concluded that management judgements were satisfactory.

SIGNIFICANT MATTERS CONSIDERED DURING THE YEAR

The Audit Committee met five times during the year under review and considered the following items:

- the Company's Annual Report and Accounts for the year ended 31 December 2023;
- the Group's Interim Report for the six months ended 30 June 2024;
- the Audit Committees compliance with the Audit Committees and the External Audit: Minimum Standard as published by the Financial Reporting Council ("FRC");
- the appropriateness of the Group's accounting policies and whether appropriate estimates and judgements have been made and disclosed in preparation of the above documents;
- the independence, effectiveness and reappointment of the external auditor;
- the audit tender process and appointment of the external auditor;
- the audit plan for the Group's audits shared by the external auditors;
- the Group's non-audit services policy and the updated policy on non-audit services provided by the external auditor;
- the Company's appointment of Crispin Goldsmith as CFO;
- approval of the Internal Audit Charter and regular updates on Internal Audit;
- the Group's approach to the going concern assessment and viability statement as to the longer-term viability of the Group;
- the Group's critical accounting estimates and judgements, including goodwill impairment assessment;
- the ongoing impact and risks associated with recent geopolitical and macroeconomic events, including the impact of and significant increases in inflation and interest rates; and
- the Group's ESG and climate-related risks and disclosures, including the process by which management gather ESG data and metrics and the supporting documents, the relevance of material climate-related matters, including the risks of climate change and transition risks associated with the goals of the Paris Agreement.

SIGNIFICANT ACCOUNTING MATTERS

The Audit Committee met on 31 January 2025 and 13 March 2025 to review the Report and Accounts for the year ended 31 December 2024. The Audit Committee considered the following significant issues, including principal risks and uncertainties in light of the Group's activities and matters communicated by the external auditors during their audit, all of which were satisfactorily addressed.

Issue considered	How the Committee gained assurance
Risk of misappropriation of assets and ownership of investments	The Audit Committee has reviewed key controls over the assets of the Group over the course of 2024. The Board has put in place procedures to ensure that investments can only be made to the extent that the appropriate contractual and legal arrangements are in place to protect the Group's assets.
Risk on valuations of Investment Assets held at fair value	The Audit Committee received presentations in 2024 from the management team including deep dives on selected investments. After challenging the assumptions, the Committee concluded that the valuations held were reasonable.
Accounting for carried interest	The Audit Committee has reviewed and discussed the accounting and presentation of carried interest, which required a number of estimates and judgements which are explained in Note 14. Whilst IFRS does not prescriptively lay out the accounting treatment for carried interest, the Audit Committee is satisfied that the IFRS principles and framework have been applied consistently in the estimates and judgements.
The risk of material misstatement of expected credit losses under IFRS 9 Financial instruments	The Audit Committee view estimating expected credit losses as a key accounting estimate for the Group. As in previous years, the Committee received presentations from the management team explaining key judgement areas, such as consistency of approach and the Group's business mix. After challenging the assumptions, the Committee concluded that the provisioning approach and key judgements were reasonable. The Committee has carefully challenged a number of the assumptions underpinning reporting under IFRS 9. The impact of these matters are described in the Strategic Report on pages 82 to 83.
Goodwill impairment assessment	The Audit Committee reviewed and discussed the goodwill impairment assessment prepared by management, which included a robust value-in-use valuation of goodwill as at 31 December 2024. This paper outlined key assumptions, such as future income projections, discount rates, and long-term growth rates, all of which were subjected to sensitivity analyses to test the resilience of the valuation. The Committee challenged these assumptions and reviewed the results of stress testing, which demonstrated significant headroom above the carrying amount of goodwill even under stringent scenarios. Based on this comprehensive review and the significant headroom identified in the valuation, the Committee concluded that the carrying amount of goodwill was reasonable and supported by sound financial analyses.
Going concern and viability statement	The Audit Committee reviewed a paper from the management team in support of the going concern basis and the longer-term viability of the Group. The Committee noted the stability of the Group's business model, its successful track record, the Group's three-year financial projections and the results of internal stress testing, and concluded this provided sufficient evidence to support the Board's viability statement set out on page 61. The Committee will continue to monitor this area closely given the macroeconomic uncertainty described in the Strategic Report.
Fair, balanced and understandable	The approach taken by the Committee in determining whether the Annual Report is, when taken as a whole, fair, balanced and understandable, is described in greater detail in this Audit Committee report.

EXTERNAL AUDITORS

The Group's external auditors, Pricewaterhouse-Coopers LLP ("PwC"), were appointed on 9 April 2024 and last re-appointed on 13 June 2024 at the 2024 AGM.

The individual who acts on behalf of PwC as the Chartered Accountants and Recognised Auditors is Claire Sandford. This is the fourth year that Claire Sandford has represented PwC, with her five-year term ending after the year ended 31 December 2025 audit. Her successor has been appointed and will commence their tenure as the individual who acts on behalf of PwC as the Chartered Accountants and Recognised Auditors for the year ending 31 December 2026.

The audit and non-audit fees for the year under review can be found in Note 5 to the financial statements.

NON-AUDIT SERVICES

In relation to non-audit services, the Audit Committee has reviewed and implemented a policy on the engagement of the auditors to supply non-audit services and this is reviewed on an annual basis. All requests or applications for other services to be provided by the auditors over a threshold are submitted to the Audit Committee and will include a description of the services to be rendered and an anticipated cost. The Audit Committee will review the scope and size of any such services provided and any consequent impact upon the auditors' independence.

The Group's policy follows the requirements of the Financial Reporting Council's Revised Ethical Standard for Auditors published in December 2024. The policy specifies a number of prohibited services which it is not permitted for the auditors to provide under the revised Ethical Standard.

EXTERNAL AUDIT INDEPENDENCE

The Committee has undertaken a formal assessment of PwC's independence, which included a review of:

- a report from PwC describing its arrangements to identify, report and manage any conflicts of interest;
- its policies and procedures for maintaining independence and monitoring compliance with relevant requirements; and
- the value and type of non-audit services provided by PwC.

The Audit Committee monitors the auditors' objectivity and independence on an ongoing basis. In determining PwC's independence, the Audit Committee has assessed all relationships with PwC and received confirmation from PwC that it is independent and that no issues of conflicts arose during the year. The Audit Committee is therefore satisfied that PwC is independent.

EXTERNAL AUDIT EFFECTIVENESS

The Audit Committee monitors and reviews the effectiveness of the external audit process on an annual basis and makes recommendations to the Board on its reappointment, remuneration and terms of engagement of the auditors. Over the reporting period, the Audit Committee reviewed management's proposed judgements. The Committee asked the auditor to review key areas and to ensure that they were challenging management's judgement with appropriate professional scepticism. Key areas included new accounting policies required for the Reorganisation, the valuation of Investment Assets held fair value through profit or loss, accounting for carried interest and expected credit losses under IFRS 9.

Each item was reviewed in turn with the auditor to confirm that they were applying professional scepticism. Further disclosure on the challenges provided and the audit work performed is provided in the independent auditors' report on page 110. In addition, the chair of the Audit Committee met with the audit partner and assessed PwC's performance to date. The review involved an examination of the auditors' remuneration, the quality of its work including the quality of the audit report, the quality of the audit partner and audit team, the expertise of the audit firm and the resources available to it, the identification of audit risk, the planning and execution of the audit and the terms of engagement.

The Audit Committee has direct access to the Group's auditors and provides a forum through which the auditors' report to the Board. Representatives of PwC regularly attend meetings of the Audit Committee.

AUDIT TENDER

The audit was put out to competitive tender during the year under review and as part of this we established clear objectives and selection criteria for the new auditor appointment. The invitation to tender was sent to both "Big 4" and non "Big 4" firms, in order to ensure a wide range of audit firms were considered. In August 2024, four audit firms were invited to take part in the tender and PwC, the incumbent auditor at the time, was also considered as a participant. Comprehensive information about the Group was provided to the candidates through secure data rooms and management meetings. Two of the firms responded that, due to varying reasons but largely in relation to capacity and conflicts, they were unable to take part in the tender at that time. Following discussions and review of the submitted tender documents from those firms participating in tendering, the Audit Committee received a presentation from the prospective firms. Further to the presentation and discussions held, the audit committee gave consideration to the technical expertise, cultural fit, the benefits of continuity at a time of change in the finance team and the level of experience of the team, the audit fee and their independence and objectivity.

As such, the Audit Committee recommended PwC be reappointed as Auditor to the Board in December 2024 subject to shareholder approval at the upcoming Annual General Meeting.

Whilst not governed by the requirements of the Statutory Audit Services Order 2014, issued by the Competition and Markets Authority ("CMA Order"), a voluntary audit tender and rotation in line with CMA Order will be carried out at least every ten years. The Company will therefore carry out a rotation and tender no later than in respect of the financial year ending 31 December 2036.

2024	
February	Audit Committee noted that as the Company was Guernsey incorporated and adhered to Guernsey crown dependency audit rules, UK audit tender rotation requirements were not applicable to the Company. However, the Company voluntarily chose to comply with the audit firm rotation as part of its commitment to best practice governance requirements.
	Committee confirmation of audit tender timetable
	Consultation on prospective participants
August	Expression of interest confirmation
October	Issue of request for proposal ("RFP") and access to data room granted
November	Meetings between management and prospective audit firms held
December	RFP submissions and presentation to the Audit Committee
	Meeting of Audit Committee to consider and discuss the presentations and make recommendation to the Board
	Board meeting to discuss the Audit Committee's recommendation to appoint the proposed candidate PwC for year ending 31 December 2025.

