Petershill Partners

Operated by Goldman Sachs Assets Management

2023 PRELIMINARY RESULTS

For the year ended 31 December 2023

CONTINUED ROBUST FUNDRAISING AND HIGHER CAPITAL RETURN ANNOUNCED

Key Highlights

- Adjusted Profit After Tax[1] of $200m for the year ended 31 December 2023 (2022: $273m).
  - Total income[1] of $319m (2022: $379m) and Adjusted EBIT[1] of $284m (2022: $336m) with Adjusted EBIT margin of 89% (2022: 89%).
  - Adjusted EPS[1] of 17.6 cents (2022: 23.7 cents).
  - IFRS Profit After Tax of $321m (2022: $453m loss) and IFRS EPS of 28.4 cents (2022: (39.4) cents), includes the change in the carrying value of investments.
  - The Board has proposed a final dividend of 10.1 cents per share taking the full year dividend for 2023 to 15.0 cents per share (2022: 14.5 cents).
  - The Board is considering launching a tender offer to purchase up to $100m of the Company's shares. Decision to be made by the end of April so that approval could be sought at the forthcoming AGM.
  - As a result of applicable US securities law requirements, the Company has today served notice to terminate its current share buyback programme until either the Board decides not to proceed with the tender offer or the tender offer completes.

- Partner Distributable Earnings (DE)[2] of $292m (2022: $370m), reflecting slower market activity.
  - Partner Fee Related Earnings (FRE)[2] of $203m (2022: $213m).
    - Net management fees[2] were 2% higher year-over-year and 6% higher year-over-year gross of transactions fees and offsets[2]
    - Partner FRE Margin[2] of 58% (2022: 62%)
  - Lower DE primarily driven by lower Partner Realised Performance Revenues (PRE)[2] at $55m, compared to a strong prior year (2022: $132m).
  - PRE as a percentage of Partner Revenues[2] was 13% (2022: 26%).
  - Partner Private Markets Accrued Carried Interest at $615m was in line with the prior year end (2022: $611m).

- Robust Partner-firm asset raising and AuM growth with $23bn gross fee eligible assets raised in 2023.
  - Aggregate Partner-firm AuM[2] of $304bn and Aggregate Fee-paying AUM[2] of $221bn, up 7% and 14%, respectively year-over-year.
  - $8bn of fee eligible assets at 31 December 2023 are expected to turn on and generate revenues in future periods.

- Balance Sheet and capital return remain strong.
  - Free cash flow (FCF)[1] conversion increased to 99% (2022: 76%) supporting growth and the progressive dividend policy.
  - Investments at fair value were $5.3bn, an increase of 6% vs. the prior year end (2022: $5.0bn).
  - Cash and investments in money market funds totalling $305m as at 31 December 2023 (31 December 2022: $581m).
  - Book value per share[1] of 431 cents (2022: 416 cents).
  - Purchased 13.2m Ordinary Shares for $26m through 31 December 2023 as part of the $50m buyback programme announced in March 2023 and 15.8m Ordinary Shares for $32m through 24 March 2024.

2024 Guidance

- $20 - $25bn organic fee-eligible AuM raise and realisations of $5 - $10bn in fee-paying AuM.
- $200 - $230m full year Partner FRE.
- PRE of 15% - 30% of total Partner Revenues.
- Acquisitions in 2024 expected to be in-line with medium-term range of $100-$300m per annum.
- 85% - 90% Company Adjusted EBIT margin.

  * The 2024 FRE range incorporates a revision to the fee model of one of our Absolute Return Partner-firms which at year end 2023 successfully moved their main fund to a "full cost pass through model", in line with larger scaled players. The new fee model is not expected to impact near term Partner Distributable Earnings but does result in a shift of a portion of this firm's FRE towards cashflows that the Company categorises as PRE.

Subsequent to the year end, the Company completed two transactions accretive to the net asset value, which align with our FRE centric nature:
- 30 January 2024, the Company acquired additional interests in three existing Partner-firms in a secondary transaction from a financial investor for $55m at a discount of approximately 16% to the carrying value at 31 December 2023.
- 12 March 2024, the Company sold a partial interest of PRE and Investment Income in AKKR back to management for $35m at a slight premium to the carrying value at 31 December 2023.

1. Financial measure defined as Alternative Performance Measure, or ("APM"). Further information on APMs on page 52.
2. Partner-firm key operating metric. Refer to the glossary on page 49 for additional information.

Final Dividend

The Board has proposed a final dividend payment of 10.1 cents (USD) per share, payable on 14 June 2024 to shareholders on the register as at close of business on 10 May 2024, with ex-dividend date of 9 May 2024. The total dividend per Ordinary Share for 2023 is 15.0 cents up 3% from 2022, in line with the progressive dividend policy. Shareholders should note that the default payment currency is USD, however, shareholders can elect to have their dividends paid in either GBP or EUR. The last day for currency elections to be registered is 24 May 2024. Currency elections should be submitted via CREST[3] in the usual manner.

Ali Raissi-Dehkordy and Robert Hamilton Kelly commented:

"Despite a challenging external backdrop in 2023, we were pleased with our Partner-firms raising $23 billion of fee eligible assets, on track relative to both size and timing. Unsurprisingly, distributable earnings were lower in the year predominately reflecting lower transaction activity, and the slower realisation environment impacting Partner-firm Realised Performance Revenues. FRE were also down 5% compared to 2022 but we remain confident on the medium-term outlook for FRE growth supported by attractive organic fee-paying AuM growth with potential for future M&A and note an increase in accrued performance fees which underpins the medium-term outlook for PRE. Our portfolio of Partner-firms remains strong with the carrying value of our Partner-firms up around 6% while our high profitability margin and cash conversion supports our strategy for growth and continued capital return to shareholders.

The company maintains its progressive dividend policy and the Board is considering launching a tender offer to purchase up to $100m of the Company's shares, reflecting the strong operating cash flow and balance sheet. Our robust capital raising and dynamic approach to capital allocation underpins our ongoing confidence about our medium-term prospects for shareholders."

3. CREST: Certificates Registry for Electronic Share Transfer – electronic system for holding securities.

MANAGEMENT RESULTS

	Year ended 31 December	
	2023 $m	2022 $m
Income		
Partner Fee Related Earnings[1]	203.0	213.2
Partner Realised Performance Revenues[1]	54.7	131.6
Partner Realised Investment Income[1]	34.4	25.4
Total Partner Distributable Earnings	**292.1**	**370.2**
Interest income	27.3	8.6
Total Income[2]	**319.4**	**378.8**
Operating costs		
Board of Directors' fees and expenses	(1.7)	(1.5)
Other operating expenses[3]	(11.3)	(13.2)
Operator charge	(21.9)	(27.8)
Profit share charge	(0.1)	-
Total operating costs	**(35.0)**	**(42.5)**
Adjusted Earnings before interest and tax (EBIT)[2]	**284.4**	**336.3**
Finance cost[4]	(37.1)	(28.3)
Adjusted Earnings before tax (EBT)[2]	**247.3**	**308.0**
Tax and tax related expenses[2]	(47.7)	(35.4)
Adjusted profit after tax[2]	**199.6**	**272.6**
Reconciliation of Adjusted profit after tax to IFRS profit / (loss) for the period after tax		
Adjusted profit after tax[2]	199.6	272.6
▪ Movement in financial assets and liabilities held at fair value[2]	220.6	(776.5)
▪ Unrealised divestment fee (expense) credit	(50.5)	0.9
▪ Non recurring expenses[5]	1.2	(18.5)
▪ Change in liability for Tax Receivables Agreement	(21.5)	(19.0)
▪ Adjustment for Tax and tax related expenses[6]	(28.3)	87.6
IFRS profit / (loss) for the period after tax	**321.1**	**(452.9)**

1. Partner-firm key operating metrics. Refer to the glossary on page 49 for additional information.
2. Financial measure defined as Alternative Performance Measure, or ("APM"). Further information on page 52.
3. 2023 amount excludes $1.2m VAT reclaim. 2022 amount excludes $1.2m in connection with the IPO.
4. 2022 amount excludes non-recurring finance cost of $17.3m related to the retirement of Notes payable and issuance of Unsecured Notes and the change in Liability for the Tax Receivables Agreement.
5. 2023 amount includes $1.2m VAT reclaim. 2022 amount includes the non-recurring expense of $1.2m and finance cost of $17.3m noted above.
6. Includes deferred tax (expense) / credit related to movement in financial assets and liabilities held at fair value.

KEY PARTNER-FIRM METRICS

Petershill Partners Operating Metrics

		31 December		
		2023	2022	Δ
Aggregate Partner-firm AuM	($bn)	**304**	283	7%
Aggregate Fee-paying Partner-firm AuM	($bn)	**221**	194	14%
Partner Blended Net Management Fee Rate	(%)	**1.31%**	1.41%	-10 bps
Implied Blended Partner-firm FRE Ownership	(%)	**13.3%**	13.5%	-20 bps
Partner Net Management and Advisory Fees	($m)	**350**	342	2%
Management Fees	($m)	**356**	337	6%
Fee Offsets	($m)	**(18)**	(16)	13%
Transaction and Advisory Fees	($m)	**12**	21	(43%)
Partner Fee Related Expenses	($m)	**(147)**	(129)	14%
Partner FRE	($m)	**203**	213	(5%)
Partner Realised Performance Revenues (PRE)	($m)	**55**	132	(58%)
Partner Realised Investment Income	($m)	**34**	25	36%
Partner Distributable Earnings	($m)	**292**	370	(21%)
Partner FRE Margin	(%)	**58%**	62%	-4 pts
Partner Distributable Earnings Margin	(%)	**67%**	74%	-7 pts
Partner Realised PRE as a percentage of Partner Revenue	(%)	**13%**	26%	-13 pts
Partner Realised PRE over Average Aggregate Performance Fee Eligible Partner-firm AuM*	(bps)	**2.0 bps**	5.6 bps	-3.6 bps

* Realised Performance Fee Revenues for the period divided by the Average Aggregate Performance Fee Eligible Partner-firm AuM. The Average Aggregate Performance Fee Eligible Partner-firm AuM represents the average of the beginning and ending period stated.

Petershill Partners Operating Metrics***

		31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	YTD** Δ
Aggregate Partner-firm AuM	($bn)	304	303	300	290	283	7%
Aggregate Fee-paying Partner-firm AuM	($bn)	221	197	196	195	194	14%
Average Aggregate Fee-paying Partner-firm AuM*	($bn)	201	193	190	188	178	13%
Aggregate Performance Fee Eligible Partner-firm AuM	($bn)	275	276	274	266	259	6%
Average Aggregate Performance Fee Eligible Partner-firm AuM*	($bn)	270	265	258	251	236	14%
Additional metrics:							
Partner Private Markets Accrued Carried Interest	($m)	615	613	608	600	611	1%
Investment Capital	($m)	423	398	398	383	383	10%

* Average Aggregate AuM figures represent the twelve month mean and use the start and each quarter end of the reporting period adjusted for acquisitions and dispositions where applicable.

** Percentage change relative to 31 December 2022.

*** Represents key Operating Metrics that reflect data reported to the Operator on a three-month lag.

DETAILS OF RESULTS PRESENTATION

There will be a call for investors and analysts at 9.00am GMT today, 26 March 2024, hosted by Ali Raissi-Dehkordy, Robert Hamilton Kelly, Adam Van de Berghe and Gurjit Kambo to discuss these results, followed by a Q&A session.

All interested parties are invited to participate via telephone or the audio webcast. Please click here to access the webcast.

Conference Call Information:

Domestic: +44(0) 330-165-3657
Domestic Freephone: 0800 279 6843
International: +1-929-477-0492
International Tollfree: 888-596-2629
Conference ID: 1772166

All participants are asked to dial in approximately 10-15 minutes prior to the call, referencing “Petershill Partners” when prompted.

Replay Information:

An archived replay of the call will be available on the webcast link.

Please direct any questions regarding obtaining access to the conference call to Petershill Partners Investor Relations, via e-mail, at PHP-Investor-Relations@gs.com Analyst / Investor enquiries:

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ABOUT PETERSHILL PARTNERS

Petershill Partners plc (the “Company” or “Petershill Partners”) and its Subsidiaries (the “Group”) is a diversified, global alternatives investment group focused on private equity and other private capital strategies. Through our economic interests in alternative asset management firms (“Partner-firms”), we provide investors with exposure to the growth and profitability of the alternative asset management industry. The Company completed its initial acquisition of the portfolio of Partner-firms on 28 September 2021 and was admitted to listing and trading on the London Stock Exchange on 1 October 2021 (ticker: PHLL). The Company is operated by Goldman Sachs Asset Management (“Goldman Sachs” or the “Operator”) and is governed by a diverse and fully independent Board of Directors (the “Board”).

Through our Partner-firms, we have exposure to $304 billion of Aggregate Partner-firm AuM, comprising a diverse set of more than 200 long-term private equity and other private capital funds where capital is typically locked in over a multi-year horizon. These underlying funds generate recurring management fees and the opportunity for meaningful profit participation over the typical 8+ year lifecycles of such funds. We believe our approach is aligned with the founders and managers of our Partner-firms and, as a result, allows the Company to participate in these income streams in a way that aims to provide high-margin, diversified and stable cash flows for our shareholders.

For more information, visit https://www.petershillpartners.com/homepage.html. Information on the website is not incorporated by reference into this press release and is provided merely for convenience.

CHAIRMAN’S STATEMENT

Dear Shareholders

Global markets experienced volatility throughout 2023. Major equity indices rebounded from considerable declines in 2022, but did so with large swings and, in the US, concentrated in a small number of technology stocks. The year began with a regional banking crisis that started in the United States and carried into Europe. Significant movements in US treasury yields, paired with economic uncertainty and geopolitical instability, contributed to the movements which markets experienced. Against that backdrop, our Partner-firms raised $23 billion of new fee eligible AuM, making this another year of Petershill Partners achieving its fundraising targets against a challenging environment. This year our fundraising came from 18 different firms underpinning a core tenet of Petershill Partners which is to provide diversification through our ownership in many different high quality alternative asset managers.