Following the Company's admittance to the FTSE 250 in January 2025, the Committee will work to ensure the Company fully complies with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 going forward.

FAIR, BALANCED & UNDERSTANDABLE REPORTING

Following the year-end, the Audit Committee reviewed the 2024 Annual Report and Accounts to consider whether they provide a true and fair view of the Group's affairs at the end of the year and provided shareholders with the necessary information in a fair, balanced and understandable way to enable them to assess the Group's position, performance, business model and strategy.

There was a rigorous review process and challenge at different levels within the Group to ensure balance and consistency. The Committee also reviewed copies of the 2024 Annual Report and Accounts during the drafting process to ensure key messages and themes being followed throughout the Annual Report and Accounts were aligned with the Company's position, performance and strategy intentions, and that the narrative in the report and financial statements was consistent throughout.

When forming its opinion, the Committee considered the following questions to encourage challenge and assess whether the Annual Report and Accounts was fair, balanced and understandable:

Is the Report fair?	• Is the whole story presented? • Have any sensitive material areas been omitted? • Are the KPIs disclosed at an appropriate level based on the financial reporting?
Is the Report balanced?	• Is there a good level of consistency between the front and back sections of the Annual Report and Accounts? • Is the Annual Report and Accounts a document for shareholders and other stakeholders?
Is the Report understandable?	• Is there a clear and understandable framework to the Annual Report and Accounts? • Is the Annual Report and Accounts user-friendly, easy to understand and presented in straightforward language?

INTERNAL AUDIT

Deloitte LLP ("Deloitte") continued as the internal auditors of the Group, following their initial appointment in February 2023, and reappointment in February 2024. During the year, Deloitte conducted internal audit activities in line with the agreed audit plan, focusing on key areas of the Group's operations and control environment.

EFFECTIVENESS

The Committee's effectiveness was reviewed as part of the Board Performance Review process, with results presented in December 2024, and it was concluded that the Committee was operating effectively, and the meetings were efficiently run. The Audit Committee Chair was commended for his thorough approach and excellent relationship with the external auditors and finance team, but the Committee would need to focus on managing a smooth integration of a new CFO in 2025 and the transition to a new Committee Chair. Board effectiveness will continue to be a priority for the Board and our approach to evaluating effectiveness will continue to evolve in accordance with our strategic objectives. Details of the process followed, and outcomes are set out in the Board Performance Review section of the Corporate Governance Statement on page 75.

TERMS OF REFERENCE

The Committee has formal terms of reference which are available from the Company Secretary and the Company website. The terms of reference are reviewed by the Board on an annual basis.

CONCLUSION

After completion of its review, the Committee was satisfied that, when taken as a whole, the Group's Annual Report and Accounts were fair, balanced and understandable, and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

APPROVAL

This report was approved by the Audit Committee on 24 March 2025.

Jim Coyle
Chair of the Audit Committee
24 March 2025

REPORT OF THE RISK COMMITTEE

As Chair of the Risk Committee, I am pleased to present the Committee's report for the year ended 31 December 2024. This report includes a summary of the role of the Risk Committee and the significant matters considered during the year.

MEMBERSHIP

The Risk Committee is chaired by Richard Rowney. Jim Coyle and Joanne Lake are also members. All three members have risk and broader business experience due to the senior positions they hold or have held in other listed or publicly traded companies and/or similar large organisations and possess the necessary range of experience required to provide effective challenge to management. The members' biographies can be found on pages 64 to 65.

The Group's CEO, CFO, and the Board Chair are not members of the Committee but attend meetings at the invitation of the Chair of the Committee together with the Group's Chief Compliance Officer. PwC, as external auditor, and members of the Group's management team, also regularly attend meetings.

The Committee met four times during 2024. Full details of the number of Committee meetings and attendance by individual Committee members can be found on page 73.

THE ROLE OF THE RISK COMMITTEE

The responsibilities of the Risk Committee include to:

- oversee the Group's risk management and compliance activities;
- set and monitor the Group's risk appetite;
- review the Group's internal control and risk management systems and ensure they remain effective and align with strategic objectives, in collaboration with the Audit Committee in respect of financial controls;
- carry out a robust assessment of the Group's emerging and principal risks;
- oversee the processes for compliance with laws, regulations and ethical codes of practice and prevention of fraud;
- review the Group's key risk policies, including the risk management, market abuse, related party transactions and significant transaction policies;
- review and approve risk statements to be included in the Annual Report and Accounts concerning internal controls and risk management; and
- oversee the Group's internal capital and risk assessment ("ICARA").

Further details of the duties and responsibilities of the Risk Committee can be found in the terms of reference.

SIGNIFICANT MATTERS CONSIDERED DURING THE YEAR

The Committee considered the following items during the year under review:

- the Group's risk appetite statement, taking in consideration the risk profile of the Group, it's risk registers and dashboard, and internal audit reports relating to the Risk and Compliance functions and other risk matters;
- risk and compliance reports received from the risk and compliance teams, which included information relating to compliance monitoring activities, debt facilities, compliance with covenants and regulatory horizon scanning;
- updates and deep dives on a selection of the Group's Investment Assets;

- an update on the Task Force on Climate-Related Financial Disclosures Framework ("TCFD") and its impact on both physical and other climate risks of the Company;
- the Group's policies in relation to risk management, including the Group Market Abuse policy and Risk Management policy;
- the Group's ICARA, including risk assessment and corresponding mitigation;
- IT security risks to the Group, and the controls put in place to mitigate these risks;
- results of the business continuity plan and disaster recovery tests; and
- drafts of the risk sections contained in the Annual Report.

Details of the Group's risk management process and the management and mitigation of key risks can be found on pages 57 to 60. The Board, through the Risk Committee, has carried out a review of the principal risks facing the Group and agreed with how they have been represented within the Annual Report.

EFFECTIVENESS

The Committee's effectiveness was reviewed as part of the Board Performance Review process, with results presented in December 2024, and it was concluded that the Committee was operating effectively. Board effectiveness will continue to be a priority for the Board and our approach to evaluating effectiveness will continue to evolve in accordance with our strategic objectives. Details of the process followed, and outcomes are set out in the Board Performance Review section of the Corporate Governance Statement on page 75.

TERMS OF REFERENCE

The Committee has formal terms of reference which are available from the Company Secretary and the Company website. The terms of reference are reviewed by the Board on a regular basis.

CONCLUSION

After completion of its review, the Risk Committee was satisfied that the Group was operating within the risk appetite set by the Board and, when taken as a whole, the Group's Annual Report and Accounts provide the information necessary for shareholders to assess the Group's risk position.

APPROVAL

This report was approved by the Risk Committee on 24 March 2025.

Richard Rowney
Chair of the Risk Committee
24 March 2025

REPORT OF THE NOMINATION COMMITTEE

As Chair of the Nomination Committee, I am pleased to present the Committee's report for the year ended 31 December 2024.

MEMBERSHIP

The Nomination Committee is chaired by Robert Sharpe. The other members are Jim Coyle, Joanne Lake and Richard Rowney. All members have extensive experience acting on boards. The members' biographies can be found on pages 64 to 65.

The Group's CEO is not a member of the Committee but attends meetings at the invitation of the Chair of the Committee together with external advisers as required.

Full details of the number of Committee meetings and attendance by individual Committee members can be found on page 73.

THE ROLE OF THE NOMINATION COMMITTEE

Effective governance requires a breadth of skills, experience, knowledge and diversity making the work of the Nomination Committee a key part of the Board's oversight.

The responsibilities of the Nomination Committee includes:

- reviewing the structure, size and composition of the Board, taking into account the balance of skills, knowledge, experience and the provisions of the Company's Board Diversity Policy, and to make recommendations to the Board with regard to any changes;
- considering proposals for the re-appointment of directors and also any proposal for their dismissal, retirement, non-reappointment or any substantial change in their duties or responsibilities or the term of their appointment;
- ensuring plans are in place for orderly succession for both the Board and senior management positions, and to oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in future;
- keeping under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- keeping up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- identifying and nominating for the approval of the Board candidates to fill Board vacancies as they arise;
- evaluating the balance of skills, knowledge, experience and diversity on the Board before any appointment is made by the Board, and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment and the time commitment expected;
- setting measurable objectives for diversity, equal opportunity and inclusion in relation to the board and senior management positions;
- keeping under review the number of external appointments held by each director and ensure that any new additional external appointments are approved in advance by the Board before being accepted;
- considering the membership of any other Board Committees as appropriate, in consultation with the chairs of those Committees; and

- overseeing a formal and rigorous annual evaluation process in relation to the performance and effectiveness of the Board, its Committees, the Chair of the Board and individual Directors, and to review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning.

SIGNIFICANT MATTERS CONSIDERED DURING THE YEAR

During the year under review, the Nomination Committee met two times.

The Committee's main focus during the year was succession planning for the Board, noting that Robert Sharpe and Jim Coyle reached their 9 years tenure and overseeing the change of CFO and the recruitment process for a new CFO following both Julian Dale's and Lucy Tilley's departures. More specifically, the Committee considered the following items during the year under review:

- approval of a role definition for the search for a Chair candidate and the selection of Per Ardua Associates as the executive search firm to conduct the search. Per Ardua Associates was selected based upon their experience of recruiting similar roles. No Director has any connection to Per Ardua Associates.
- approval of a role definition for the search for a CFO candidate and the selection of Lomond Consulting as the executive search firm to conduct the search. Lomond Consulting were selected based upon their experience of recruiting similar roles. No Director has any connection to Lomond Consulting;
- preparing a job specification for the appointment of a chair, and provide consideration of certain candidates for the Board Chair and SID roles and whether they would bring appropriate skills, knowledge, experience and diversity to support the long-term success of the business;
- review of the structure, size and composition of the Board;
- review of the diversity of the Board and its Equal Opportunity and Inclusion Policy, and ensuring that the Company has an adequate plan in place to comply with the Board diversity targets set out in Listing Rules;
- Review of Directors' biographies and the reasons for their reappointment;
- Discussion of succession planning for the Chair and other Directors and senior management;
- Review of the results of the annual evaluation of the Board and Committee's performance; and
- Review of the induction process for new directors.