Fee related earnings were down 5% as cost growth amongst our Partner-firms more than offset the 2% growth in Partner Net Management and Advisory Fees. Funds were raised in advance of their being needed for deployment, resulting in a delay in the activation of fees for new funds raised. We experienced lower Partner Realised Performance Revenues (PRE) in 2023, resulting from both lower investment performance in the absolute return strategies and the subdued realisation environment throughout the year that impacted our private markets strategies. As a result, our Partner Distributable Earnings were lower, as expected in the context of limited realisations.

The carrying value of our investments in Partner-firms ended the year higher primarily resulting from higher multiples on comparable listed businesses as markets re-rated in the second half of the year.

Our Partner-firms exhibited continued strength in asset raising despite the difficult market background. The consequent increase in fee-paying AuM will continue to support management fees going forward. One of the factors that distinguishes the Company from its peers is the range of high-quality General Partner (GP) services that the Operator offers to Partner-firms, designed to unlock value and increase future returns. In 2023, the number of GP services engagements grew by 50%, and this engagement increases confidence about prospects for our Partner-firms – and for the Company.

The capital structure of the Company, with its relatively low fixed rate long-term debt, looks even better now than it did a year ago as rates have risen significantly since we raised this debt. We closed on a $100 million unsecured revolving credit facility to provide more liquidity if need arises. The Company did not draw down on this facility at all during the year. While much of the cash during the year was invested in money market funds, the Operator did start to shift some cash into slightly longer duration fixed deposits as short-term rates moderated. We cancelled approximately $3 billion of share premium in 2023, which has provided us with greater flexibility in structuring capital returns to our shareholders.

The Operator chose not to make any acquisitions during the year as the opportunities considered did not present attractive value creating opportunities. We announced a $50 million buyback programme earlier in the year to purchase shares at an attractive price relative to the Company’s net asset value as we consider this to be significantly value accretive. To date, the programme has completed $32 million of purchases.

Our Partner-firms continued to generate solid free cash flow during the year, which funds our progressive dividend programme. The Board approved an interim dividend of 4.9 cents per share and is recommending a final dividend of 10.1 cents per share, bringing the full year dividend to 15.0 cents per share. This compares with a full year dividend of 14.5 cents per share in 2022. In addition, taking into account our balance sheet capacity, strong anticipated cash flows and the value at which the Company’s shares are trading, the Board is considering launching a tender offer to purchase up to $100 million of the Company’s shares. Our decision will be made by the end of April so that approval could be sought at the forthcoming AGM.

We held 10 Board meetings during the year, supplemented by 13 meetings of Board Committees, covering Audit and Risk, Remuneration, Nomination and Management Engagement. Additionally, the Board met with two Partner-firms in New York, and we continue to seek feedback from shareholders both through direct engagement and through the investor relations activities of the Operator and our brokers.

Subsequent to the year end, we closed on 2 transactions. One where we purchased additional interests in three existing Partner-firm investments in a secondary transaction at a reasonable discount to our carrying value and another where we sold part of our PRE and balance sheet exposure back to management. We believe both of these transactions will be accretive to shareholder value. We expect inflation to moderate and interest rates to start to come down as we move through 2024; this should provide a better environment for transaction activity in markets and lead to a pickup in realisations for Partner-firms.

The Company’s shares have continued to trade at a significant discount to net asset value throughout the year and the Board actively considers strategies which could have an impact in narrowing that discount. We continue to exercise careful discipline in the allocation and management of capital through buybacks, dividends and the hurdles applied to new investments. We believe that our careful stewardship of capital, combined with the attractive underlying growth prospects and cash flow generation of our Partner-firms, will be recognised by the market in due course and will result in good medium to long term returns to shareholders.

THE OPERATOR'S REPORT

The Company's purpose is to give investors the opportunity to participate in the growth of the alternative asset management industry. Despite the industry's reputation for complexity, the Company's model is simple. Investors share in the fees generated by first-class Partner-firms that manage alternative investments predominantly in private markets and other unquoted assets. In a higher inflation environment, which tends to lower real returns, alternative investments can be particularly attractive.

To assist readers, we refer throughout this section to adjusted measures which the Company considers to be Alternative Performance Measures or APMs and Operating Metrics. APMs are non-IFRS measures that analyse our performance, using a variety of measures that are not specifically defined under IFRS; while Operating Metrics are non-IFRS measures that are based on the performance of the Partner-firms which are not related to the Group's financial statements.

APMs and Operating Metrics are used by the Directors and the Operator to analyse the business and financial performance, track the Company's progress, and help develop long-term strategic plans and they also reflect more closely the cash flow of the Company. The Directors believe that these APMs and Operating Metrics are useful to investors, analysts and other interested parties as supplemental measures of performance and liquidity.

Definitions of APMs and Operating Metrics, along with reconciliations to the relevant IFRS measures for APMs, where appropriate, can be found in the Glossary of Key Operating Metrics on pages 49 to 51 and Alternative Performance Measures on pages 52 to 58.

Technical Note

As part of the initial acquisition of the portfolio of Partner-firms on 28 September 2021, the Company acquired interests in several trusts, which previously issued $350 million of long-term debt with a 5% coupon and a maturity date of 2039. The debt was secured by the rights to the cash flows of certain Partner-firm interests held by the Company and other interests held by the Petershill Funds managed by the Operator. The debt was retired and the interests owned by the Petershill Funds securing that debt was released when the Company raised $500 million of new, unsecured long-term debt. However, under IFRS the Company was required to consolidate these interests through 19 December 2022. This consolidation resulted in all of the income, investment gain and finance costs appearing in the Consolidated Statement of Comprehensive Income. However, Shareholder returns were only affected by the interests that the Company owned.

Since these interests were de-consolidated at 19 December 2022, they are not included in the Consolidated Statement of Financial Position at 31 December 2022 or 31 December 2023. The Consolidated Statement of Comprehensive Income reflected the effects of consolidation for the period from 1 January 2022 to 19 December 2022. This did not have an impact on the financial statements and results for 2023.

The APM basis presents the financial information on a non-IFRS basis, excluding the impact of the assets, liabilities, income, investment gain and finance cost which do not affect Shareholder returns. It can therefore aid Shareholders in assessing their investment in the Company.

The IFRS and APM basis numbers discussed and presented below include significant "unrealised" and non-cash items that include unrealised change in fair value of investments, and it should be noted that, while permitted, it is not the Company's core strategy to exit or realise these investments. Therefore, management results are also presented, excluding the unrealised change in fair value of investments at fair value through profit and loss and related unrealised divestment fee.

Company Performance

The Company's income reduced in 2023 as subdued exits reduced PRE significantly and increased Partner-firm expenses reduced FRE margins. FRE decreased 5%, PRE decreased 58% over the prior year and Partner Realised Investment Income increased 35% in 2023, resulting in an overall decline in Partner Distributable Earnings of 21% over the prior year. Fund-raising by Partner-firms was robust despite the challenging environment. The $23 billion fee-eligible AuM raise in 2023 is attributable to the high quality of our Partner-firms and the diversification of our portfolio. Aggregate Partner-firm AuM grew 7% and Aggregate Fee-paying AuM grew 14% for the year. Ownership weighted AuM increased 3% year-over-year to $37 billion and Fee-paying ownership-weighted AuM increased 8% year-over-year to $28 billion.

The Company's results for 2023 represent the period from 1 January 2023 through 31 December 2023 and are presented with comparative data for 2022, the Company's first full year of operations.

The Company's revenue model combines three types of income from Partner-firms: management fee income, performance fee income and investment income. Of these three, management fee income in particular provides stable, recurring profits. FRE Margin fell from 62% to 58%, the management fee income APM basis for the year was $203 million (2022: $213 million), performance fee income APM basis $55 million (2022: $132 million), and investment income APM basis $34 million (2022: $25 million).

The IFRS profit and total comprehensive profit for the period after tax was $321 million (2022: loss of $453 million) equating to an Earnings Per Share (EPS) of 28.4 cents (2022: (39.4) cents). This includes an increase in financial assets and liabilities held at fair value of $221 million (2022: $777 million decrease APM basis), an Unrealised Divestment Fee of $51 million (2022: $1 million credit), non-recurring credit in expenses of $1 million (2022: $19 million expense), change in liability towards Tax Receivables Agreement of $22 million (2022: $19 million), an increase in deferred tax of $53 million (2022: $56 million decrease) and excludes an expected payment towards the Tax Receivables Agreement of $24 million (2022: $31 million).

The Company's Adjusted Profit after tax was $200 million (2022: $273 million). The Company's Adjusted EBIT for the year was $284 million (2022: $336 million), resulting in an Adjusted EBIT margin of 89% (2022: 89%). This highlights the key characteristics of Petershill Partners as a business with significant growth of durable capital, delivering stable and recurring revenues with a highly efficient Adjusted EBIT margin and significant cash flow.

Dividends

Petershill Partners has set a progressive dividend policy which will reflect earnings growth over time. The Board reviews the distributable reserves periodically, including consideration of any material changes since the most recent audited financial statements, ahead of proposing any dividend. The interim dividend is set to one-third of the prior year's annual dividend amount, and the final dividend proposed is set to reach the target for the year. Shareholders will be given the opportunity to approve the final dividend for the year at the Company's Annual General Meeting.

Based on the financial results for the year, the Board has proposed a dividend of 10.1 cents per Ordinary Share to be approved by Shareholders at the AGM on 23 May 2024. This dividend, when combined with the interim dividend declared of 4.9 cents per Ordinary Share, totals 15.0 cents per Ordinary Share for 2023.

Given our financials are primarily driven by USD denominated economics (management fees and USD denominated funds, and performance fees and balance sheet income on USD denominated funds), our dividends are proposed and paid in USD. However, Shareholders have the option to elect for payment in either GBP or EUR.

Investments at Fair Value through Profit or Loss

	2023 $m	2022 $m
At beginning of year	**4,959**	5,524
Investments (includes new, follow on, and prior commitments, net of disposals)	**69**	212
Change in fair value of investments through profit and loss APM basis	**227**	(777)
At end of year	**5,255**	4,959

The fair value of the Company's investments in Partner-firms at 31 December 2023 was $5,255 million (31 December 2022: $4,959 million). The fair value of the Company's investments in Partner-firms is determined using both earnings multiples and discounted cash flow techniques, which are common industry approaches. In valuing the investments, key assumptions include estimates of future AuM growth, expected management and performance fee margins, expected current and future underlying fund returns and timing of realisations. Whilst an exit of an investment is possible, we do not typically seek to exit an investment as part of our strategy. The weighted average discount rate used to value private markets fee related earnings decreased modestly to 13.0% in 2023 from 13.3% in 2022. The weighted average discount rate used to value private markets performance fees related earnings was unchanged year over year at 25.2% for 2023. Refer to footnote 4, Investments at fair value through profit or loss, beginning on page 30 for additional details.

The increase in the fair value of investments through profit and loss was $227 million for the year ended 31 December 2023 (2022: $(777) million decrease APM basis). The increase in fair value was primarily due to the impact of the increase in valuation multiples of comparable businesses. See Note 4 in the Notes to the Consolidated Financial Statements on page 30 for additional information.

Cash and Investments in Money Market Funds

The Company's balance sheet is strong and well-capitalised with sufficient cash and money market investments to support its operational needs. On 14 December 2023, the Company entered into a fixed term deposit of $150 million, which matures on 15 March 2024. At 31 December 2023 the Company had $243 million in cash and cash equivalents (2022: $98 million) and $62 million invested in money market funds (31 December 2022: $483 million) with a AAA credit rating.

Borrowing

The Company has $500 million of long-term, unsecured debt with an effective interest rate of 6.2% and a range of maturities between 7 and 20 years. This debt was issued in 2022 and the proceeds were used to retire $350 million of notes outstanding at the time.

On 6 January 2023 the Company entered into a $100 million revolving credit facility with a term of three years. The Company is subject to a fee on the drawn and undrawn amounts. The rate for any drawn amount is based on reference rate plus a spread. The interest rate on the revolving credit facility is subject to changes in market interest rates. In 2023, the Company did not draw down on the revolving credit facility. Any interest expense incurred is included in finance cost.

Deferred Payment Obligations

Certain investments in Partner-firms are purchased with deferred payment terms. These deferred payment obligations represent amounts payable by the Company at various dates in the future. When the Company enters into deferred payment obligations, a portion of the purchase price is recognised as finance cost through the settlement of the payables under the effective interest method. The interest rate used is based on the reasonable borrowing rate for the Company at the time of the transaction. In 2023, $6 million was included in finance costs (2022: $6 million), which was associated with deferred payment obligations.

Tax Receivables Agreement

The Company entered into a Tax Receivables Agreement as part of the Initial Acquisition on 28 September 2021. The agreement provides for the payment of 75% of cash tax savings, if any, in U.S. federal, state and local income tax that the Company actually realises. The cash tax savings are defined as the difference between the taxes actually due, and the taxes due had there been no step-up in tax basis from the Initial Acquisition. The Company expects these payments to arise over a period of 15 years. The value of these estimated payments at 31 December 2023 is $175 million (31 December 2022: $186 million) assuming an 18% discount rate and using the Company's most recent projections relating to the estimated timing of the payments. The change in liability for the Tax Receivables Agreement related to the accretion of the discount was $22 million (2022: $19 million). The expected payment for 2023 related to the Tax Receivables Agreement is approximately $24 million (2022: $31 million). Refer to Note 3 in the Notes to the Consolidated Financial Statements on page 29 for additional information.