APPOINTMENT OF NEW CHAIR

Develop Role / Candidate Profile	Working with the CEO, the Committee developed a detailed candidate profile based on an agreed list of key/ desirable skills and attributes including: • Public markets experience and main Board PLC experience. • Proven track record of success as a senior executive (including CEO) in businesses of relevant scale. • Background in business, investment companies & private equity. • Interpersonal skills, empathy and high emotional intelligence necessary to foster positive relationships with Board colleagues. • Personal presence and strong communication skills to achieve rapid credibility in the role, including with shareholders.
Identify and engage external search agency/service	• Ensuring access to a diverse pool of appropriately experienced candidates, beyond established networks. • The Committee agreed to engage executive search firm Per Ardua Associates to support the search process. • Per Ardua Associates has no other connection with the Company or individual Directors.

Shortlisting Candidates	• Per Ardua Associates developed a longlist of candidates matching the role/candidate profile. • The CEO, SID and Chair reviewed the longlist and shortlisted of ten candidates. • Following the shortlisting process interviews took place. • A summary of shortlisted candidates was discussed with Nomination Committee members.
Interviews	• The SID and Chair reviewed and interviewed six candidates. • Second Round interviews were conducted with the CEO.
Recommendation and Appointment	• No final decision has been made at the date of this report, but an announcement is expected by the date of the Annual General Meeting.

Whilst the Board acknowledge the Code 2018's recommendation that the chair of the board should not chair the nomination committee when it is dealing with the appointment of their successor, the Board and Nomination Committee did not deem it necessary for the Chair to step down for these discussions on the grounds that him chairing did not impede discussions and as the Chair was working with the CEO and SID on the recruitment process he was well placed to update the Board and Committee.

EFFECTIVENESS

The Committee's effectiveness was reviewed as part of the Board Performance Review process, with results presented to the Board in December 2024, and it was concluded that the Committee was operating effectively, The directors were in particular satisfied with the leadership of the committee, the topics discussed, the papers provided and the diversity and succession planning discussions. Furthermore, the Committee recognises the importance of succession planning and the importance of a smooth transition between Chairs and that this would be an area of focus for the Committee in the coming year. During the year the Committee oversaw the evaluation process to evaluate the effectiveness of the Board and all Committees. Details of the process followed and outcomes are set out in the Board Performance Review section of the Corporate Governance Statement on page 75.

TERMS OF REFERENCE

The Committee has formal terms of reference which are available from the Company Secretary and the Company website. The terms of reference are reviewed by the Committee and the Board on a regular basis.

CONCLUSION

After completion of its review, the Nomination Committee was satisfied that the Board had the breadth of skills, experience, knowledge and diversity appropriate for the enlarged Group.

APPROVAL

This report was approved by the Nomination Committee on 24 March 2025.

Robert Sharpe
Chair of the Nomination Committee
24 March 2025

DIRECTORS' REMUNERATION REPORT

As Chair of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2024.

REMUNERATION PHILOSOPHY AT POLLEN STREET

Our continued success is a direct result of our talented and committed people, a group of collaborative, inquisitive and diverse professionals. Our people are our most valuable asset, and it is this belief that governs the way in which we conduct our business and how we recognise, celebrate and reward our people.

At Pollen Street we truly value our people and their differences. It is our different experiences, backgrounds, expertise and identities that promote an environment of entrepreneurial and progressive thinking. We therefore consider a diverse and inclusive workforce critical to our success. Irrespective of how our people identify, where they come from, where they went to school or any other factor that differentiates them, they can truly thrive at Pollen Street.

We take a very considered approach to attracting and recruiting exceptional talent, people who embody our values and high performing culture. We have built a comprehensive development curriculum for our employees, something that remains a continuous priority to ensure every employee can thrive and have a challenging and rewarding career at Pollen Street.

We have a driven, entrepreneurial culture underpinned by meritocracy and effective risk management and our remuneration structures reflect this. Alongside market-competitive salaries and a comprehensive benefits package, discretionary annual bonuses are awarded based on individual performance and the performance of the Group.

We will continue to review our approach to remuneration to ensure we build upon our pay-for-performance culture, and we maintain our strong levels of employee engagement.

The Committee uses a range of information to ensure that remuneration is appropriate across the Group. This includes internal and external benchmarking such as salary surveys, the CEO Pay Ratio, and the Gender Pay Gap. There is further disclosure on the CEO Pay Ratio and the Gender Pay Gap in the Annual Report on Remuneration.

Separately, certain employees of the Group participate in carried interest schemes linked solely to the fund performance. This is not considered to be remuneration; carried interest represents a separate relationship between the fund investors and the relevant employees and is an investment requiring the individuals to put their own capital at risk.

SUMMARY OF DIRECTORS' REMUNERATION POLICY

Our Directors' Remuneration Policy is designed to promote the delivery of sustainable long-term performance and growth through the long-term nature of the incentive plans (annual bonuses, bonus deferral and the Long-Term Incentive Plan), the variety of performance measures used, and the balanced scorecard approach to target-setting and performance assessment.

Executive Directors receive a combination of base salary, pension contributions, annual bonus and other benefits. The annual bonus is based on a set of financial and non-financial performance objectives. Each Executive Director has a target and maximum opportunity level based upon performance criteria. The criteria are reinforced by malus and clawback provisions as outlined in the Directors' Remuneration Policy.

Non-Executive Directors receive a fixed fee based on their role; however, Gustavo Cardenas is not independent, because he is a shareholder representative of CC Beekeeper Ltd and does not receive a fee.

In 2022, the Remuneration Committee commissioned Aon plc ("Aon") to advise on the development of our Directors' Remuneration Policy and the design of two new discretionary share plans appropriate for the business as part of the Board's preparation for the Combination. The Remuneration Committee consulted with major shareholders on the proposed policy prior to its approval at the general meeting held on 1 June 2022, with strong support from our shareholders. On 30 September 2022, the date of completion of the Combination, the Executive Directors were appointed to the Board of Pollen Street Limited and the Remuneration Committee took on oversight responsibility for remuneration across the newly combined Group. The Directors' Remuneration Policy takes into account market best practice, industry specific considerations, guidelines from UK institutional shareholders and advisory bodies and reflects best practice within our regulatory framework.

The full Directors' Remuneration Policy may be found on the Company's website in the circular dated 10 May 2022 at **www.pollenstreetgroup.com/shareholders**.

REMUNERATION PAYABLE TO DIRECTORS IN RESPECT OF 2024

The Annual Report on Remuneration sets out the remuneration outcomes for the Directors for the year. The Executive Directors received a combination of salary, benefits, pension contributions and bonus. The base salary for the Executive Directors remained unchanged from the previous financial year and is disclosed in the Annual Report on Remuneration. The bonus award was set based on a set of performance criteria. These criteria were set in advance of the period using a range of measures of the financial results of the business. They include growing AuM, delivering EBITDA, ensuring risk management and compliance are effective and delivering ESG outcomes. This ensures that selective investing and careful portfolio management, undertaken within the necessary risk and compliance framework are considered when measuring performance. Furthermore, our commitment to ESG, including our continued focus on sustainability, DEI and culture are also carefully assessed. This approach reflects the Board's strong focus on not only the financial performance of the Group but also the way in which business is conducted, and the role the Company plays from an environmental, social and governance perspective. Performance against these criteria was ahead of target for 2024.

Although the Group's Long-Term Incentive Plan ("LTIP") was approved by shareholders at the general meeting on 1 June 2022, as explained in the Directors' Remuneration Policy, the Company will not make any awards under the LTIP to the Executive Directors or other employees for a period of two years from completion of the Combination and therefore no LTIP awards were granted to the Executive Directors in 2023 or 2024.

The Chair of the Board receives a fixed fee at a rate equivalent to £170,000 per annum. The other Non-Executive Directors receive base fees of £65,000 per annum plus £10,000 per annum for each committee chair plus £10,000 per annum for the Senior Independent Director. The fees were set following a benchmarking exercise of Non-Executive Director fees for comparable businesses conducted by Aon and the changes made in 2022 and 2023 were made in consideration of the next few years and therefore further changes were not required and the remuneration was in line with market rates. The Board noted that during the recruitment process of the new chair the fees were self tested and it was concluded that the remuneration structure remained competitive and appropriate for attracting and retaining high-calibre Non-Executive Directors. The Annual Report on Remuneration sets out in full the remuneration for Directors in respect of 2024 (see pages 98 to 107).

MEMBERSHIP

The Remuneration Committee comprises of Joanne Lake, Robert Sharpe, Jim Coyle and Richard Rowney as four independent Non-Executive Directors, all of whom have remuneration experience due to the senior positions they hold or have held in other listed or large organisations. It is chaired by Joanne Lake. The members' biographies can be found on page 64 to 65.

The Group's CEO is not a member of the Remuneration Committee but attends meetings at the invitation of the Chair of the Committee together with the Group's Partner responsible for remuneration as considered necessary. An individual is not present when the Remuneration Committee is discussing the individual's remuneration.

Full details of the number of Remuneration Committee meetings and attendance by individual Remuneration Committee members can be found on page 73.