Operating Expenses

Operating expenses were $84 million (2022: $43 million). Included in the operating expenses for 2023 was a $51 million expense related to the fee payable on the divestment of investments. The accrual is calculated and charged to the income statement based on the fair value of the Company's investment in Partner-firms at the balance sheet date. Divestment fees only become payable once gains are realised.

The Operator is entitled to such divestment fee calculated at 20% of the realised profit on the exit of an investment. Although the Company does not intend to exit its investments, an accrual is reflected representing an amount that would be payable if the Company were to exit all of its investments. At 31 December 2023, the fee payable on divestment of investments was $95 million (31 December 2022: $44 million). No payment was made in 2022 or 2023.

The Operator is entitled to a fee (Operator charge) of 7.5% of Income from investments in Partner-firms APM basis. The Operator charge for the year was $22 million (2022: $28 million).

The Operator is entitled to a Profit Sharing Charge on a quarterly basis. The Profit Sharing Charge is equal to 20% of total income from investments in Partner-firms, as defined under IFRS, from new investments made post admission, in the relevant quarter and only after a two-year ownership period from the date on which the investment is closed, and subject to the relevant investment achieving an investment return of at least 6.0 per cent. The Profit Sharing Charge for the year was $0.1 million (2022: $nil).

The Directors' fees for the year were $1.7 million (2022: $1.5 million). Fees paid to Directors for the year are unchanged in local currency.

The Adjusted EBIT margin for 2023 was 89% (2022: 89%) reflecting the relatively low cost to operate the Company.

Finance Cost

The finance cost for the year ended 31 December 2023 was $37 million (2022: $46 million). Included in the finance cost for 2023 is an amount of $6 million (2022: $6 million) of imputed interest relating to deferred payment obligations and a fee of $0.6 million relating to the $100m revolving credit facility (2022: $nil). Included in the finance cost for 2022 was $17 million in non-recurring costs resulting from the retirement of $350 million of debt.

Refer to Note 10 on page 38 in the Notes to the Consolidated Financial Statements.

Tax Expense

The Company's tax charges are comprised primarily of certain taxes in the United States (where the 2023 federal corporate tax rate was 21% and state and local taxes may vary) as well as certain taxes in the United Kingdom (where the 2023 corporate tax rate was 23.5%). Accordingly, the effective tax rate payable by the Company may vary from year to year based on the geographic mix and nature of the income earned by the Company. Notably, a substantial amount of income derived from Management fee income will be subject to United States federal corporate tax as well as applicable state and local taxes. Income derived from Performance fee income and Investment income may be subject to taxes in the jurisdiction in which the investment in the Partner-firm is held, including the United Kingdom.

As a result of the above considerations, as well as the items discussed above under "Tax Receivables Agreement", the Company calculates tax and related expenses and its Adjusted tax and related expense rate by combining the estimated payment under the Tax Receivables Agreement and the current tax.

Current tax expenses comprise obligations to tax authorities related to current period reporting. Deferred tax expenses arise with respect to temporary differences between carrying amounts of assets and liabilities and their tax bases.

Analysis of Tax

	2023 $m	2022 $m
Analysis of tax on profit		
Current tax	**23.5**	4.2
Deferred taxation	**52.5**	(56.4)
Tax expense/(credit)	**76.0**	(52.2)

The tax expense does not include the related expected payments under the Tax Receivables Agreement for the current year. The expected payment under the Tax Receivable Agreement for the year ended 31 December 2023 was $24 million (2022: $31 million).

The tax and related expenses for the year, which considers both the current tax and the expected payment under the Tax Receivable Agreement ("TRA") were $48 million (2022: $35 million) and the adjusted tax and tax related expense rate was 19.3% (2022: 11.5%). These amounts represent current taxes payable in addition to any expected payments under the Tax Receivables Agreement for the year and exclude deferred taxes.

The current tax of $24 million for 2023 includes approximately $13 million related to estimates from the prior year. Excluding the $13 million related to estimates from the prior year, tax and related expenses for 2023 were $35 million and the Adjusted tax and tax related expense rate was 14.0%.

Capital

As at 31 December 2023, the Company's issued share capital comprised of 1,122,202,824 Ordinary Shares (31 December 2022: 1,135,399,597). During the period the Company commenced a share buyback and purchased 13,196,773 shares at an average price of 157.8p per share.

Total Shareholders' funds was $4,834 million at 31 December 2023 (31 December 2022: $4,719 million). As at 31 December 2023, there were retained earnings of $3,133 million (31 December 2022: $329 million loss). These retained earnings include the change in fair value of investments for the year of $227 million (2022: ($777) million APM basis) which does not have an impact on the realised profits.

In 2023, the Company paid dividends totalling $180 million and bought back Ordinary Shares totalling $26 million resulting in a reduction to capital of $206 million in the form of a capital return to Shareholders.

Approximately 77% of Petershill Partners shares are held by long-dated private funds managed by Goldman Sachs Asset Management. Goldman Sachs Asset Management is the manager of these shares and exercises discretion over how and when they could be sold in the future, on behalf of the investors in those funds.

PARTNER-FIRM PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUING OPERATOR'S REPORT)

Key Operating Metrics

We provide significant detail on our Partner-firms in our key Operating Metrics as this gives investors insight into the revenues and revenue model of the Company.

In 2023, fundraising continued across the Company's Partner-firms with Aggregate Fee-paying Partner-firm AuM growing 14% year-on-year to $221 billion. Ownership weighted AuM grew 3% to $37 billion (2022: $36 billion). Strong aggregate Partner-firm AuM and Aggregate Fee-paying AuM growth are the basis for future earnings development and highlight the positive operating dynamics and pricing power of our high-quality Partner-firms. This growth has translated into robust, recurring, and high-quality earnings from our Partner-firms – with full year Partner Distributable Earnings of $292 million, despite the challenging environment.

Petershill Partners is not reliant on any one firm, one fund-raising, one track record, or one brand. Our approach is to invest in a range of high-quality, high-performing alternative asset management firms, who manage a diverse range of funds, giving the Company stable, high-quality, recurring earnings.

Our total AuM at year-end comprised over 200 funds, spanning private equity, absolute return and other private capital funds, with an average life cycle of 9 years. That means their capital is locked in for an average duration of 9.0 years, generating recurring management fees and the opportunity for meaningful profit participation throughout this time. We believe our long-term approach differentiates us and provides for enhanced alignment with the key principals at each Partner-firm and, as a result, allows the Company to participate in their income streams in a way that provides high-margin, diversified and stable cash flows for our Shareholders.

Partner Fee Related Earnings (FRE)

Partner FRE, drawn from management fees, declined 5% year-over- year to $203 million (2022: $213 million), primarily reflecting higher expenses and lower transaction and advisory fees over the comparable period. Partner Fee Related Expenses were $147 million in 2023, up from $129 million in 2022. Higher costs due to Partner- firm fundraising and team expansions contributed to the reduction in the Partner FRE margin year-over-year to 58% (2022: 62%).

Transaction and advisory fees were $12 million in 2023 down from $21 million in the prior year. The lower transaction and advisory fees reflected the subdued transaction environment that impacted global markets in 2023. In 2023, the Partner Blended Net Management Fee Rate was 1.31% (2022: 1.41%).

Partner Realised Performance Revenues (PRE)

PRE, which represents direct participation in the upside performance of Partner-firms' funds and products, declined year-over-year to $55 million for 2023 (2022: $132 million) in difficult market conditions with a relatively unattractive realisation environment. Performance of the absolute return strategies was lower compared to the prior year, which also contributed to the year-on-year decline in PRE. $10 million was attributable to the absolute return strategy in 2023 (2022: $57 million). 13% of total partner revenue in 2023 was derived from PRE (2022: 26%).

Partner-firms manage a variety of performance fee-eligible funds at different stages of their life cycle. Due to this diversification, the Company anticipates that Realised Performance Revenues will be earned regularly from a wide range of funds going forward, with a range of 20–30% of total Partner-firm revenues over the medium term, assuming market conditions and environment are broadly supportive.

Partner Private Markets Accrued Carried Interest was $615 million at 31 December 2023, broadly stable with the $611 million at 31 December 2022.

Partner Realised Investment Income

As an owner in the Partner-firms, the Company shares in a percentage of the investment and balance sheet income of the Partner-firms and realises this through a number of direct positions in the funds of underlying Partner-firms, known as Realised Investment Income. This totalled $34 million in 2023, up from $25 million APM basis in 2022.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the year ended 31 December 2023

	Note	For the year ended 31 December 2023 $m	For the year ended 31 December 2022 $m
Income			
Income from investments in Partner-firms derived from:	2(x)		
Management fee income		**203.0**	213.0
Performance fee income		**54.7**	139.4
Investment income		**34.4**	32.6
Total income from investments in Partner-firms		**292.1**	385.0
Interest income from investments in money market funds	2(x)	**24.7**	8.6
Interest income from other assets	2(x)	**2.6**	–
Total income		**319.4**	393.6
Movement in financial assets and liabilities held at fair value			
Change in investments at fair value through profit or loss	2(vi),4	**227.0**	(806.7)
Change in contingent consideration at fair value through profit or loss	4	**(6.4)**	–
Total movement in financial assets and liabilities held at fair value		**220.6**	(806.7)
Expenses	2(xi)		
Board of Directors' fees and expenses		**(1.7)**	(1.5)
Other operating expenses		**(10.1)**	(14.4)
Operator charge	6	**(21.9)**	(27.8)
Profit sharing charge	6	**(0.1)**	–
Unrealised divestment fee (expense) / credit	6	**(50.5)**	0.9
Total expenses		**(84.3)**	(42.8)
Operating profit / (loss) for the year		**455.7**	(455.9)
Finance expense			
Finance cost	10	**(37.1)**	(45.6)
Movement in liability to Petershill Funds	15	**–**	15.4
Change in liability for tax receivables agreement	2(v),3	**(21.5)**	(19.0)
Total finance expense		**(58.6)**	(49.2)
Profit / (loss) for the year before tax		**397.1**	(505.1)
Tax (expense) / credit	8	**(76.0)**	52.2
Profit / (loss) for the year after tax		**321.1**	(452.9)
Profit / (loss) and total comprehensive income / (expense) for the year		**321.1**	(452.9)
Profit / (loss) and total comprehensive income / (expense) attributable to:			
Equity holders of the Company		**321.1**	(452.9)
Earnings per share			
Basic and diluted earnings / (loss) per Share (cents)	11	**28.38**	(39.36)

The accompanying notes on pages 17 to 48 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 December 2023

	Note(s)	**31 December 2023 $m**	31 December 2022 $m
Non-current assets			
Investments at fair value through profit or loss	4	**5,254.7**	4,958.9
Deferred tax asset	9	**–**	44.0
		5,254.7	5,002.9
Current assets			
Investments in money market funds at fair value through profit or loss	4	**62.3**	483.4
Cash and cash equivalents	5	**242.9**	97.6
Trade and other receivables	12	**127.4**	138.2
		432.6	719.2
Total assets		**5,687.3**	5,722.1
Non-current liabilities			
Unsecured Notes payable	14, 16	**493.8**	493.2
Deferred payment obligations	2(vi)	**7.3**	50.0
Liability for Tax Receivables Agreement	2(v)	**150.5**	150.6
Contingent consideration at fair value through profit or loss	4	**3.9**	–
Deferred tax liability	9	**8.2**	–
Fee payable on divestment of investments	6	**94.8**	44.3
		758.5	738.1
Current liabilities			
Trade and other payables		**6.9**	8.7
Deferred payment obligations	2(vi)	**44.6**	189.9
Interest payable	16	**10.0**	10.0
Profit sharing charge payable	6	**0.1**	–
Operator charge payable	6	**6.6**	21.0
Contingent consideration at fair value through profit or loss	4	**2.5**	–
Liability for Tax Receivables Agreement	2(v)	**24.2**	35.1
		94.9	264.7
Total liabilities		**853.4**	1,002.8
Net assets		**4,833.9**	4,719.3
Equity			
Share capital	2(ix), 17	**11.2**	11.4
Share premium	2(ix), 17	**–**	3,346.7
Other reserve	2(ix), 17	**1,689.6**	1,689.6
Capital redemption reserve	2(ix), 17	**0.5**	0.3
Retained earnings / (accumulated losses)	18	**3,132.6**	(328.7)
Total shareholders' funds		**4,833.9**	4,719.3
Number of Ordinary Shares in issue at year end	17	**1,122,202,824**	1,135,399,597
Net assets per share (cents)	19	**430.75**	415.65

The accompanying notes on pages 17 to 48 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the year ended 31 December 2023

	Note	Share capital $m	Share premium $m	Other reserve $m	Capital redemption reserve $m	Retained earnings / (accumulated losses) $m	Total $m
Opening net assets attributable to Shareholders at 1 January 2023		**11.4**	**3,346.7**	**1,689.6**	**0.3**	**(328.7)**	**4,719.3**
Repurchase and cancellation of Ordinary Shares	17	**(0.2)**	**–**	**–**	**0.2**	**(26.3)**	**(26.3)**
Share premium cancellation	17	**–**	**(3,346.7)**	**–**	**–**	**3,346.7**	**–**
Dividends paid in the year	20	**–**	**–**	**–**	**–**	**(180.2)**	**(180.2)**
Profit and total comprehensive income for the year		**–**	**–**	**–**	**–**	**321.1**	**321.1**
Closing net assets attributable to Shareholders at 31 December 2023		**11.2**	**–**	**1,689.6**	**0.5**	**3,132.6**	**4,833.9**

For the year ended 31 December 2022

	Note	Share capital $m	Share premium $m	Other reserve $m	Capital redemption reserve $m	Retained earnings / (accumulated losses) $m	Total $m
Opening net assets attributable to Shareholders at 1 January 2022		11.6	3,346.7	1,689.6	–	247.9	5,295.8
Repurchase and cancellation of Ordinary Shares	17	(0.2)	–	–	0.2	(53.3)	(53.3)
Redemption and cancellation of Redeemable Shares	17	–	–	–	0.1	(0.1)	–
Dividends paid in the year	20	–	–	–	–	(70.3)	(70.3)
Loss and total comprehensive expense for the year		–	–	–	–	(452.9)	(452.9)
Closing net assets attributable to Shareholders at 31 December 2022		11.4	3,346.7	1,689.6	0.3	(328.7)	4,719.3

The accompanying notes on pages 17 to 48 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the year ended 31 December 2023

	Note	**For the year ended 31 December 2023 $m**	For the year ended 31 December 2022 $m
Cash flows from operating activities			
Profit / (Loss) for the year before tax		**397.1**	(505.1)
Adjustments to reconcile operating profit / (loss) for the financial period to net cash flows from operating activities:			
Reinvestment of income from investments in Partner-firms		**(57.0)**	(42.6)
Movement in financial assets and liabilities held at fair value through profit and loss	4	**(228.8)**	806.7
Movement in trade and other receivables		**14.6**	(59.1)
Movement in trade and other payables		**(2.8)**	(8.0)
Movement in fee payable on divestment of investments	6	**50.5**	(0.9)
Movement in profit sharing charge payable	6	**0.1**	–
Movement in operator charge payable	6	**(14.4)**	11.8
Movement in contingent consideration held at fair value through profit or loss	4	**6.4**	–
Finance expense		**58.6**	49.2
Purchase of investments in money market funds	4	**(781.4)**	(1,043.4)
Sale of investments in money market funds	4	**1,227.1**	1,021.1
Reinvested interest income from investments in money market funds	4	**(24.6)**	(8.0)
Taxes paid		**(28.2)**	(4.4)
Net cash flows from operating activities		**617.2**	217.3
Cash flows from investing activities			
Purchase of investments at fair value through profit or loss		**(204.2)**	(149.7)
Capital proceeds received		**–**	6.7
Net cash flows from investing activities		**(204.2)**	(143.0)
Cash flows from financing activities			
Dividends paid	20	**(180.2)**	(70.3)
Interest expense payments		**(28.3)**	(27.8)
Payment of share issue costs		**–**	(5.7)
Repayment and cancellation of share capital	17	**(25.4)**	(50.0)
Proceeds from Unsecured Notes	16	**–**	500.0
Repayment of Notes payable	16	**–**	(350.0)
Payment of transaction costs related to debt issuance and repayment		**–**	(8.1)
Extinguishment of liability to Petershill funds	15	**–**	(89.6)
Payment under Tax Receivables Agreement	3	**(33.8)**	–
Net cash flows from financing activities		**(267.7)**	(101.5)
Net increase / (decrease) in cash and cash equivalents during the year		**145.3**	(27.2)
Cash and cash equivalents at the beginning of the year		**97.6**	124.8
Cash and cash equivalents at the end of the year		**242.9**	97.6
Non-cash investing and financing activities			
In kind distribution of investments in Partner-firms and Trade and other receivables held at Issuer SPVs to Petershill Funds		**–**	492.2
In kind distribution of investments at fair value through profit or loss		**0.2**	–

The accompanying notes on pages 17 to 48 form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the year ended 31 December 2023

1. General information

Petershill Partners plc (the “Company”) is a company limited by shares, incorporated and registered in England and Wales whose shares are publicly traded on the Main Market of the London Stock Exchange. The consolidated financial statements of Petershill Partners plc for the year ended 31 December 2023 comprise the Company, its subsidiaries and its indirect subsidiaries together referred to as the “Group”.

The Company was incorporated and registered in England and Wales under the UK Companies Act 2006 (as amended) as a private company limited by shares under the name Delta Epsilon Limited on 24 March 2021 with the registered number 13289144. On 12 August 2021, the Company was re-registered as a public limited company as Delta Epsilon plc, and on 2 September 2021, the Company was renamed Petershill Partners plc.

2. Basis of preparation and significant accounting policies

i. Basis of preparation

The consolidated financial statements of the Group have been prepared and approved by the Board of Directors in accordance with UK-adopted International Accounting Standards (“IFRS”) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements are presented to the nearest million United States Dollar ($’m), the functional and presentational currency of the Company.

These preliminary results for the year ended 31 December 2023 are unaudited and do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2023 have not yet been delivered to the Registrar of Companies.

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss. The preparation of the financial statements requires estimates and assumptions to be made that may affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from the estimates included in the financial statements herein. The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires judgement to be exercised in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

Refer to note 2(xiv) for discussion on new and amended standards and interpretations that are applicable to the Company and the Group.

The principal accounting policies are set out below.

Certain figures for the year ended 31 December 2022 in the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows have been re-categorised to conform to current year presentation. The Operator charge payable has been disaggregated from Trade and other payables. This re-categorisation does not have any impact on the consolidated financial result for the years ended 31 December 2023 and 31 December 2022.

ii. Segmental reporting

The Operator serves as the Group’s alternative investment fund manager for purposes of the UK AIFMR and EU AIFMD, which pursuant to the Operator Agreement has delegated its portfolio management functions to the Investment Manager, which has further delegated the provision of portfolio management services to the Investment Advisor. The Investment Advisor, acting as the chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments. The key measure of performance used by the Investment Advisor to assess the Group’s performance and to allocate resources is the Group’s income from investments in Partner-firms.

The Group is engaged in holding interests in and investing into Partner–firms for the purpose of generating revenues derived from the share of management fees, performance fees and investment income. The management of the Group, including assessment of performance, budgets and liquidity is managed for the portfolio as a whole and not by discrete segments. Hence, the Board, as recommended by the Investment Advisor, has concluded that the Group is organised into one main operating segment.

The Group derives 85% (2022: 89%) of its income from North America and the remaining 15% (2022: 11%) from Europe. 91% (31 December 2022: 92%) of the Group’s fair value of investments are located in North America and the remaining 9% (31 December 2022: 8%) are located in Europe.

iii. Functional currency and foreign currency transactions

The Board of Directors has determined that the functional currency of the Company and its subsidiaries is United States Dollar (US$), as this is the currency of the primary economic environment in which the Company and its subsidiaries operates and is the currency of the majority of the Group's Investments in Partner-firms. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most closely represents the economic effect of the underlying transactions, events and conditions. Although the Company is listed in the UK, the Group's investments are mostly held in the USA and transactions are mostly denominated in US$. Expenses (including the Operator charge, Divestment fee and Profit sharing charge) are denominated and paid mostly in US$.

Transactions in currencies other than US$ during the period, including income and expenses, are translated into US$ at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in currencies other than US$ are retranslated at the functional currency rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a currency other than US$ are translated using the exchange rates as at the dates of the initial transaction. Non-monetary items measured at fair value in a currency other than US$ are translated using the exchange rates at the date when the fair value was determined.

Foreign currency translation gains and losses on financial instruments classified at fair value through profit or loss are included in the Consolidated Statement of Comprehensive Income as part of the change in fair value of investments at fair value through profit or loss. Exchange differences on other financial instruments are included in the Statement of Comprehensive Income as Foreign exchange gain / (loss). Gains and losses on foreign exchange during the year were immaterial and have been included under Other operating expenses in the Consolidated Statement of Comprehensive Income.

iv. Financial instruments

i. Classification

Financial assets are classified based on the business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

All investments have been classified as financial assets at fair value through profit or loss as they are managed, and performance is evaluated, on a fair value basis. The primary focus is on fair value information and the use of that information to assess the assets' performance and to make decisions.

Financial assets classified as receivables are carried at amortised cost less expected credit losses ("ECL").

ii. Impairment

The Group has adopted the general approach to measuring the loss allowance as required by IFRS 9 – Financials Instruments. A 12-month ECL is recognised for all financial assets within stage 1 of the Group's impairment model and lifetime ECL for all other financial assets and is deducted from the gross carrying value of the receivables. ECL is determined as a product of Loss Given Default ("LGD"), Probability of Default ("PD"), and Exposure at Default ("EAD"), discounted at an effective interest rate.

The methodology is structured around three core steps: i) Risk differentiation, ii) Risk quantification, and iii) whether there has been a significant increase in credit risk since origination and or exposures are considered to be credit impaired. In implementing this methodology, Partner-firms are distinguished for riskiness by leveraging key risk indicators through a comprehensive credit risk review framework.

Risk differentiation

1. The Partner-firms' liquidity position, indebtedness and ability to generate future cash flows are considered the key risk indicators, with weights assigned to each indicator that is informed by experience. A higher weight is attributed to the Liquidity Indicator on the basis that it is considered to be a strong reflection of a firm's ability to meet immediate cash obligations. The latter driver of 'Cashflow adequacy Indicator' relies on the Partner-firm's ability to generate cash and incorporates forward looking information.
2. The overall score for each Partner-firm is estimated by combining the risk indicator weights with the values for each selected risk indicator.

Risk quantification

1. The median risk score serves as the benchmark for quantifying risk across all Partner-firms.
2. This benchmark is a 'BBB' rating, which is classified as an investment grade by S&P and indicates an adequate capacity to meet financial commitments but is also susceptible to adverse economic conditions.
3. The median risk score obtained is compared to the scores of all other Partner-firms, resulting in Partner-firms with lower comparative risk being rated as 'A', and those with higher comparative risk as 'BB'.

Once the ratings are assigned using the above two steps, the scores are calibrated to a corresponding PD rate. The PDs are informed by using average cumulative default rates for US corporates from S&P publicly available data. To recognise the increased risk on absolute return Partner-firms which are considered to be volatile, a nominal increase is applied to the PD rates.

A LGD value is applied for exposures in all stages, albeit where considered appropriate the LGD for stage 3 exposures will be adjusted to reflect the specific circumstances of the exposure. The LGD rate is consistent with the Basel II framework for corporates, sovereigns, and banks on senior subordinate claims.

Significant increase in credit risk

The Group assesses whether a significant increase in credit risk has occurred for an exposure through a comprehensive credit risk assessment framework. This framework employs both qualitative and quantitative indicators which includes days past due, review and reconciliation of aged receivables and periodic review of financials and cashflow data with Partner-firms. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Credit impaired exposure

The Group considers a financial asset in default when contractual payments are 90 days past due unless there is sufficient evidence from comprehensive credit risk assessment which suggests otherwise.

The Group also considers a financial asset to be in default when the comprehensive credit risk assessment indicates that the Group is unlikely to receive the outstanding contractual amounts in full ('Stage 3').

iii. Write-off policy

The Group writes off financial assets, in whole or in part, when it has concluded that there is no reasonable expectation of recovery. When a financial asset is deemed to be uncollectable, the Group concludes this to be an indicator that there is no reasonable expectation of recovery. The Group may seek to recover amounts it is legally owed in full, but which have been wholly or partially written off due to no reasonable expectation of full recovery.

The calculated ECL is detailed in note 21.

iv. Recognition and derecognition

Financial assets and financial liabilities are initially recorded at their transaction price, (which is representative of fair value), plus transaction costs that are directly attributable to their acquisition or issue other than those classified as at fair value through profit or loss in which case transaction costs are recognised directly in profit or loss, and then measured at fair value subsequent to initial recognition. Gains and losses arising from changes in the fair value of financial assets and financial liabilities at fair value through profit or loss are presented in the Consolidated Statement of Comprehensive Income in the period in which they arise. Assets and liabilities, other than those at fair value through profit or loss, are measured at amortised cost.

Realised gains and losses are recognised upon sale or disposal of investments. Unrealised gains and losses from financial assets and liabilities at fair value through profit or loss are included in the change in fair value of investments through profit or loss in the Consolidated Statement of Comprehensive Income.

Financial assets are derecognised when the rights to receive cash flows have expired or substantially all risks and rewards of ownership have transferred. Financial liabilities are derecognised when the obligation specific in the contract is cancelled or expires.

The carrying amounts of assets comprised of cash and cash equivalents and Trade and other receivables are held at amortised cost. The carrying amounts of liabilities comprised of Unsecured Notes payable, Deferred payment obligations, Fee payable on divestment of investments, Liability for Tax Receivables Agreement, Interest payable, Profit sharing charge payable, Operator charge payable and Trade and other payables are held at amortised cost. The carrying value of assets and liabilities except Unsecured Notes payable held at amortised cost listed here approximates fair value as these do not contain any significant financing components. The fair value of the Unsecured Notes payable is estimated at $467.0 million based on interest rates at 31 December 2023 (31 December 2022: $463.0 million).

v. Significant accounting policies

i. Notes payable and interest expense

Unsecured Notes payable are initially recognised at fair value. After initial recognition, these are subsequently measured at amortised cost using the effective interest method; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Consolidated Statement of Comprehensive Income over the period of the loans or borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawdown, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs including interest expense are recognised in the period in which they are incurred using the effective interest method.

ii. Liability for Tax Receivables Agreement

The Group's acquisition of the Partner–firms from the Petershill Funds increased the tax basis, for US tax purposes, of the acquired assets, as compared with their pre-acquisition tax basis. This increase in tax basis is expected to increase the amortisation of such assets in the hands of Petershill Partners, Inc. (formerly Delta Epsilon Delaware, Inc.) (the "Delaware Subsidiary"), a wholly owned subsidiary of the Company, and therefore reduce the amount of US tax that the Group would otherwise be required to pay in the future. This increase in tax basis may also decrease a taxable gain (or increase taxable loss) on future dispositions of certain assets to the extent this tax basis is allocated to those assets.