THE ROLE OF THE REMUNERATION COMMITTEE

The purpose of the Remuneration Committee is to assist the Board in fulfilling its oversight responsibilities related to the remuneration of Executive Directors and employees of the Group. Its responsibilities include to:

- oversee all remuneration matters across the Group ensuring alignment with long-term shareholder interests and Company culture;
- ensure the Executive Directors' remuneration is implemented within the terms of the shareholder-approved Directors' Remuneration Policy;
- oversee the choice of financial and non-financial performance criteria for Executive Directors' annual bonus awards, taking account of Group and individual performance, and wider circumstances; and
- ensure the contractual terms on termination of any Executive Director, and any proposed payments, are appropriate and fair to both the individual and the Company, and underperformance is not rewarded.

Further details of the duties and responsibilities of the Remuneration Committee can be found in the terms of reference.

SIGNIFICANT MATTERS CONSIDERED DURING THE YEAR

The Remuneration Committee met three times during the period. The Remuneration Committee considered the following items during the year under review:

- review of the bonus awards for the Company's Executive Directors for 2024;
- review of bonus awards for members of the Executive Committee for 2024;
- oversight of the bonus award process for staff for 2024;
- review of the Executive Directors' remuneration scorecard for 2025, including the performance criteria;
- review of the Committee effectiveness as part of the Board Performance Review process; and
- review of the remuneration policy.

EFFECTIVENESS

The Remuneration Committee's effectiveness was reviewed as part of the Board Performance Review, with results presented in December 2024, and it was concluded that whilst the Remuneration Committee was operating effectively there was room for improvement and that the remit of work was being developed as part of the Company's transition from an Investment Trust to an equity shares commercial company. The Executive Committee and Remuneration Committee were working to increase their dialogue and ensure there was greater reporting on remuneration and people matters to the Remuneration Committee. Board effectiveness will continue to be a priority for the Board and our approach to evaluating effectiveness will continue to evolve in accordance with our strategic objectives. Details of the process followed and outcomes are set out in the Board Performance Review section of the Corporate Governance Statement on page 75.

TERMS OF REFERENCE

The Remuneration Committee has formal terms of reference which are available from the Company Secretary and the Company website. The terms of reference are reviewed by the Board on a regular basis.

CONCLUSION

The Remuneration Committee was satisfied that Pollen Street had effective remuneration practices across all levels of the organisation and had complied with Pollen Street's remuneration policies. Pollen Street's approach to remuneration is considered to be well balanced, focusing on both the delivery of corporate objectives as well as attracting and retaining talent without encouraging excessive risk taking.

APPROVAL

This report was approved by the Remuneration Committee on 24 March 2025.

Joanne Lake
Chair of the Remuneration Committee
24 March 2025

ANNUAL REPORT ON REMUNERATION

SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED)

The following table shows the single total aggregate Directors' remuneration for the year ended 31 December 2024.

Total remuneration payable for the year ended 31 December 2024

Director	Salary and fees[5]	Other Benefits[6]	Pension	Total Fixed Remuneration	Annual bonus[7]	LTIP awards	Total Variable Remuneration	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Robert Sharpe	170,000	-	-	**170,000**	-	-	**-**	**170,000**
Lindsey McMurray	550,000	11,509	-	**561,509**	650,000	-	**650,000**	**1,211,509**
Jim Coyle	85,000	-	-	**85,000**	-	-	**-**	**85,000**
Gustavo Cardenas	-	-	-	**-**	-	-	**-**	**-**
Julian Dale	157,949	8,220	660	**166,829**	-	-	**-**	**166,829**
Lucy Tilley	249,099	-	-	**249,099**	-	-	**-**	**249,099**
Joanne Lake	75,000	-	-	**75,000**	-	-	**-**	**75,000**
Richard Rowney	75,000	-	-	**75,000**	-	-	**-**	**75,000**
Total	**1,362,048**	**19,729**	**660**	**1,382,437**	**650,000**	**-**	**650,000**	**2,032,437**

[5] *Salary and fees paid to the Directors during the year do not include employers' national insurance costs.*
[6] *Executive Directors receive private family medical insurance, life insurance and permanent health insurance.*
[7] *See page 100 for details on the Executive Director performance criteria and deferred bonus.*

The following table shows the single total aggregate Directors' remuneration for the year ended 31 December 2023.

Total remuneration payable for the year ended 31 December 2023

Director	Salary and fees	Other Benefits	Pension	Total Fixed Remuneration	Annual bonus	LTIP awards	Total Variable Remuneration	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Robert Sharpe	170,000	-	-	**170,000**	-	-	**-**	**170,000**
Lindsey McMurray	550,000	10,388	-	**560,388**	600,000	-	**600,000**	**1,160,388**
Jim Coyle	85,000	-	-	**85,000**	-	-	**-**	**85,000**
Gustavo Cardenas	-	-	-	**-**	-	-	**-**	**-**
Julian Dale	350,000	13,900	1,321	**365,221**	200,000	-	**200,000**	**565,221**
Joanne Lake	75,000	-	-	**75,000**	-	-	**-**	**75,000**
Richard Rowney	75,000	-	-	**75,000**	-	-	**-**	**75,000**
Total	**1,305,000**	**24,288**	**1,321**	**1,330,609**	**800,000**	**-**	**800,000**	**2,130,609**

In considering the variable remuneration awards to be made to the Executive Directors, the Remuneration Committee took into account their individual performance, and how they have contributed towards the overall performance of the Group, in line with the performance criteria set out in the next section.

BUSINESS PERFORMANCE & EXECUTIVE DIRECTOR REMUNERATION

The Remuneration Committee set a range of stretching targets for the Executive Directors to ensure that variable remuneration is appropriately linked to business performance. The targets take into account remuneration practices across the sector as well as Pollen Street's remuneration of all employees. Pollen Street has a robust performance management process in place for its employees that supports a pay-for-performance culture for all staff. The Executive Director's balanced scorecard approach includes financial metrics and strategic non-financial objectives, as set by the Remuneration Committee, which measure the overall performance of the business to ensure variable remuneration clearly links to business performance. These measures are discussed with employees as part of the Group's objective setting process to ensure alignment between the remuneration of the Executive Directors and remuneration across the Group and employees are aware that the same process is applied to Executive Directors' pay. Furthermore, to promote transparency and to ensure remuneration practices remain well informed, the Group whilst not obligated to do so elects to undertake and publish gender pay gap reporting and CEO pay ratio information.

The following table and notes summarise the applicable performance criteria, how performance is measured, the applicable weighting for each criteria and the performance outcome for the year ended 31 December 2024:

KPI	Threshold	Target	Stretch	2024 Outcome	Weighting
EBITDA	£45 million	£50 million	£55 million	£57.5 million	40%
Average Fee-Paying AuM	£3.0 billion	£3.6 billion	£4.2 billion	£3.69 billion	40%
Risk & ESG	Threshold	On Target	Ahead of Target	Ahead of Target	20%

The following table summarises the applicable performance criteria for the year ended 31 December 2023:

KPI	Threshold	Target	Stretch	2023 Outcome	Weighting
EBITDA	£40 million	£44 million	£48 million	£45.1 million	40%
Average Fee-Paying AuM	£2.6 billion	£2.9 billion	£3.2 billion	£2.95 billion	40%
Risk & ESG	Threshold	On Target	Ahead of Target	On Target	20%

The criteria operated as intended and the Remuneration Committee did not adjust the performance targets during the year or override any of the outcomes except as set out below.

EBITDA

Performance Measurement

EBITDA means the Group's profit according to IFRS reporting standards before interest, tax, depreciation and amortisation, adjusted to exclude exceptional items and start-up losses of the US business, but including the full costs of the office leases despite these costs being reported as depreciation of a right-of-use asset and associated financing costs under IFRS 16.

The target was set to be in line with the market consensus for results for the Group. The stretch target is set to be approximately 10 per cent above target; similarly, the threshold is set to be approximately 10 per cent below the target.

Performance for 2024

The EBITDA for 2024 was ahead of the target, closing the year at £57.5 million. This is ahead of the stretch target level set by the Remuneration Committee, leading to an outcome of 200 per cent performance factor for this measure.

AUM

Performance Measurement

The AuM performance criteria was set as the Average Fee-Paying AuM for the year under review. Average Fee-Paying AuM means, in respect of the Group, the average of the opening and closing:

- investor commitments for active fee-paying Private Equity funds;
- invested costs for other fee-paying Private Equity funds;
- the total assets for the Company's investment portfolio; and
- the net invested amount for fee-paying Private Credit funds.

The target was set based on a 22 per cent annual growth in this measure. The stretch target was set to be approximately 17 per cent above target; similarly, the threshold was set to be 17 per cent below the target.

Performance for 2024

AuM for 2024 was ahead of target, with Average Fee-Paying AuM at £3.69 billion. This is ahead of the target level set by the Remuneration Committee leading to an outcome of 138 per cent performance factor for this measure.

RISK & ESG

Performance Measurement

The target was set as the following with performance that fell short of this deemed to represent the threshold:

- no undue regulatory interactions;
- no material adverse findings in the external audit or internal audit;
- no material cyber incidents resulting in a material loss to the firm or an investor; and
- ESG metrics collected on 80 per cent of Private Equity and Private Credit counterparties.

The stretch target was set as the following:

- no undue regulatory interactions including no reporting of undue outcomes to the regulator;
- no material adverse findings in the external audit or internal audit and recommendations being addressed in line with appropriate timeframes;
- no cyber incidents resulting in any significant loss to the firm or an investor;
- ESG metrics collected on 100 per cent of Private Equity and Private Credit counterparties; and
- the Group maintaining carbon neutral status by year-end.

Performance for 2024

There were no materially adverse regulatory interactions or outcomes for the period. External and internal audits for the period have not raised any material adverse findings. All internal audit findings have been successfully closed or are scheduled for resolution within expected timeframes and these open actions are all classified as minor findings. There were no cyber incidents resulting in any loss to the firm or an investor. As at 31 December 2024, 100% of Private Equity counterparties and 95% of Private Credit counterparties have provided metrics for the 2023 reporting period. We anticipate reporting for the 2024 period to be consistent or better than that achieved for 2023, with a deadline of 27 January for the 2024 reporting period. Pollen Street is also very proud to maintain carbon neutral status.

Risk and ESG performance is considered to be ahead of expectations, however has not achieved all of the criteria for the stretch target. A performance factor of 150 per cent is therefore applied to this measure.

WEIGHTING

Each Executive Director bonus award is calculated by weighting together the performance against each KPI, with performance at the "threshold" level corresponding to a nil bonus, performance at the "target" level corresponding to a bonus at 100 per cent of the Executive Director's salary, performance at the "stretch" level corresponding to 200 per cent of the Executive Director's salary and performance between these levels calculated on a pro rata basis. In accordance with the Directors' Remuneration Policy, annual bonuses will be paid in part upfront in cash, with 35 per cent of any bonus deferred. Accordingly for the year ended 31 December 2024, £227,500 of the bonus awarded to Lindsey McMurray will be deferred. Deferred awards may be used to acquire shares in Pollen Street Group Limited, or fund commitments into Pollen Street managed funds and are subject to malus and clawback provisions.

PERCENTAGE CHANGE IN DIRECTORS' REMUNERATION

The following table sets out the percentage change in Directors' remuneration for the year ended 31 December 2024. The Executive Directors' annual salaries have not changed from the prior period.

Director	Salary and Fees	Other Benefits	Short-term incentives
Robert Sharpe	-	n/a	n/a
Lindsey McMurray	-	11%	8%
Jim Coyle	-	n/a	n/a
Gustavo Cardenas	n/a	n/a	n/a
Julian Dale	(55%)	(42%)	(100%)
Lucy Tilley	100%	100%	-
Joanne Lake	-	n/a	n/a
Richard Rowney	-	n/a	n/a

BENCHMARKING

We undertake periodic benchmarking, looking at data from a variety of peers across a range of companies and sectors, including but not limited to listed and non-listed alternative asset managers, investment banks and consultancies.

We commissioned a leading compensation consultancy to provide us with relevant benchmarking data for our Executive Directors during 2022. This data along with additional data from a range of relevant private and public companies has been carefully considered when determining compensation levels. There has not been an update of this work during 2024.

DIRECTORS' INTERESTS (AUDITED)

The following table shows the interests of the Directors and their connected persons in shares in the Company as at 31 December 2024. There have been no changes since 31 December 2024:

Director	Number of shares held as at 31 December 2024	Shareholding requirement (% of salary)	Requirement met
Robert Sharpe	-	-	No requirement
Lindsey McMurray	11,946,390	200%	Yes
Jim Coyle	-	-	No requirement
Gustavo Cardenas	-	-	No requirement
Joanne Lake	2,715	-	No requirement
Richard Rowney	-	-	No requirement

The following table shows the interests of the Directors and their connected persons in shares in the Company as at 31 December 2023[8]:

Director	Number of shares held as at 31 December 2023	Shareholding requirement (% of salary)	Requirement met
Robert Sharpe	-	-	No requirement
Lindsey McMurray	11,582,090	200%	Yes
Jim Coyle	-	-	No requirement
Gustavo Cardenas	-	-	No requirement
Julian Dale	221,281	200%	Yes
Joanne Lake	2,713	-	No requirement
Richard Rowney	-	-	No requirement

During employment, Executive Directors are required to build and maintain a shareholding equivalent to 200 per cent of their base salary. Following completion of the Scheme, the requirement applies to shares issued by Pollen Street Group Limited rather than Pollen Street Limited. The shareholdings of the CEO exceeded their requirement during the period. Any Executive Director leaving the Group is required to maintain shareholding equivalent to 200 per cent of their previous base salary, or, if lower, their actual level of shareholding on departure, for a period of two years following departure in accordance with the Directors' Remuneration Policy.

The Directors do not hold any scheme interests at the reporting date. Of the bonus awarded to Lindsey McMurray in respect of the financial year ended 31 December 2024, £227,500 will be deferred into awards of shares in the Company, and will vest over a period of three years from the date of grant. Awards granted under the Deferred Bonus Plan will be subject to malus and clawback provisions.

Lindsey McMurray was awarded share-based awards in March 2023 and March 2024 under the Deferred Bonus Plan. Lindsey McMurray elected to use the co-investment opportunity available under the deferred bonus plan, where she agreed to apply the after-tax proceeds of the awards to co-investment commitments in Pollen Street managed funds, as such the awards vested early and were due to be paid to them in cash as the co-investment commitments are funded.

VOTING AT ANNUAL GENERAL MEETING AND GENERAL MEETING

The table below sets out the votes cast on the Directors' Remuneration Report at the 2024 Annual General Meeting held on 13 June 2024 and the votes cast on the Directors' Remuneration Policy at a general meeting held on 1 June 2022.

The votes cast on 1 June 2022 was at a general meeting of Pollen Street Limited (previously Pollen Street plc), the listed and holding company of the Group at the time. Based on the date of this approval, the Directors' Remuneration Policy was due for review and approval at the 2025 AM, however Pollen Street Group Limited's Directors' Remuneration Policy was approved by Joanne Lake as the sole shareholder prior to the Scheme on 8 December 2023. Therefore, the policy is due for review and approval at the 2026 AGM.

[8] The table as at 31 December 2023 reflects the interest of the Directors and their connected personal in the shares of Pollen Street Capital Limited, prior to the Reorganisation.

A number of shareholders were not permitted to vote on the Directors' Remuneration Policy under the rules of the Takeover Code. These are reported as abstentions in the table below.

	Votes for (% of votes cast)	Votes against (% of votes cast)	Abstentions (number of votes)
Directors' Remuneration Report	95.23%	4.77%	12,028,177
Directors' Remuneration Policy, the LTIP and the DBP	82.41%	17.59%	2,722,084

CEO PAY RATIO

UK regulations require companies with more than 250 UK employees to publish a ratio of the remuneration of the Group's Chief Executive Officer to that of the Group's UK employees. Pollen Street has less than 250 employees, so it is not required to publish this information, but it has elected to do so to promote transparency. The table below outlines the ratio of the CEO's single total remuneration figure to the remuneration of the Group's UK workforce as at 31 December 2024, which is consistent with the period used for the Single Figure Table of Remuneration for the Directors. The numbers are presented on an annualised basis. The Remuneration Committee uses this information as part of its consideration of remuneration awards.

There are different methodologies that companies can adopt when calculating CEO pay ratio. Pollen Street has elected to use the approach whereby we calculate the pay and benefits of all of our UK-based employees for the relevant period in order to determine the total remuneration at the 25th percentile, the median and the 75th percentile. This is referred to as Method A. Employee pay data is based upon full-time equivalent pay as at 31 December 2024. Pay for part-time workers and new joiners has been calculated on a full-time and annualised basis, in-line with the Single Figure methodology used for calculating the CEO single total remuneration figure.

Financial Year-End	Method	Lower Quartile	Median	Upper Quartile
31 December 2024	A	11:1	5:1	3:1
31 December 2023	A	10:1	5:1	3:1
31 December 2022	A	16:1	6:1	4:1

The CEO pay ratio is only presented for the previous three years given the change in composition of the Group following the Combination. This disclosure will be expanded to five years over time in future reports, in line with applicable regulations.

REMUNERATION OF EMPLOYEES BY QUARTILE

The following table shows the employees' remuneration by quartile for the year ended 31 December 2024:

	Lower Quartile	Median	Upper Quartile
Salary	£90,000	£150,000	£160,000
Total pay and benefits	£105,000	£222,500	£380,000

The following table shows the employees' remuneration by quartile for the year ended 31 December 2023:

	Lower Quartile	Median	Upper Quartile
Salary	£75,000	£135,000	£175,000
Total pay and benefits	£110,000	£230,000	£360,000

GENDER PAY

We have elected to disclose the following gender pay information as at 31 December 2024 to promote transparency despite not being required to do so by law:

- Gender pay gap (mean and median)
- Gender bonus gap (mean and median)

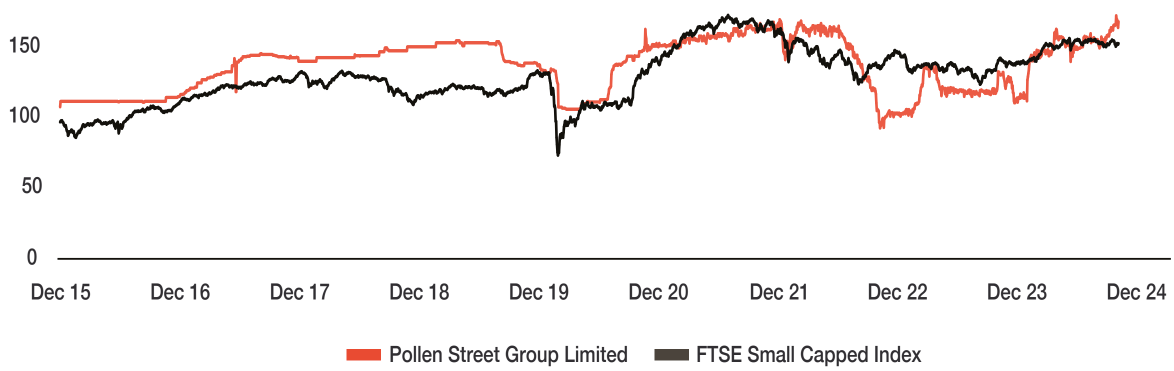
Gender pay gap should not be confused with equal pay gap which compares the pay of men and women undertaking the same or similar role. We ensure equal pay for equal work irrespective of gender. Gender pay gap is a UK measure comparing the pay of all men and all women regardless of role and seniority. The Remuneration Committee uses this information as part of its consideration of remuneration awards.