As part consideration for the Initial Transaction, the Delaware Subsidiary entered into a Tax Receivables Agreement (the "Tax Receivables Agreement" or "TRA") with certain Petershill Funds and their subsidiaries, which will require the Delaware Subsidiary to pay 75% of the amount of cash tax savings, if any, in US federal, state and local income tax that the Delaware Subsidiary realises. The computation of the tax savings is based on the actual US federal tax savings realised on the tax returns of the Delaware Subsidiary over the amount that would have been paid if the increase in tax basis had not occurred. State and local income tax savings are based on the assumption that the state and local tax rate is 6% of the reduction in federal taxable income due to the increased tax basis. In addition, any such savings that the Delaware Subsidiary realises as a result of the tax benefits associated with the increases in tax basis that arise due to payments under the Tax Receivables Agreement, are assumed to result in additional increases in tax basis that will result in future tax benefits. The Group expects that, as a result of the size of the increases in the tax basis of the investments described above, the payments that it will be required to make under the Tax Receivables Agreement may be substantial. The majority of these incremental payments are expected to arise over the next 15 years.

The Group has estimated the future tax savings payable under the TRA based on information that has been provided by the underlying Partner-firms as to the amount of the step up in tax basis and future expected amortisation. To the extent that a step up did not result in a future amortisation deduction it has been assumed that no tax benefit will be payable under the TRA agreement. In addition, the Group has assumed that any amortisation will result in an immediate tax benefit in the year of the amortisation. The Group has recorded a liability of $174.7 million (31 December 2022: $185.7 million), representing the Operator's best estimate of the amounts currently expected to be owed to certain of the Petershill Funds and certain of their subsidiaries under the Tax Receivables Agreement. The liability that is recorded is associated with the expected future tax benefits related to the aggregate step-up in tax basis.

The Liability for the TRA was initially recognised at fair value of the expected liability. Any changes to the carrying value of the expected liability are recognised in the Consolidated Statement of Comprehensive Income at each reporting date. Refer to note 3 for detailed discussion of the TRA.

The payable is subsequently carried at amortised cost based on assumptions discussed below and may be adjusted. These assumptions are based on the Operator's judgement and information provided by the Partner-firms. The Operator has estimated the step-up tax basis of the acquired assets based on tax information provided by the Partner-firms, and to the extent amortisable projected the amortisation of the step-up tax basis to occur over 15 years, applied an effective interest rate of 18% (31 December 2022: 18%) and utilised the current effective tax rate of Delaware Subsidiary in calculating the future tax benefits and resulting payments under the TRA.

In addition, the TRA provides for the payment on the TRA to become due on the original due date of the US federal income tax return and an interest that is payable on the final payment from the due date of the return until actual payment is made. The interest is recognised as a Finance cost in the Consolidated Statement of Comprehensive Income at each reporting date.

vi. Investments held at fair value through profit or loss

Investments are designated upon initial recognition as held at fair value through profit or loss. Gains or losses resulting from the movement in fair value are recognised in the Consolidated Statement of Comprehensive Income at each valuation point.

Financial assets are recognised / derecognised at the date of the purchase / disposal. Investments are initially recognised at cost, being the fair value of consideration given. Transaction costs are recognised in the Consolidated Statement of Comprehensive Income as incurred.

The Group measures its investments at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the exit price) in an orderly transaction between market participants at the measurement date. In the absence of quoted market prices, fair value is determined by the Operator. Due to the inherent uncertainties of valuation, these estimated fair values may differ significantly from the values that would have been realised had a readily available market for these investments existed, and these differences could be material.

The Operator is responsible for the implementation and maintenance of internal controls and procedures related to the valuation of the Group's investments. Valuations are prepared in accordance with the Operator's valuation policy and subject to verification procedures. A third-party valuation advisor is engaged to assist in the preparation of the valuation proposals including certain market data driven assumptions. The valuation proposals are reviewed by the Operator's functionally independent Valuation Oversight Group ("VOG"). Periodically, VOG presents the valuation proposals and their independent price verification review results to the Operator's valuation committee ("Valuation Committee") which convenes to approve and oversee the application of valuation policies and review fair value estimates for the investments. Subsequently, the Operator reports the valuation results to the Board of Directors.

Per the valuation policy, the Operator initially values the Group's investments based on their purchase price and thereafter values them using valuation methods that it determines, in its sole discretion. The Operator uses a number of different valuation techniques, including the market approach, which applies a multiple to current operating income of Partner-firms and the income approach, which applies discounted cash flow techniques based upon estimated future cash flows and discount rates. Since observable prices are generally not available for such investments, the Operator considers all available market evidence in determining fair value. Certain investments are valued at the most recent Net Asset Value per unit or capital account information available and the Operator considers such value to be an appropriate measure of fair value. Further information about investments held at fair value through profit and loss is included in note 4.

Deferred payment obligations

Certain financial assets are purchased under various contracts containing deferred payment terms. These deferred payment obligations are initially recorded on the contractual purchase date with a discount being imputed for an effective interest rate that will be the equivalent rate of interest due on borrowings and subsequently carried at amortised cost. As at 31 December 2023, the amortised cost of Deferred payment obligations of $51.9 million (31 December 2022: $239.9 million) reported on the Consolidated Statement of Financial Position is imputed at an effective interest rate of 2.4% (31 December 2022: 2.5%).

Any difference between the initially recorded deferred payment obligations and the final contractual liability payable is recognised in the Consolidated Statement of Comprehensive Income as a finance cost over the period of the deferred payment obligation using the effective interest method. For the year ended 31 December 2023, an amount of $6.0 million (2022: $5.5 million) relating to deferred payment obligations is included in Finance cost on the Consolidated Statement of Comprehensive Income and as such any sensitivity in respect of the discount rate applied is immaterial.

Contingent consideration

Certain financial assets are purchased under various contracts containing contingent payment terms. These contingent payment obligations are initially recorded at fair value on the contractual purchase date, subject to probability of payment, with a discount being imputed for an effective interest rate that will be the equivalent date of interest due on borrowings and subsequently carried at fair value. Any change in fair value is recorded as a change in fair value of financial liability in the Consolidated Statement of Comprehensive Income.

The fair value of contingent consideration obligations represents the present value of the future expected payments based on an assessment of the likelihood of those payments against their contractual thresholds. The Operator uses a number of different valuation techniques, at its discretion, but primarily relies on the income approach which applies discounted cash flow techniques based on the estimated future payments and discount rates. Further information about contingent consideration is included in note 4.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events, and it must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

vii. Dividends

Dividends payable are recognised as distributions in the financial statements when the dividend is approved by shareholders or when paid.

viii. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Enterprises and individuals that directly, or indirectly through one or more intermediary, control, or are controlled by, or under common control with, the Group, including subsidiaries and fellow subsidiaries, are related parties of the Group. This includes its key management personnel, including directors and officers of the Operator, other affiliated entities of the Operator and the Private Funds. In considering related party relationships, attention is directed to the substance of the relationship and not merely the legal form.

ix. Share capital

Financial instruments issued by the Company are treated as equity if the holder has only a residual interest in the assets of the Company after the deduction of all liabilities. The Company's Ordinary Shares are classified as equity instruments. The Company's Redeemable Deferred Shares, redeemable upon request, were classified as financial liabilities.

For the issue of each Ordinary Share for cash, $0.01 has been recognised in Share capital and the remaining cash amount received has been recognised in Share premium and Other reserve. For the issue of each Ordinary Share issued to Petershill Funds in exchange for financial assets and liabilities, $0.01 has been recognised in Share capital and the remaining amount recognised in Share premium, and Other reserve such that the aggregate of the amount recognised in Share capital, Share premium and Other reserve is equal to the fair value of the financial assets and liabilities transferred to the Group.

Under Section 612 of the Companies Act, where an issuing company has secured at least 90% equity holding of another company in return for shares of the issuing company, then merger relief shall be applied requiring the premium, with respect to the shares issued, to be recorded to Other reserve as merger relief. The acquisition of Petershill Partners Ltd (formerly Delta Epsilon Cayman Ltd) (the "Cayman Subsidiary") by the Company fell under the ambit of Section 612 of the Companies Act and hence merger relief was applied to the excess over the nominal value of shares. Refer to note 17 for more information.

The Company's shareholders approved the cancellation of the amount standing to the credit of the Company's share premium account in full (the "Reduction of Capital") at its annual general meeting held on 24 May 2023. A formal approval of the same was obtained on 20 June 2023 by His Majesty's High Court in England (the "Court"). Accordingly, the Reduction of Capital has become effective and has created additional distributable reserves of approximately $3,346.7 million. Accordingly, the amounts standing to the credit of the share premium account have been transferred to Retained earnings. Refer to note 17 for more information.

Incremental costs directly attributable to the issue of new shares ("Share issue costs") are shown as a deduction against proceeds from Share premium. Incremental costs include those incurred in connection with the placing and admission which include fees payable under a placing agreement, legal costs and any other applicable expenses.

The cost of repurchasing Ordinary Shares including the related stamp duty and transactions costs is charged to Retained earnings and dealt with in the Consolidated Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. The nominal value of ordinary share capital and Redeemable Deferred Shares repurchased and cancelled is transferred out of Share capital and into the Capital redemption reserve.

x. Income from Investments in Partner-firms and interest income

Cumulative income and returns from Financial assets at fair value through profit or loss is made up of the Income from Investments in Partner-firms which comprises the current year income (including accruals where applicable) and the changes in fair value on financial assets at fair value through profit or loss which comprises the fair value changes of the future returns of the Investments in Partner-firms.

Income from Investments in money market funds and other assets is accounted for on an accrual basis. Income from Investments in Partner-firms is generally recognised when the rights to receive payment from the Financial assets at fair value through profit or loss have been established, and comprises three underlying components, as follows:

I. *Income from Investments in Partner-firms derived from Management fee income ("FRE")* is based on the net management fees earned by the underlying Partner-firms and is reported in the Consolidated Statement of Comprehensive Income. This comprises the portion of the income in respect of the Partner-firms' management fees that is due to the Group for each relevant current period. This arises from the investments held to earn a share of the underlying investee's management fee revenue.

   Typically, the investments entitle the Group to a set percentage share of the net management fee revenue earned by the underlying Partner-firm. Depending on the nature of the operations of the underlying Partner-firm, income arising will be accounted for on an accrual basis only when the right to receive payment has been established under the terms of the agreement with the Partner-firms.

II. *Income from Investments in Partner-firms derived from Performance fee income ("PRE")* is based on the realised performance fees earned by the underlying Partner-firms and is reported in the Consolidated Statement of Comprehensive Income. This comprises the portion of the income in respect of the Partner-firms' performance fees. Typically, these investments entitle the Group to a set percentage share of the performance fee revenue earned by the underlying investee. Depending on the nature of the operations of the underlying Partner-firm, income arising will be accounted for on an accrual basis only when the right to receive payment has been established under the terms of the agreement with the Partner-firms.

III. *Income from Investments in Partner-firms derived from Investment Income* is based on the investment income earned by the underlying Partner-firms and is reported in the Consolidated Statement of Comprehensive Income. This comprises the portion of the income in respect of the Partner-firms' realised gains and losses or any distributed income from the investments held on Partner-firms balance sheets. Investment income arising will be accounted for on an accrual basis only when the right to receive payment has been established under the terms of the agreement with the Partner-firms.

Gains or losses resulting from the movement in fair value of the Group's investments held at fair value through profit or loss are recognised in the Consolidated Statement of Comprehensive Income at each valuation point.

xi. Expenses

Expenses are accounted for on an accruals basis. Share issue costs of the Company directly attributable to the issue and listing of shares are charged to the share premium account.

Operator charges, profit sharing charges, professional fees, divestment fees and other expenses incurred are recognised on an accrual basis and expensed to the Consolidated Statement of Comprehensive Income. Certain professional fees are transaction costs incurred to structure a deal to acquire or dispose of investments designated as financial assets at fair value through profit or loss. These transaction costs, when incurred, are immediately recognised in the Consolidated Statement of Comprehensive Income as an expense.

xii. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts.

xiii. Taxation

Income tax comprises current tax and deferred tax and is recognised in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in Equity.

The current income tax payable on profits is recognised as an expense based on the applicable tax laws in each jurisdiction in the period in which profits arise, calculated using tax rates enacted or substantively enacted by the balance sheet date. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for accounting and tax purposes. A deferred income tax asset or liability is recognised for each temporary difference, except for temporary differences subject to initial recognition exemption and earnings related to subsidiaries where the temporary differences will not reverse in the foreseeable future and the Group has the ability to control the timing of their reversal. Deferred tax assets and liabilities are determined based on the tax rates that are expected to be in effect in the period that the asset is expected to be realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset when they are levied by the same taxation authority on either the same taxable entity or within the same tax reporting group (which intends to settle on a net basis), and when there is a legal right to offset. Deferred tax assets and liabilities are offset when the same conditions are satisfied.

Deferred income tax assets are recognised to the extent it is probable that the benefits associated with these assets will be realised. The determination as to if it is probable that a deferred income tax asset will be recognisable is dependent on a number of factors including the expectations of future taxable income in the period the deferred income tax asset is realised. Further, in certain jurisdictions the character of the loss or deduction as either ordinary or capital may impact the ability to offset future income. As such, significant judgements may be required in determining the Group's ability to realise the future tax assets.

The Group is subject to income tax laws in various jurisdictions where it operates, and the complex tax laws are potentially subject to different interpretations by the Company and the relevant taxation authorities. Judgements may be required in the interpretation of the relevant tax laws and in assessing the probability of acceptance of tax positions. A tax reserve related to uncertainty over income taxes is recognised when a payment to tax authorities is considered probable.

xiv. New and amended standards and interpretations

Accounting standards and interpretations have been published and will be mandatory for the Group’s and Company’s accounting periods beginning on or after 1 January 2023 or later periods. The following are the new or amended accounting standards or interpretations applicable to the Group.

- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting policies (effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 8 – Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023); and
- Changes to IAS 1 – Classification of liabilities as current or non-current (effective for annual periods beginning on or after 1 January 2024).

These amendments have been adopted and the impact of these amendments to the Company and the Group is not material.

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information (effective for annual periods beginning on or after 1 January 2024); and
- IFRS S2 – Climate-related Disclosures (effective for annual periods beginning on or after 1 January 2024).

xv. Assessment of investment entity

The Board of Directors has determined that the Company and its subsidiaries are not an investment entity and therefore the Company's financial statements have been prepared on a consolidated basis, as required by IFRS 10 'Consolidated Financial Statements'.

The Board of Directors has assessed if the Company and its subsidiaries satisfy the three essential criteria to be regarded as an investment entity as defined in IFRS 10, IFRS 12 'Disclosure of Interests in Other Entities' and IAS 27 'Consolidated and Separate Financial Statements'. The three essential criteria are such that the entity must:

1. Obtain funds from one or more investors for the purpose of providing these investors with professional investment management services;
2. Commit to its investors that its business purpose is to invest its funds solely for returns from capital appreciation, investment income or both; and
3. Measure and evaluate the performance of substantially all of its investments on a fair value basis.

Also as set out in IFRS 10, further consideration should be given to the typical characteristics of an Investment Entity, which are that:

- it should have more than one investment, to diversify the risk portfolio and maximise returns;
- it should have multiple investors, who pool their funds to maximise investment opportunities;
- it should have investors that are not related parties of the entity; and
- it should have ownership interests in the form of equity or similar interests.

B85F of IFRS 10 that deals with exit strategies, stipulates that an entity's investment plans also provide evidence of its business purpose. One feature that differentiates an investment entity from other entities is that an investment entity does not plan to hold its investments indefinitely; it holds them for a limited period. Given equity investments and non-financial asset investments have the potential to be held indefinitely, an investment entity shall have an exit strategy documenting how the entity plans to realise capital appreciation from substantially all of its equity investments and non-financial asset investments.

The Company and its subsidiaries hold their investments primarily for income generation purposes and do not have plans to realise capital appreciation from substantially all of the investments in Partner-firms and non-financial assets in the normal course of operations. The Company and its subsidiaries do not have an exit strategy as defined by IFRS 10 and therefore do not meet one of the essential criteria to be treated as an investment entity.

Accordingly, the Company has not applied the provisions of Para 31 of IFRS 10 that requires an investment company to measure its investment in subsidiaries at fair value through profit or loss. Instead, the Company consolidates the subsidiaries that it controls as discussed in the next section.

xvi. Basis of consolidation of subsidiaries

IFRS 10 requires a parent to consolidate its subsidiaries that it controls. Consolidation of the subsidiaries shall begin from the date the parent obtains control of the subsidiaries and ceases when the parent loses control of the subsidiaries. A parent controls the subsidiaries when the parent is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.

The Company consolidates its subsidiaries to the extent it is exposed or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. The consolidated financial statements of the Group include the results of the Company and its wholly owned subsidiaries listed below.

Name of Subsidiary	Registered office	Purpose	Interest as at 31 December 2023	Interest as at 31 December 2022
Held directly				
Petershill Partners Ltd [1]	One Nexus Way Camana Bay, KY1-9005, Cayman Islands	Investment holding company	**100%**	100%
Petershill Partners II Ltd [1,6]	One Nexus Way Camana Bay, KY1-9005, Cayman Islands	Investment holding company	**100%**	100%
Petershill Partners, Inc. [1]	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	**100%**	100%
Held indirectly				
Petershill Partners GP Sub I Series LLC [2,3]	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	**100%**	100%
Petershill Partners GP Sub II Series LLC [2,3]	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	**100%**	100%
Petershill Partners GP Sub III Series LLC [2,3]	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	**100%**	100%
Petershill Partners GP Sub IV Series LLC [2,3]	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	**100%**	100%
PHP Aggregator GP Ltd [2]	One Nexus Way Camana Bay, KY1-9005, Cayman Islands	General Partner of Cayman domiciled Petershill holding companies	**100%**	100%
Cook Holdings Series LLC[4, 5]	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	**100%**	100%
Knight Holdings Series LLC[4, 5]	251 Little Falls Drive Wilmington, DE 19808, United States of America	Investment holding company	**100%**	100%
Lyndhurst Holdings LP[4, 5]	One Nexus Way, Camana Bay, KY1-9005 Cayman Islands	Investment holding company	**100%**	100%
Plum Holdings LP[4, 5]	One Nexus Way, Camana Bay, KY1-9005 Cayman Islands	Investment holding company	**100%**	100%
Peasy Holdings LP[4, 5]	One Nexus Way, Camana Bay, KY1-9005 Cayman Islands	Investment holding company	**100%**	100%

1. Referred to as Petershill Subsidiaries.
2. Held through Petershill Partners Ltd.
3. Referred to as Petershill Blockers.
4. Held through the Petershill Blockers and Petershill Partners, Inc.
5. Referred to as Petershill holding companies.
6. Incorporated and acquired by the Group on 28 April 2022.

The Petershill Subsidiaries, Petershill Blockers and Petershill holding companies are collectively referred to as the Subsidiaries.

I. Consolidation of Petershill Subsidiaries and Petershill Blockers

The Company wholly owns the issued interests of the Petershill Subsidiaries and is able to exercise control and power over the Petershill Subsidiaries. Petershill Partners Ltd wholly owns the shares of the Petershill Blockers listed above. The financial statements of the Petershill Subsidiaries and Petershill Blockers are consolidated in preparing the financial statements of the Group.

II. Consolidation of Petershill holding companies

The Company has consolidated its investment in series and classes of assets that it wholly owns and controls in the Petershill holding companies. Such assets and liabilities are ring-fenced from the overall legal entity and treated as a silo in line with IFRS 10. Specified assets of the series or class are the only source of payment for specified liabilities in that series or class. Holders of other series or class do not have rights or obligations related to the specified assets or to residual cash flows from those assets. Silos that are not directly or indirectly controlled by the Company are not considered to be Subsidiaries and are accordingly not consolidated.

III. Consolidation of Issuer SPVs and Intermediary Entities

As discussed in note 2(xiv) and note 14 of the 2022 Annual Report, the Company and the Petershill Funds had an exposure to the Issuer SPVs (comprised of PH Offshore GP Issuer, PH Offshore IM Issuer, PH Onshore GP Issuer and PH Onshore IM Issuer) through the Intermediary Entities (comprised of PH Offshore GP Aggregator, PH Offshore IM Aggregator, PH Onshore GP Aggregator, PH Onshore IM Aggregator). The Issuer SPVs were formed to offer the 5% Series A Senior Guaranteed Notes due 2039 ("Notes"). The Notes were collateralised by the rights to future cash flows (referred to as "Transferred Interest") generated from FRE and PRE of certain existing investments in Partner-firms that were owned by the Petershill Funds. In return for the Transferred Interest, the Petershill Funds received the proceeds from the issue of the Notes and remainder in the form of Participation Interest in the Issuer SPVs.

On 28 September 2021, a majority of the Investments in Partner-firms (including the Participation Interest) referred to above, were sold by the Petershill Funds to the Company and its Subsidiaries as part of the Offer in return for Ordinary Shares of the Company. This resulted in the Company holding majority interest in the Issuer SPVs through the Intermediary Entities and Subsidiaries. The Petershill Funds continued to have an interest in the Issuer SPVs and Intermediary Entities and hence a payable was recorded as a liability to the Petershill Funds. The Petershill Funds did not have any economic exposure to the Issuer SPVs except in the event of default of the Notes, when the cash flows relating to the Participation Interest owned by the Petershill Funds may be used to service the Notes and its obligations.

On 20 September 2022, the Notes were repaid out of proceeds raised from the issue of Unsecured Notes and the Transferred Interest held as collateral was released back to the Petershill Funds and the Subsidiaries of the Company. Other assets comprised of income receivable from Partner-firms held at the Issuer SPVs were also distributed to the Petershill Funds and the Subsidiaries of the Company. Cash left at the Issuer SPVs was distributed in December post which the Issuer SPVs and the Intermediary Entities were dissolved on 19 December 2022. As a result, the Petershill Funds ceased to have any exposure to the Issuer SPVs effective this date. Pursuant to above, the Company consolidated the accounts of the Issuer SPVs and the Intermediary Entities in preparing the consolidated financial statements for the period from 1 January 2022 to 19 December 2022 under the definition of control, the date these Issuer SPVs and the Intermediary Entities were dissolved. Refer to note 15 for more information.

The table below summarises the components of Consolidated Statement of Comprehensive Income attributable to the Petershill Funds that have been consolidated in preparing these financial statements due the requirements detailed above for the year ended 31 December 2022. There were no assets or liabilities attributable to the Petershill Funds that have been consolidated in preparing these financial statements due to the requirements detailed above as at 31 December 2023 or 31 December 2022.

	For the year ended 31 December 2023 $m	For the year ended 31 December 2022 $m
Income		
Income from investments in Partner-firms	**–**	14.8
Movement in financial assets and liabilities held at fair value		
Change in fair value of investments at fair value through profit or loss	**–**	(30.2)
Finance income / (expense)		
Movement in liability to Petershill Funds	**–**	15.4

IV. Accounting for investment in Partner-firms

The Group's investments in Partner-firms are in the nature of non-controlling stakes that do not give rise to control or significant influence over the investees. The Group has assessed and concluded that the provisions contained in IAS 28 and IFRS 9 relating to joint control or accounting for associates are not applicable.

V. Elimination of intra-group balances and transactions

Intra-group balances and any unrealised gains arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated unless the costs cannot be recovered. The financial results of Subsidiaries that are included in the consolidated financial statements are included from the date that control commences until the date that control ceases.

VI. Going Concern

In accordance with the Companies Act 2006, the Board of Directors has a responsibility to evaluate whether the Group has adequate resources to continue its operational existence for the foreseeable future and at least for the 12 months following the issuance of the financial statements.

The Board of Directors has made an assessment of going concern, which takes into account the current performance and the Group's outlook, including future projections of profitability and cash flows as well as a downside scenario using information that is available as of the date of these financial statements, and the Group's access to the revolving credit facility and its debt arrangements.

The Group's business model involves earning income from investments in Partner-firms. The Group's investments in Partner-firms are long-term and the Group has no exit strategy for its investments. As a result, the Group expects long-term recurring revenues from its investments in Partner-firms. Income from investments in Partner-firms is derived from management fee income, performance fee income and investment income. Management fee income is typically based on private capital commitment funds managed by the Partner-firms that are locked up for a period of 8 or more years. The income from management fees is therefore stable and recurring. Income derived from performance fee income and investment income from Partner-firms is dependent on underlying fund and underlying investment performance of the Partner-firms. The Group has good visibility into the income from investments in Partner-firms. The Group has a low, and relatively predictable, cost structure. When taken together with the visibility into the income from investments in Partner-firms, the Group has reasonably stable earnings.

As at 31 December 2023, the Group has $242.9 million (31 December 2022: $97.6 million) of cash and cash equivalents along with $62.3 million (31 December 2022: $483.4 million) of investments in money market instruments, reflecting a strong liquidity position to meet operating costs.

The Board of Directors acknowledges its responsibilities related to the financial statements. Based on the analysis outlined above, the Board of Directors is comfortable that the Group has sufficient cash to support its ongoing operations and meet its liquidity requirements in the downside scenario.

The Board of Directors has assessed the viability of the Group for a chosen period of three years to 31 December 2026 and this includes the next 12 months following the issuance of these financial statements, The Board of Directors has assessed a downside model that places stress on the Group's earnings. The model includes estimated impacts, primarily based on the below scenarios:

- A 90% reduction in income from Partner-firms derived from performance fee income. This translates to a substantial reduction in overall income from Partner-firms over the three years and includes the period under consideration. Such a reduction might be a result of Partner-firm revenue and macroeconomic risks;
- A 20% decline in the fee-paying AuM held by absolute return funds, while private market funds AuM remains relatively stable. This would have a slight impact on the management fee income;
- The Operator charge is based on the amount of income from Partner-firms and therefore changes commensurate with the change in income from Partner-firms;
- The Group's long-term debt has fixed interest rates; and
- Any reduction in the valuation of investments at fair value through profit and loss would not impact free cash flow, debt covenants or leverage limitations.

The Group's ability to pay its expenses, including the Operator charge, and meet its financial covenants of the associated credit facility and debt arrangements, can continue under the severe but plausible downside scenario. The Board of Directors' assessment has been made with reference to the Group's current position, the Group's outlook, its strategy and the Group's principal risks.

Given the above, the Board of Directors consider it appropriate to prepare the financial statements of the Company and Group on a going concern basis for a period of at least 12 months from the date of issue of these financial statements as set out in note 2(i).

VII. Climate change

Climate change and other ESG-related issues may affect the Partner-firms in a variety of ways. The impacts can include items such as fundraising demand, which may have either headwinds or tailwinds depending on the strategy of the fund. The diversity of investments in Partner-firms, and related underlying funds, mitigates the risk to the Group if any, that climate change may have on any one underlying investment made by a Partner-firm.

In preparing the financial statements, the Operator considers the impact of climate change in the valuation of investments, insofar as they are reasonably able. For the year ended 31 December 2023, in determining the fair value of the investments in Partner-firms, based on inputs provided by the third-party valuation advisor and discussions with Partner-firms, the Operator concluded that the impact of climate change to valuations is not material at this time and hence did not use climate change as an input for valuations.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the Board to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

Assessment as an investment entity

The Board of Directors has determined that the Company and its Subsidiaries are not an investment entity and therefore the Company's financial statements have been prepared on a consolidated basis, as required by IFRS 10 'Consolidated Financial Statements'.

The Board of Directors has determined that the Company and its Subsidiaries do not have an exit strategy as required by IFRS 10 and fail to meet one of the essential criteria to be treated as an Investment Entity. The Company and its Subsidiaries hold their investments primarily for income generation purposes and do not have plans to realise capital appreciation from substantially all of its investments in Partner-firms and non-financial assets in the normal course of operations. Refer to note 2(xv) for detailed discussion.

Estimates and assumptions

The Group makes estimates and assumptions, which are reviewed by the Board of Directors, that affect the reported amounts of assets and liabilities in the future. Estimates and assumptions are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair value of investments not quoted in an active market

The Group was formed with the objective of investing in Partner-firms. The targeted Partner-firms are typically well-established multi-billion-dollar alternative investment firms with a track record of strong performance and meaningful cash flow generation and are well-positioned to develop their platform across future fund and product offerings.

The Group participates in the management fee income, performance fee income and investment income earned by the Partner-firms. The investments in Partner-firms held by the Group are not quoted or traded in an active market and as such their fair values are determined using valuation techniques, primarily earnings multiples, discounted cash flows and recent comparable transactions. The fair values of certain Partner-firms are fair valued with the assistance of a third-party valuation advisor engaged by the Operator.

The models used to determine fair values, which are individually bespoke and have individual assumptions applied to them, are the responsibility of the Operator and are validated and periodically reviewed by appropriately skilled and functionally independent teams within the Operator. In valuing the investments, key assumptions include estimates around future fundraise timing and sizes, expected management and performance fee rates and margins of the Partner-firms, expected current and future fund returns and timing of realisations. These assumptions are driven by factors including data provided by the Partner-firms, guidance provided by management of each Partner-firm, benchmarking analysis of related market data points, and other qualitative and quantitative factors assessed by the Operator for each period.

The inputs in the earnings multiple models include observable data, such as earnings multiples of companies comparable to the relevant Partner-firms, and unobservable data, such as forecast earnings for the Partner-firms and unobservable adjustments, such as those made to multiples. In discounted cash flow models, unobservable inputs are the projected cash flows of the relevant Partner-firms and the risk premium for liquidity and credit risk that are incorporated into the discount rate. The discount rates used for valuing investments are determined based on historical returns for other entities operating in the same industry for which market returns are observable.

Liability for Tax Receivables Agreement

This estimate assumes that the Delaware Subsidiary would have current taxable income sufficient to fully utilise the deductions arising from the increase in tax basis and any interest imputed with respect to its payment obligations under the Tax Receivables Agreement, and that there would be no future changes to the 21% US statutory federal tax rate. To the extent that the stepped-up tax basis is amortisable the Group has projected the amortisation of the step-up tax basis to occur over 15 years. To the extent that the step-up tax basis is not amortisable, the realisation of a benefit is outside of the Group's control and would only occur if the Partner-firm disposes of or otherwise realises a taxable gain or loss on the sale of the asset, and therefore the Group has estimated there would be no tax benefit in computing the payment obligation under the Tax Receivables Agreement with respect to that stepped-up tax basis. The Group applied a discount rate of 18%.

It should be noted that in certain circumstances if the Delaware Subsidiary disposes of an underlying investment, it is possible that the Delaware Subsidiary will not be obligated to make payments under the Tax Receivables Agreement. The likelihood of such an event has been considered in estimating the amount of the liability under the Tax Receivables Agreement.

The Group is not aware of any issue that would cause the taxing authorities to challenge a tax basis increase. However, the applicable Petershill Funds and their Subsidiaries will not reimburse Petershill Partners, Inc. for any payments previously made under the Tax Receivables Agreement if the related tax benefits that it claims arising from such increase, are successfully challenged by the applicable taxing authorities. As a result, in certain circumstances, payments under the Tax Receivables Agreement could be in excess of the relevant cash tax savings derived from the Tax Receivables Agreement.

In arriving at the Liability for Tax Receivable Agreement, the Operator has assumed the applicable US federal and state combined tax rate to be 25.7% (31 December 2022: 25.7%) and considers the same as a significant estimate used in accruing the liability. For every increase in tax rate by 5%, the liability under the Tax Receivable Agreement would increase by $36.8 million (31 December 2022: $36.6 million).

As indicated above, the Operator assumed that sufficient current taxable income would be available to fully utilise the deductions arising from the increase in tax basis and any interest imputed with respect to the payment obligations under the Tax Receivable Agreement. However, the final tax returns filed for the year 31 December 2022 did not result in sufficient current taxable income to fully utilise the deductions resulting in a reduction in the amount actually paid under the Tax Receivables Agreement. The reductions in payment obligations as a result of insufficient current taxable income will ultimately be paid in future years if taxable income exceeds the amount that is offset by the amortisation of the stepped-up tax basis in that year. The Operator expects the Group to have sufficient taxable income available in future years based on best estimate of income projections available at 31 December 2023 to fully utilise the deductions arising from the increased in tax basis and any interest imputed with respect to the payments with respect to the payment obligations under the Tax Receivable Agreement.

As of 31 December 2023, the carrying value of the Tax Receivable Agreement was reported at amortised cost at a value of $174.7 million (31 December 2022: $185.7 million). The fair value of the Tax Receivable Agreement is estimated at $166.6 million (31 December 2022: $185.7 million). The fair value of the Tax Receivable Agreement would be classified as Level 3 in the fair value hierarchy due to the use of unobservable inputs. A 3% increase / decrease in the underlying discount rate would result in a decrease / increase in net assets of approximately $21.0 million and $25.1 million respectively (31 December 2022: $22.4 million and $28.5 million respectively). The discount rate was determined based on the cost of capital adjusted for risks related to the potential elimination of the payments due to possible future disposal of the underlying investments.

4. Investments at fair value through profit or loss

Non-current investments

The Group's non-current investments comprise of investments in Partner-firms, which hold a diversified portfolio of investments in private equity, absolute return, private credit and private real assets.

	For the year-ended 31 December 2023 **$m**	For the year-ended 31 December 2022 $m
Opening balance	**4,958.9**	6,023.1
Additions[1]	**66.8**	230.7
Proceeds from redemptions and return of capital	**–**	(18.9)
In kind distribution of Investments in Partner-firms[2, 3]	**0.2**	(469.3)
Other movements	**1.8**	–
Change in fair value of investments at fair value through profit or loss[4]	**227.0**	(806.7)
Closing balance	**5,254.7**	4,958.9

1. Of the above, an amount of $57.0 million (31 December 2022: $81.0 million) includes consideration payable on a deferred basis and dividend reinvestments.
2. In 2022, this represents the fair value of Transferred Interest held as collateral that were released back to the Petershill Funds. Refer to note 15 for a detailed discussion.
3. In 2023, this represents in kind distribution of investments at fair value through profit or loss.
4. Of the above, an amount of $227.0 million (31 December 2022: $788.8 million) relates to unrealised gain / (loss) on fair value of investments held at year end.

As discussed in note 2(xvi), the Company has consolidated the accounts of the Issuer SPVs and the Intermediary Entities till the date of their dissolution on 19 December 2022.

Current Investments

The Group invests its overnight cash balance in money market funds representing a collective investment scheme promoted by an affiliate of the Operator. The money market funds are AAA rated and the Group holds these investments for cash management purposes with the intent to manage excess cash and ensure these can be readily liquidated to meet the Group's investment commitments. These investments are redeemable at short notice and have been classified as debt investments. As at 31 December 2023, the Group held investments in money market funds of $62.3 million (31 December 2022: $483.4 million) and during the year ended 31 December 2023 earned interest of $24.7 million (year ended 31 December 2022: $8.6 million).

Non-current and current liabilities

The Group entered into various contingent consideration agreements in connection with its investments in certain Partner-firms and may have to pay additional consideration based on the underlying Management Companies' ability to raise capital or meet certain revenue thresholds as defined in the investment agreements. As at 31 December 2023, the Company believes that payment for a portion of the total consideration is probable and has recorded a liability of $6.4 million (31 December 2022: $Nil) in the Consolidated Statement of Financial Position.

Fair value measurements

IFRS 13 requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The determination of what constitutes 'observable' requires significant judgement by the Group. The Board of Directors considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the assets and liabilities (by class) measured at fair value:

31 December 2023	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Assets				
Investments in money market funds at fair value through profit or loss	**–**	**62.3**	**–**	**62.3**
Investments at fair value through profit or loss	**0.2**	**–**	**5,254.5**	**5,254.7**
Liabilities				
Contingent consideration at fair value through profit or loss (current and non-current)	**–**	**–**	**(6.4)**	**(6.4)**

31 December 2022	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Assets				
Investment in money market funds at fair value through profit or loss	–	483.4	–	483.4
Investments at fair value through profit or loss	–	–	4,958.9	4,958.9
Liabilities				
Contingent consideration at fair value through profit or loss (current and non-current)	–	–	–	–

Due to the nature of the investments in Partner-firms, they are always expected to be classified as Level 3. The fair value of investments in money market funds is based on the daily published net asset value of each fund and is therefore considered Level 2. Investments in listed stocks are classified as Level 1.

There have been no transfers between levels during the period. Any transfers between the levels would be accounted for on the last day of each financial period.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy

Key assumptions including the future fund raises by Partner-firms, future performance of funds managed by the Partner-firms, the timing of exits of investments managed by Partner-firms and margins of the Partner-firms are estimates made by the Operator and are not certain. The choice of discount rate or market multiple is somewhat correlated to the assumptions made above. The discount rates and multiples are therefore considered to be the significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy. These, together with a quantitative sensitivity analysis as at 31 December 2023 and 31 December 2022 are as shown below:

Level 3 investments	Market value as of 31 December 2023	Significant unobservable inputs by valuation technique[1]	Range of significant unobservable inputs as of 31 December 2023	Weighted average	Reasonable shift[4]	Valuation sensitivity	
Investments in Management Companies: Private Markets	**Market Approach:**				**-/+**	**–**	**+**
	$1,201.9	**Profit Multiple - FRE[2]**	**10.0x - 23.5x**	**14.5x**	**1.0x**	**$(87.3)**	**$87.4**
	405.6	**Asset Based Multiple**	**1.0x**	**1.0x**	**10.0%**	**(40.6)**	**40.6**
	Income Approach:						
	1,670.3	**Terminal Multiple - FRE[2]**	**4.7x - 17.5x**	**13.2x**	**0.7x**	**(42.0)**	**43.4**
		Discount Rate - FRE	**8.0% - 21.4%**	**13.0%**	**1.0%**	**(110.1)**	**122.3**
	1,460.9	**Terminal Multiple - PRE[3]**	**2.7x - 10.0x**	**5.5x**	**0.8x**	**(32.9)**	**34.1**
		Discount Rate - PRE	**13.0% - 37.0%**	**25.2%**	**2.0%**	**(107.0)**	**123.6**
Investments in Management Companies: Absolute Return	**Market Approach:**				**-/+**	**–**	**+**
	135.2	**Profit Multiple - FRE[2]**	**8.2x**	**8.2x**	**1.6x**	**$(10.1)**	**$10.1**
	82.8	**Profit Multiple - PRE[3]**	**4.5x - 5.0x**	**4.7x**	**2.0x**	**(14.2)**	**14.2**
	17.5	**Asset Based Multiple**	**1.0x**	**1.0x**	**10.0%**	**(1.7)**	**1.7**
	Income Approach:						
	178.1	**Terminal Multiple - FRE[2]**	**6.1x - 7.5x**	**7.4x**	**1.1x**	**(13.2)**	**17.4**
		Discount Rate - FRE	**13.3% - 16.4%**	**13.6%**	**2.0%**	**(13.2)**	**17.4**
	102.0	**Terminal Multiple - PRE[3]**	**3.3x - 5.3x**	**4.5x**	**0.7x**	**(7.6)**	**10.1**
		Discount Rate - PRE	**19.0% - 30.3%**	**22.9%**	**3.4%**	**(7.5)**	**10.1**

Level 3 investments	Market value as of 31 December 2022	Significant unobservable inputs by valuation technique[1]	Range of significant unobservable inputs as of 31 December 2022	Weighted average	Reasonable shift[4]	Valuation sensitivity	
Investments in Management Companies: Private Markets	Market Approach:				-/+	–	+
	$1,119.7	Profit Multiple – FRE[2]	8.6x – 22.0x	13.3x	0.9x	$(103.1)	$58.4
	353.7	Asset Based Multiple	1.0x	1.0x	10.0%	(35.4)	35.4
	Income Approach:						
	1,592.7	Terminal Multiple – FRE[2]	4.7x – 16.5x	12.8x	0.7x	(58.3)	25.5
		Discount Rate – FRE	10.5% – 21.3%	13.3%	1.0%	(139.6)	68.8
	1,297.7	Terminal Multiple – PRE[3]	2.8x – 10.0x	5.5x	0.8x	(44.1)	20.3
		Discount Rate – PRE	13.0% – 42.0%	25.2%	2.0%	(146.1)	74.1
Investments in Management Companies: Absolute Return	Market Approach:				-/+	–	+
	188.1	Profit Multiple – FRE[2]	7.4x – 8.3x	7.8x	1.7x	$(16.9)	$16.9
	75.1	Profit Multiple – PRE[3]	4.7x – 5.7x	5.2x	1.1x	(7.2)	7.2
	30.1	Asset Based Multiple	1.0x	1.0x	10.0%	(3.0)	3.0
	Income Approach:						
	226.8	Terminal Multiple – FRE[2]	6.3x – 7.5x	7.4x	1.1x	(16.1)	21.3
		Discount Rate – FRE	13.4% – 16.0%	13.5%	2.0%	(16.3)	21.6
	75.0	Terminal Multiple – PRE[3]	3.4x – 5.8x	4.9x	0.7x	(5.6)	7.4
		Discount Rate – PRE	17.4% – 29.5%	21.1%	3.1%	(5.3)	7.0

1. The fair value of any one instrument may be determined using multiple valuation techniques. For example, market comparable and discounted cash flows may be used together to determine fair value. Therefore, the Level 3 balance encompasses both of these techniques.
2. The range consists of multiples on management fee related earnings ("FRE") and may represent historical or forward looking multiples.
3. The range consists of multiples on performance related earnings ("PRE") and may represent historical or forward looking multiples.
4. The increase or decrease in the unobservable inputs may not be shifted negatively and positively by an equal amount. For the asset categories that have different reasonable possible shifts, the above table discloses the weighted average of the respective negative and positive shift.