	2024	2023
Mean pay gap	36%	37%
Mean bonus gap	54%	50%

PERFORMANCE GRAPH AND TABLE

The graph below compares the total shareholder return on the Company's shares from the date of listing to 31 December 2024 with that of the FTSE All-Share Total Return Index. The FTSE All-Share index is considered an appropriate comparison because Pollen Street is a constituent of the index.

Share Price Performance: Pollen Street Group Limited compared to FTSE Small Capped Index



The following table shows the total remuneration of the CEO for the year ended 31 December 2024. In accordance with the Directors' Remuneration Policy, no long-term incentive awards could be granted to the CEO for a period of two years following completion of the Combination.

	For the year ended 31 December 2024	For the year ended 31 December 2023
CEO single figure total remuneration	£1,211,509	£1,160,388
Bonus (% of maximum opportunity)	59%	55%
Long-term incentive (% of maximum opportunity)	n/a	n/a

RELATIVE IMPORTANCE OF SPEND ON PAY

The following table shows the Group's expenditure on employee pay compared to distributions to shareholders in the year ended 31 December 2024.

	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'000
Distributions to shareholders	24,863	32,095
Aggregate personnel expenses	27,135	23,534

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. See Note 22 for more details on the dividends declared in the current and prior year.

PAYMENTS TO FORMER DIRECTORS

During the year, payments of £167,652 were made to former directors following their departure from the Company in line with the terms of their service contract.

DIRECTORS' SERVICE AGREEMENTS

The Group's policy is for Executive Directors to have ongoing service contracts and the Group's Non-Executive Directors to have letters of appointment, which are deemed appropriate for the nature of the Group's business. The Executive Director service agreements have a notice period of 12 months and the Non-Executive Director letters of appointment have a notice period of three months from either party.

The Directors' Remuneration Policy includes a summary of the main terms of the Directors' service agreements. The Directors' Remuneration Policy may be found on the Company's website in the circular dated 10 May 2022.

IMPLEMENTATION OF DIRECTORS' REMUNERATION POLICY FOR 2024

From 24 January 2024, the Directors are remunerated for their directorships of Pollen Street Group Limited. The remuneration arrangements for Directors are, otherwise, not expected to change materially for 2024.

Base Salary and Fees

The base salary and fees for Directors are set out in the table below:

Role	Salary or Fee
CEO	£550,000
Chair of the Board	£170,000 (inclusive of any supplemental fee)
Non-Executive Basic Board Fee	£65,000
Committee Chair Supplemental Fee	£10,000
Senior Independent Director Supplemental Fee	£10,000

Pension

Executive Directors remain eligible to participate in the Group's pension scheme. Under the scheme, the Company contributes up to 3 per cent of salary. The scheme is aligned with the wider workforce.

Other Benefits

Executive Directors remain eligible to participate in the Group's private family medical insurance, life insurance, permanent health insurance, an electric vehicle scheme and other benefits. The benefits are aligned with the wider workforce.

Annual Bonus

The CEO is eligible to participate in the annual bonus plan for 2025. The award is based on KPIs similarly to the approach for 2024. These KPIs take into account the profitability, AuM and risk & ESG performance of the business. The Remuneration Committee considers the prospective disclosure of performance targets to be commercially sensitive. There will be retrospective disclosure in next year's Annual Report and Accounts. As contained in the Directors' Remuneration Policy, the CEO could not be granted an award under the LTIP for a period of two years following completion of the Combination.

REMUNERATION COMMITTEE

The report of the Remuneration Committee includes a description of the committee's membership, its role, the significant matters considered during the year, its effectiveness and terms of reference.

CORPORATE GOVERNANCE CODE

The Company's remuneration practices were designed to comply with the six principles set out in provision 40 of the UK Corporate Governance Code, as summarised below. Further information is available on the Company's website in the circular dated 10 May 2022.

- **Clarity –** The Directors' Remuneration Policy is as clear as possible and full details are described in straightforward concise terms to shareholders and the workforce.
- **Simplicity –** Remuneration structures are as simple as possible and aligned to the Private Equity and alternative investments sector, whilst at the same time incorporating the necessary structural features appropriate for a listed company to ensure a strong alignment to performance and strategy and minimising the risk of rewarding failure.
- **Risk –** The Directors' Remuneration Policy has been shaped to discourage inappropriate risk-taking through a weighting of incentive pay towards long term incentives, the balance between financial and nonfinancial measures in the relevant employee share plans and in employment and post-employment shareholding requirements.
- **Predictability –** The Remuneration Committee maintains clear caps on incentive opportunities and uses its available discretion if necessary.
- **Proportionality –** There is an industry-appropriate balance between fixed pay and variable pay, and incentive pay is weighted to sustainable long-term performance. Incentive plans are subject to performance targets that consider both financial and non-financial performance linked to strategy, and outcomes will not reward poor performance.
- **Alignment to culture –** The Remuneration Committee considers the Company's culture and wider workforce policies when shaping and developing Executive Director remuneration policies to ensure that there is coherence across the organisation. There is a strong emphasis on the fairness of remuneration outcomes across the workforce.

APPROVAL

This report was approved by the Remuneration Committee on 24 March 2025.

Joanne Lake
Chair of the Remuneration Committee
24 March 2025

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable Guernsey law and UK-adopted international accounting standards, of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

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

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008.

They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. So far as the directors are aware, there is no relevant audit information of which the Group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

DIRECTORS' CONFIRMATIONS

Each of the Directors, whose names and functions are listed in Directors' Report confirm that, to the best of their knowledge:

- the Group and Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities and financial position of the Group and Company, and of the profit of the Group; and

- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

The Corporate Governance Code requires Directors to ensure that the Annual Report and Accounts are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit Committee advises on whether it considers that the Annual Report and Accounts fulfil these requirements. The process by which the Audit and Committee has reached these conclusions is set out in its report on pages 86 to 87. As a result, the Board has concluded that the Annual Report and Accounts for the year ended 31 December 2024, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Robert Sharpe (on behalf of the Board)
Chair
24 March 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POLLEN STREET GROUP LIMITED

Report on the audit of the financial statements

OPINION

In our opinion, Pollen Street Group Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's and Company's profit and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of Company (Guernsey) Law, 2008.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 December 2024; the Consolidated and Company Statements of Profit or Loss and Other Comprehensive Income, the Consolidated and Company Statements of Changes in Shareholders' Funds and the Consolidated and Company Statements of Cash Flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

BASIS FOR OPINION

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

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities in accordance with the requirements of the Crown Dependencies' Audit Rules and Guidance for market-traded companies, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 5 to the financial statements we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

OUR AUDIT APPROACH

Overview

Audit scope

- The scope of our audit and the nature, timing and extent of audit procedures performed were determined by our risk assessment and the significance of components.
- We performed audit procedures over components considered significant due to size or risk in the context of the Group. We performed a full scope audit of Pollen Street Limited and for three other components, specific audit procedures were performed over selected significant account balances.

Key audit matters

- Valuation of the allowance for expected credit losses on Credit Assets at amortised cost (Group)
- Valuation of Equity Assets and Carried interest assets at fair value (Group)
- Goodwill (Group)
- Investments in subsidiaries (Company)

Materiality

- Overall Group materiality: £2,800,000 based on 5% of profit before tax.
- Overall Company materiality: £6,000,000 based on 1% of total assets.
- Performance materiality: £2,100,000 (Group) and £4,500,000 (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Valuation of the allowance for expected credit losses on credit assets at amortised cost, valuation of equity assets and carried interest assets at fair value, goodwill and investments in subsidiaries are new key audit matters this year. Accuracy and completeness of administration costs, which was a key audit matter last year, is no longer included because of the change in activities and audit risks of the Group and Company due to the reorganisation.

Key audit matter	How our audit addressed the key audit matter
Valuation of the allowance for expected credit losses on Credit Assets at amortised cost (Group) Credit Assets recorded at amortised cost amounted to £309,423,000 for the Group as at 31 December 2024 (2023: £444,490,000). The amount is net of the allowance for expected credit losses ("ECL") in accordance with IFRS 9 of £8,904,000 (2023: £8,311,000). Determining ECL involves judgement and is subject to a high degree of estimation uncertainty. Various assumptions are required when estimating ECL. The significant assumptions that we focused on in our audit included those for which variations had the most significant impact on ECL. We have determined that the significant assumptions relate to the loss given default ("LGD") for the structured portfolios. LGD is primarily determined by assumptions over collateral value including estimates of discounts, time to repossession and recovery costs. Refer to Report of the Audit Committee 'Significant accounting matters'; Note 2 Material accounting policies 'Expected credit loss allowance for financial assets measured at amortised cost'; Note 3 Significant accounting estimates and judgements 'Expected credit loss allowance for financial assets measured at amortised cost'; and Note 9 Credit Assets at amortised cost.	We understood and evaluated the design of controls over the estimation of ECLs over Credit Assets at amortised cost. We understood and assessed the ECL methodology and assumptions applied by the Group by reference to accounting standards and industry practice and tested the techniques used in estimating the ECL. We performed substantive testing over the following, with the assistance of our credit specialists: • We critically assessed the appropriateness of the significant assumptions and methodologies used for models and judgemental adjustments, including the selection of key parameters such as probabilities of default, LGD and the selection of macroeconomic scenarios. • We performed analysis to understand the sensitivity of the ECL to reasonable changes in the LGD assumptions. • On a sample basis, for structured lending exposures we obtained an understanding of the underlying collateral type and projected cash flows on which the ECL assessment is based. We compared the cash flows and collateral to management's loan monitoring conclusions and obtained supporting information, such as third party agreed upon procedures reports on underlying collateral. • We further considered whether the judgements made in selecting the significant assumptions would give rise to indicators of possible management bias. We evaluated and tested the disclosures over credit assets recorded at amortised cost made in the financial statements. Based on the procedures performed and the evidence obtained, we found management's judgements used in the determination of the ECLs to be materially compliant with the requirements of UK-adopted international accounting standards.

Key audit matter	How our audit addressed the key audit matter
Valuation of Equity Assets and Carried interest assets at fair value (Group) Equity assets held at fair value amounted to £83,384,000 (2023: £26,839,000) for the Group at 31 December 2024. Carried interest assets at fair value amounted to £23,708,000 (2023: £15,967,000) as at 31 December 2024 for the Group. These investments are unlisted and, as such, the valuation requires the use of inputs which are not readily observable in the market. Determining unobservable inputs in fair value measurement involves judgement and is subject to a high degree of estimation uncertainty. Refer to Report of the Audit Committee 'Significant accounting matters'; Note 3 Significant accounting estimates and judgements 'Equity Asset valuation' and 'Carried interest'; Note 10 'Investment assets at fair value through profit or loss and Note 14 'Carried interest assets'.	We understood and evaluated the design of controls over estimating the fair value of equity assets and carried interest assets. With the assistance of our valuation experts, for a sample of equity and carried interest assets held at fair value we understood and assessed the valuation methodology applied by reference to accounting standards and industry practice and tested the techniques used in determining the fair value. On a sample basis, we tested the accuracy and reasonableness of inputs used in valuations including comparison to recent relevant transactions and other market performance information. Our procedures included: • For a sample of equity assets, we compared management's earnings multiple based valuation to valuations estimated using alternative approaches, such as tangible book value multiples. We assessed the appropriateness of the comparable peer sets used by management and independently verified peer company trading multiples. • For a sample of equity asset valuations based on net assets values, we agreed the net asset values used to calculate the fair value to audited financial statements and inspected those financial statements to assess whether the use of net assets as a basis for fair value was appropriate. Where adjustments to net asset values were applied, we obtained corroborating information, including comparison to secondary market transactions. • For a sample of carried interest assets, with the assistance of our valuation experts we tested the valuation model methodology and understood the impact of model limitations, and we performed a sensitivity analysis to test the impact of reasonable alternative input assumptions on the valuation. • For a sample of carried interest assets, we obtained the fund and carried interest partnership agreements and tested the calculation to ensure that carried interest was allocated to the Group appropriately. We further considered whether the judgements made in selecting the significant assumptions would give rise to indicators of possible management bias. We evaluated and tested the disclosures over equity assets and carried interest assets made in the financial statements. Based on the procedures performed and the evidence obtained, we found management's judgements used in the valuation of equity assets and carried interest assets at fair value to be materially compliant with the requirements of UK-adopted international accounting standards.

Key audit matter	How our audit addressed the key audit matter
Goodwill (Group) On 30 September 2022, the Group acquired the entire shareholding of Pollen Street Capital Holdings Limited ("PSCH") via an all share transaction and goodwill was recognised. The goodwill balance was £224,540,000 as at 31 December 2024 (2023: £224,540,000). Management performed an impairment assessment and estimated a recoverable amount using a value in use ('VIU') approach. The recoverable amount was in excess of the carrying value and no impairment was recognised as at 31 December 2024. The methodology used to estimate the VIU is dependent on various assumptions, both short-term and long-term in nature. These assumptions, which are subject to estimation uncertainty, are derived from a combination of management's judgement and market data. The significant assumptions with greater levels of management judgement and for which variations had the most significant impact on the recoverable amount included forecast cash flows of acquired business over 4 years; long term growth rates; and discount rates applied to the cash flow forecasts. Refer to Report of the Audit Committee 'Significant accounting matters'; Note 2 Material accounting policies 'Goodwill'; Note 3 Significant accounting estimates and judgements 'Impairment assessment for goodwill'; and Note 13 'Goodwill and Intangible assets'.	We understood and evaluated the design of controls over determining the recoverable amount of the goodwill balance. We understood and assessed the methodology and inputs used to assess the value in use of Goodwill. We performed substantive testing including the following: • We inspected the model used to estimate the goodwill VIU and recalculated the VIU to confirm the calculations used were accurate. • We challenged the achievability of management's forecast cash flows by reference to historical performance and the fundraising track record, Board approved forecasts and external consensus forecasts. • With the assistance of our valuation experts, we determined a reasonable range for the discount rate and a reasonable alternative long term growth rate used within the VIU model and compared it to the rates used by management. • We recalculated the sensitivity of the VIU to reasonable variations in significant assumptions. • We further considered whether the judgements made in selecting the significant assumptions would give rise to indicators of possible management bias. Based on the procedures performed and the evidence obtained, we found the carrying value of the goodwill to be materially compliant with the requirements of UK-adopted international accounting standards.
Investments in subsidiaries (Company) The company holds 100 per cent of the share capital of Pollen Street Limited ("PSL") and Pollen Street Capital Holdings Limited ("PSCHL") amounting to a total carrying value of £571,269,000 as at 31 December 2024. IAS 36 'Impairment of Assets' requires that investments should be assessed for any indicators of impairment at the end of each reporting period. Management determined that the net assets of both the subsidiaries were below carrying value. Management performed an impairment assessment and determined the recoverable amount of each subsidiary based on a value in use ('VIU') approach. The VIU was determined to be above carrying value for both subsidiaries and therefore no impairment was recognised as at 31 December 2024. The determination of the recoverable amount is based on a number of assumptions that are subjective and judgemental; these include the forecast cash flows, the long-term growth rate and the discount rate applied to the forecast cash flows. Refer to Note 2 Material accounting policies 'Investments in subsidiaries'; and Note 28 'Investments in subsidiaries'.	Our audit procedures comprised the following: • We inspected the model used to estimate the subsidiaries VIU and recalculated the VIU to confirm the calculations used were accurate. • We challenged the achievability of management's forecast cash flows and long term growth rate by reference to historical performance and the fundraising track record, Board approved forecasts and external consensus forecasts. • We assessed the discount rate by reference to external market consensus. • We assessed the sensitivity of the recoverable amount to reasonable variations in significant assumptions. Based on the procedures performed and the evidence obtained, we found the carrying value of the investments in subsidiaries to be materially compliant with the requirements of UK-adopted international accounting standards.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. We performed a risk assessment, giving consideration to relevant external and internal factors, including climate change, economic risks and the Group's strategy. We also considered our knowledge and experience obtained in prior year audits of the Company and the subsidiaries. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. The Group audit team performed all audit work on the components.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the financial statements and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. We evaluated and challenged management's assessment of the impact of climate risk, as set out in the Climate-related risk management - Task Force on Climate-related Financial Disclosures (TCFD) section of the Strategic Report, which includes the potential impact on underlying investments. We read the disclosures in relation to climate risk made in the other information within the Annual Report to ascertain whether the disclosures are materially consistent with the financial statements and our knowledge from our audit. Our responsibility over other information is further described in the Reporting on other information section of our report. Our procedures did not identify any material adjustments needed to capture climate impacts on the Group and Company financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - Group	Financial statements - Company
Overall materiality	£2,800,000	£6,000,000
How we determined it	5% of profit before tax	1% of total assets
Rationale for benchmark applied	We have applied this benchmark (rounded to the nearest hundred thousand) considering the key figures used to measure financial performance and presented in the Annual report are profit based measures, such as total income and operating profit.	We have applied this benchmark (rounded to the nearest hundred thousand) which is a generally accepted auditing practice for a company whose primary purpose is that of a holding company.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £1,470,000 and £2,660,000. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £2,100,000 for the Group financial statements and £4,500,000 for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £140,000 (Group audit) and £300,000 (Company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

CONCLUSIONS RELATING TO GOING CONCERN

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Performing a risk assessment to identify factors that could impact the going concern basis of accounting.
- Obtaining and evaluating management's going concern assessment.
- Understanding and evaluating the Group's financial forecasts and the Group's stress testing of the forecast cash flows, including the severity of the stress scenarios that were used.
- Validation of year end financial resources such as cash and interest rate borrowings.
- Obtaining and evaluating covenants testing.
- Evaluating the adequacy of the disclosures made in the financial statements in relation to going concern.

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

REPORTING ON OTHER INFORMATION

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

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

CORPORATE GOVERNANCE STATEMENT

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the audit committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Financial Conduct Authority's UK Listing Rules, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies (Guernsey) Law, 2008 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and the Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing Board meeting and other relevant Committee minutes to identify any significant or unusual transactions or other matters that could require further investigation;
- Challenging assumptions and judgements made by management in determining significant accounting estimates, in particular in relation to the valuation of equity assets and carried interest assets at fair value, allowance for expected credit losses on amortised cost assets and accounting for goodwill;
- Identifying and testing journal entries meeting specific fraud criteria, including those posted with certain account combinations and posted by unexpected users;
- Obtaining confirmations from third parties to confirm the existence of a sample of balances; and
- Incorporating unpredictability in the selection of the nature, timing and extent of audit procedures performed.

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

COMPANIES (GUERNSEY) LAW, 2008 EXCEPTION REPORTING

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the Company; or
- the Company financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Other matters

The Group financial statements for the 31 December 2023, forming the corresponding figures of the Group financial statements for the year ended 31 December 2024, are unaudited.

The Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Other voluntary reporting

DIRECTORS' REMUNERATION

The Company voluntarily prepares an Annual Report on Remuneration in accordance with the provisions of the UK Companies Act 2006. The directors requested that we audit the part of the Annual Report on Remuneration specified by the UK Companies Act 2006 to be audited as if the Company were a UK quoted company.

In our opinion, the part of the Annual Report on Remuneration to be audited has been properly prepared in accordance with the UK Companies Act 2006.

Claire Sandford
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Recognised Auditors
London
24 March 2025

03. 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[9] £'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.

[9] 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[9] £'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 on pages 121 to 193 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

		As at 31 December 2024	As at 31 December 2023
	Notes	£'000	£'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 on pages 121 to 193 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

	Ordinary Share Capital	Share Premium	Retained Earnings	Special Distributable Reserve	Merger Reserves	Foreign Currency Translation Reserve	Total Equity
Unaudited[9]	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'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	**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[9] £'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

		For the year ended 31 December 2024	For the year ended 31 December 2023
	Notes	**£'000**	**£'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 on page 133.

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. As noted on page 136, 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[10].

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)%

[10] *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[11]	-	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**

[11] *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[12]	(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%**

[12] *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. Gains/(losses) on Investment Assets held at fair value include revenue earned by the Group on its Investment Asset portfolio. 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.

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**

	For the year ended 31 December 2023			
Group	**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:

Group	For the year ended 31 December 2023		
	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	As at 31 December 2023 £'000
		Impact of sensitivity	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:

Group	Carrying Value	Fair Value			
	£'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:

Group	Carrying Value	Fair Value			
	£'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:

Group	For the year ended 31 December 2024			For the year ended 31 December 2023		
	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 on pages 54 to 62. 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)**

Company	As at 31 December 2024 <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)**

Company	As at 31 December 2023 <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:

	As at 31 December 2024		
Group	**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:

	As at 31 December 2023		
Group	**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	Notes	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'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	Notes	For the year ended 31 December 2024 £'000	For the year ended 31 December 2023 £'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 on page 98.

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

Name	Country on incorporation	Class of shares	Holding	Activity
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

Name	Country on incorporation	Class of shares	Holding	Activity
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

Name	Jurisdiction
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

Name	Jurisdiction
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 Accel-erator II Carry LP £'000**	**PSC IV Carry LP £'000**	**PSC Accel-erator 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 Accel-erator II Carry LP £'000**	**PSC IV Carry LP £'000**	**PSC Accel-erator 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.

04. Shareholders' Information

DIRECTORS, ADVISERS AND SERVICE PROVIDERS

DIRECTORS

Robert Sharpe

Lindsey McMurray

Jim Coyle

Gustavo Cardenas

Joanne Lake

Richard Rowney

all at the registered office below

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WEBSITE

http://www.pollenstreetgroup.com/

SHARE IDENTIFIERS

ISIN: GG00BMHG0H12

Sedol: BMHG0H1

Ticker: POLN

Website

The Company's website can be found at www.pollenstreetgroup.com. The site provides visitors with Company information and literature downloads.

The Company's profile is also available on third-party sites such as www.trustnet.com and www.morningstar.co.uk.

Share prices and Net Asset Value information

The Company's ordinary shares of 1p each are quoted on the London Stock Exchange:

- SEDOL number: BMHG0H1
- ISIN number: GG00BMHG0H12
- EPIC code: POLN

The codes above may be required to access trading information relating to the Company on the internet.

Annual and half-yearly reports

The Group's audited Consolidated Annual Report and Accounts, half-yearly reports and other formal communications are available on the Company's website. To reduce costs the Company's half-yearly financial statements are not posted to shareholders but are instead made available on the Company's website.

Whistleblowing

The Company has established a whistleblowing policy. The Audit Committee reviews the whistleblowing procedures of the Group to ensure that the concerns of their staff may be raised in a confidential manner.

Warning to shareholders – share fraud scams

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way, you will probably lose your money.

How to avoid share fraud

- Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares
- Do not get into a conversation, note the name of the person and firm contacting you and then end the call
- Check the Financial Services Register from www.fca.org.uk to see if the person and firm contacting you is authorised by the FCA
- Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details
- Use the firm's contact details listed on the Register if you want to call it back
- Call the FCA on 0800 111 6768 if the firm does not have contact details on the Register or you are told they are out of date
- Search the list of unauthorised firms to avoid at www.fca.org.uk/scams
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- Think about getting independent financial and professional advice before you hand over any money
- Remember: if it sounds too good to be true, it probably is!

5,000 people contact the Financial Conduct Authority about share fraud each year, with victims losing an average of £20,000.

Report a scam

If you are approached by fraudsters, please tell the FCA using the share fraud reporting form at fca.org.uk/scams, where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on 0800 111 6768.

If you have already paid money to share fraudsters, you should contact Action Fraud on 0300 123 2040.

05. Definitions and Reconciliation to Alternative Performance Measures

DEFINITIONS

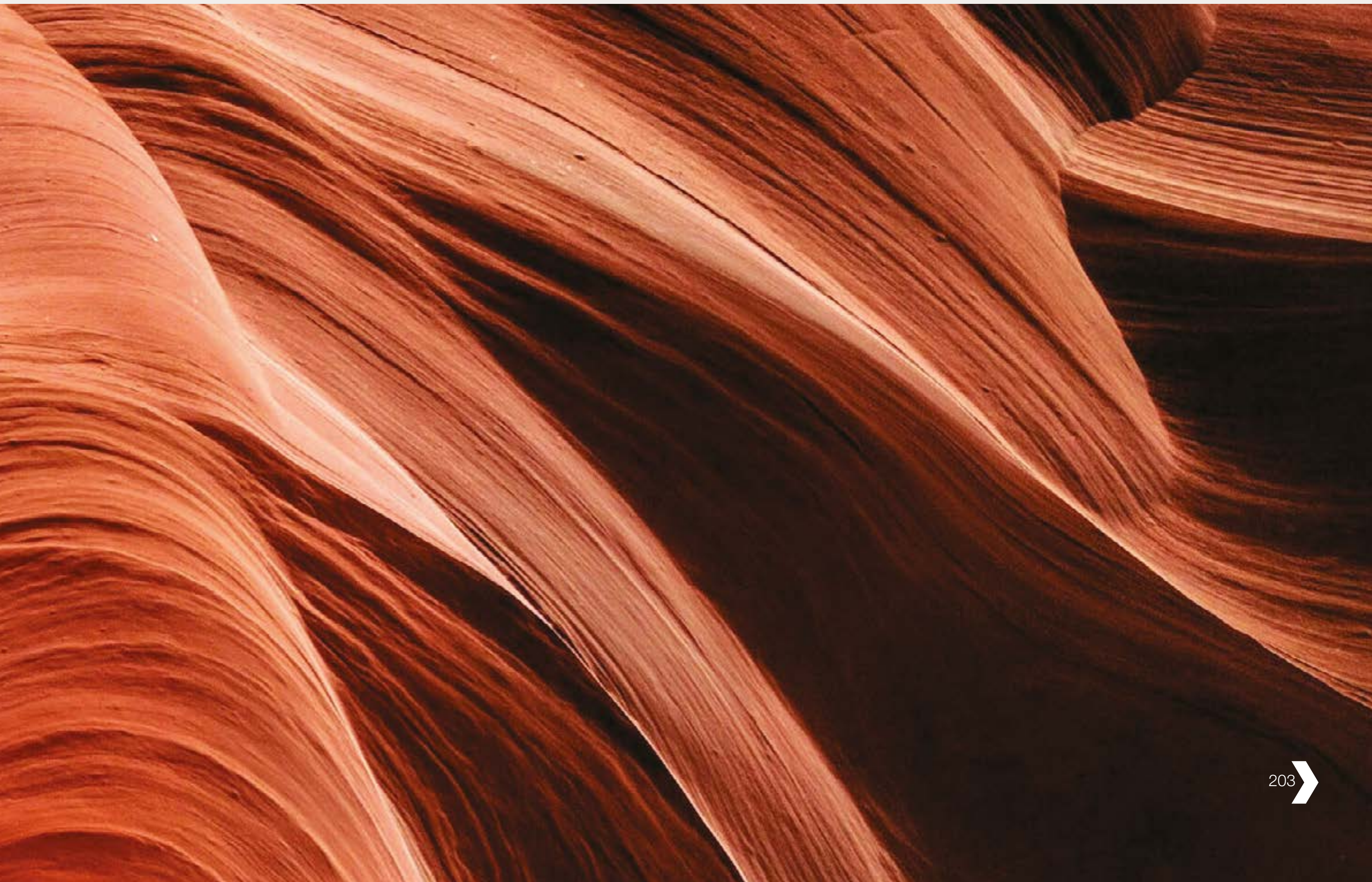
Asset-Based Lending	Collateralised financing where loans are secured by a company's assets with credit limits determined by the assets' liquidation value.
Asset Manager	The business segment of the Group that is responsible for managing third-party AuM and the Investment Company's assets. All activities 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	For the year ended 31 December 2024 pence	For the year ended 31 December 2023 pence
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.

POLLEN STREET

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