As the Group's investments are generally not publicly quoted, valuations require meaningful judgement to establish a range of values and the ultimate value at which an investment is realised may differ from its most recent valuation and the difference may be significant.

An increase / decrease in the underlying discount rate of 1% would result in a decrease / increase in the fair value of the contingent consideration of -$0.04 million / +$0.02 million respectively.

The below is a reconciliation of Level 3 assets and liabilities held at fair value through profit or loss:

Level 3 Instrument	**For the year-ended 31 December 2023 $m**	For the year-ended 31 December 2022 $m
Assets		
Opening balance	**4,958.9**	6,023.1
Additions[1]	**66.8**	230.7
Proceeds from redemptions and return of capital	**–**	(18.9)
In kind distribution of Investments in Partner-firms[2]	**–**	(469.3)
Other movements	**1.8**	–
Change in fair value of investments at fair value through profit or loss[3]	**227.0**	(806.7)
	5,254.5	4,958.9

1. Of the above, an amount of $57.0 million (31 December 2022: $81.0 million) relates to consideration payable on a deferred basis and dividend reinvestments.
2. Represents the fair value of Transferred Interest held as collateral that were released back to the Petershill Funds. Refer to note 15 for a detailed discussion.
3. Of the above, an amount of $227.0 million (31 December 2022: -$788.8 million) relates unrealised gain / (loss) on fair value of investments held at year end.

In addition to above, the Group has $6.4 million of level 3 liabilities as at 31 December 2023 (31 December 2022 : $Nil). The liability recognised during 2023 represents a portion of the total consideration which is probable under the contingent consideration agreements in connection with its investments in certain Partner-firms wherein the Group may have to pay additional consideration based on the underlying Management Companies' ability to raise capital or meet certain revenue thresholds as defined in the investment agreements.

5. Cash and cash equivalents

	31 December 2023 $m	31 December 2022 $m
Cash at bank	**92.9**	97.6
Fixed term deposit	**150.0**	–
	242.9	97.6

On 14 December 2023, the Company entered into a fixed term deposit of $150.0 million, which matured on 15 March 2024. Interest is earned on the fixed term deposit at a rate of 5.40% per annum. During the year, the Company earned $0.4 million of interest which is recorded as Interest income from other assets in the Consolidated Statement of Comprehensive Income. The amount remained due at year end and is recorded within Trade and other receivables in the Consolidated Statement of Financial Position.

6. Operator charges

Recurring Operating Charges

Under the Operator Agreement, the Operator is entitled to recurring operating charges on a quarterly basis, such Recurring Operating Charges consisting of, in aggregate, 7.5% of the Group's relevant income from investments, as defined under IFRS, for the relevant quarter.

The Operator is entitled to Recurring Operating Charges only on income earned by the Group from assets owned by it. For the year ended 31 December 2022, the income reported in the Consolidated Statement of Comprehensive Income also included income earned from interests in the Intermediary Entities and the Issuer SPVs that the Company did not wholly own. However, the Company was required to consolidate them under the definition of control up to 19 December 2022, the day on which the Issuer SPVs and Intermediary Entities were dissolved. See note 15 for further information. For the year ended 31 December 2023, the income attributable to assets owned by the Group on which Recurring Operator Charges were earned amounted to $292.1 million (31 December 2022: $370.1 million).

Amounts recorded as Operating Charges during the year ended 31 December 2023 were $21.9 million (2022: $27.8 million), of which $6.6 million (31 December 2022: $21.0 million) was outstanding as at 31 December 2023. These amounts will be paid in accordance with the terms of the Operator Agreement.

Profit Sharing Charge

The Operator is entitled to a profit sharing charge (the "Profit Sharing Charge") on a quarterly basis in arrears, which in aggregate shall be an amount equal to 20% of the total dividend income from each new investment ("New Investment") made by the Group after the Admission in the relevant fiscal quarter (net of any Recurring Operating Charges in respect of such New Investment), beginning in the ninth fiscal quarter from the date on which the New Investment closed and subject to such New Investment having achieved a return of 6% per annum calculated using the total invested capital funded to the pertinent date. These amounts will be paid in accordance with the terms of the Operator Agreement.

The aggregate of the Recurring Operating Charges and the Profit-Sharing Charge is capped at 15% of the Group's income from investments in Partner-firms for the relevant quarter excluding any Divestment Fee payable for such quarter.

Amounts recorded as Profit Sharing Charges during the year ended 31 December 2023 were $0.1 million (2022: $Nil), of which $0.1 million (31 December 2022: $Nil) was outstanding as at 31 December 2023. These amounts will be paid in accordance with the terms of the Operator Agreement.

Divestment Fee

The Operator is entitled to a divestment fee ("Divestment Fee") calculated at 20% of the total Divestment Profit in the relevant quarter in relation to the Group's investments. Divestment Profit refers to the cash flows realised from the sale or divestments of assets calculated as the sale price minus the contribution value of such asset, excluding any dividend income received over the holding period and on which the Group has already paid Recurring Operating Charges and, in the case of New Investments, Profit Sharing Charge.

Although the Group does not have an exit strategy for its investments, it may be subject to exits or realisations at underlying Partner-firms, as such an accrual is reflected in the 2023 accounts representing an amount that would be payable if the Group were to exit all of its investments at the fair value reflected on these financial statements. As at 31 December 2023, an amount of $94.8 million
(31 December 2022: $44.3 million) has been accrued towards divestment fee payable to the Operator and none of the amounts have vested.

7. Audit fees

Other operating expenses include fees payable to the Group's Auditor and its affiliates, which can be analysed as follows:

	For the year ended 31 December 2023 $m	For the year ended 31 December 2022 $m
Fees to the Company's Auditor		
for audit of the statutory financial statements of £0.9 million (2022: £1.3 million)[1]	**1.2**	1.6
for audit-related assurance services of £0.1 million (2022: £0.1million)	**0.1**	0.1
	1.3	1.7

1. The audit fee of £1.3 million for the year ended 31 December 2022 includes an amount of £161 thousand (excluding VAT) or £0.2 million (including VAT) relating to additional billing for audit of the 2021 period end financial statements and £0.9 million (excluding VAT) or £1.1 million (including VAT) for the 2022 audit.

For the year ended 31 December 2023, the Company's Auditor was paid £0.1 million (2022: £0.1 million) in relation to its review of the Group's condensed consolidated interim financial statements and the same is included under audit related assurance services.

8. Tax

The Group's income tax expense can be analysed as follows:

Amounts recognised in profit and loss	For the year ended 31 December 2023 $m	For the year ended 31 December 2022 $m
Current tax expense:		
Adjustments for current tax of prior periods	**12.7**	1.2
Tax charge at standard US corporation tax rate	**1.3**	–
Tax charge at standard UK corporation tax rate	**9.5**	3.0
Total current tax expense	**23.5**	4.2
Deferred tax expense:		
Origination and reversal of temporary differences	**65.3**	(50.2)
Adjustments for deferred tax of prior periods	**5.9**	(2.0)
Movements in unrecognised tax benefits	**(16.7)**	(3.5)
Effect of changes in tax rates	**(2.0)**	(0.7)
Total deferred tax expense / (credit)	**52.5**	(56.4)
Total income tax expense / (credit)	**76.0**	(52.2)

The differences in the effective tax rate for the period and the standard rate of corporation tax in the UK at 23.54% are as follows:

Reconciliation of effective tax rate	US $m	UK $m	Other $m	For the year ended 31 December 2023 $m	%
Profit / (loss) before tax	**207.7**	**328.5**	**(139.1)**	**397.1**	**–**
Tax charge at standard UK corporation tax rate	**48.8**	**77.3**	**(32.7)**	**93.4**	**23.5%**
Foreign rate differential	**(5.2)**	**–**	**32.7**	**27.5**	**6.9%**
Intra-group dividends income not taxable	**–**	**(23.5)**	**–**	**(23.5)**	**(5.9%)**
US tax expense related to PLC income	**1.3**	**–**	**–**	**1.3**	**0.3%**
State and Local taxes	**9.3**	**–**	**–**	**9.3**	**2.3%**
Items not deductible for tax purposes	**10.5**	**–**	**–**	**10.5**	**2.6%**
Adjustments for prior periods (US Tax)	**6.3**	**–**	**–**	**6.3**	**1.6%**
Adjustments for prior periods (UK Tax)	**–**	**12.2**	**–**	**12.2**	**3.1%**
Cook Holdings Series LLC Tax	**–**	**4.1**	**–**	**4.1**	**1.0%**
Movements in unrecognised deferred tax	**(16.7)**	**(48.4)**	**–**	**(65.1)**	**(16.4%)**
Total income tax expense	**54.3**	**21.7**	**–**	**76.0**	**19.0%**

Reconciliation of effective tax rate US jurisdiction	For the year ended 31 December 2023 $m	%
Profit / (loss) before tax	**207.7**	**–**
Total tax at the standard local country corporation tax rate	**43.6**	**21.0%**
US tax expense related to PLC income	**1.3**	**0.6%**
State and Local taxes	**9.3**	**4.5%**
Items not deductible for tax purposes	**10.5**	**5.1%**
Adjustments for prior periods (US Tax)	**6.3**	**3.0%**
Movements in unrecognised deferred tax	**(16.7)**	**(8.0%)**
Total income tax expense / (credit)	**54.3**	**26.2**

Reconciliation of effective tax rate	US $m	UK $m	Other $m	For the year ended 31 December 2022 $m	%
(Loss) / Profit before tax	(327.1)	(354.0)	176.0	(505.1)	–
Tax charge at standard UK corporation tax rate	(62.1)	(67.3)	33.4	(96.0)	19.0%
Foreign rate differential	(6.5)	–	(36.2)	(42.7)	8.5%
Liability to Petershill Funds	–	–	2.8	2.8	(0.6%)
Intra-group dividend income not taxable	–	(50.7)	–	(50.7)	10.0%
State and Local taxes	(7.0)	–	–	(7.0)	1.4%
Items not deductible for tax purposes	27.3	118.8	–	146.1	(28.9%)
Other	(0.9)	(0.4)	0.2	(1.1)	0.2%
Movements in unrecognised deferred tax	(3.6)	–	–	(3.6)	0.7%
Total income tax (credit) / expense	(52.8)	0.4	0.2	(52.2)	10.3%

Reconciliation of effective tax rate US jurisdiction	For the year ended 31 December 2022 $m	%
Loss before tax	(327.1)	–
Total tax at the standard local country corporation tax rate	(68.6)	21.0%
State and Local taxes	(7.0)	2.1%
Items not deductible for tax purposes	27.3	(8.2%)
Other	(0.9)	0.3%
Movements in unrecognised deferred tax	(3.6)	1.1%
Total income tax credit	(52.8)	16.2%

The Investments in Partner-firms were a purchase of assets for income tax purposes. Due to differences in the computation of the purchase price of the Partner-firms as well as the impact of the Tax Receivables Agreement, temporary differences arose on the acquisition. Due to initial recognition exception under paragraphs 15 and 24 of IAS 12 – Income Taxes no deferred tax is recognised in respect of these original temporary differences.

An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was announced in the March 2020 Budget and substantively enacted on 24 May 2021. The deferred tax assets and liabilities in the UK as at 31 December 2022 had been calculated based on the 25% rate, with a blended rate applied where it is was expected that the associated temporary difference would reverse prior to 1 April 2023. Deferred tax assets and liabilities in the UK as of 31 December 2023 have been calculated based on the 25% rate. Deferred tax assets and liabilities in the US as of 31 December 2023 have been calculated based on the US federal statutory rate of 21% (31 December 2022: 21%) and estimated effective state tax rate of 5.48% (31 December 2022: 4.29%).

The items not deductible for tax purposes of $10.5 million (2022: $27.3 million) in US relate to intergroup dividend expense from payments to the Company recorded against the Delaware Subsidiary income that is not deductible for US tax purposes. The UK income not taxable of $23.5 million (2022: $50.7 million) relates to non-taxable dividend income from the Company's subsidiaries. In addition, -$48.4 million of movement in unrecognised deferred tax is related to unrealised gain from investments which is not taxable (2022: $118.8 million, shown as items not deductible in the 2022 table above, is related to unrealised loss from investment).

9. Deferred tax asset / (liability)

Movement in deferred tax balances

	Net balance 1 January 2023 $m	Recognised in profit or loss $m	Recognised in OCI/equity $m	Foreign exchange $m	Net balance 31 December 2023 $m	Deferred tax assets $m	Deferred tax liabilities $m
Investment in Partner-firms	**18.4**	**(88.8)**	**–**	**–**	**(70.4)**	**–**	**(70.4)**
Tax Receivable Agreement	**17.3**	**6.3**	**–**	**–**	**23.6**	**23.6**	**–**
Deferred payment obligations	**(0.6)**	**0.5**	**–**	**–**	**(0.1)**	**–**	**(0.1)**
Other	**7.9**	**15.6**	**–**	**–**	**23.5**	**23.5**	**–**
Losses	**1.0**	**14.2**	**–**	**–**	**15.2**	**15.2**	**–**
	44.0	**(52.2)**	**–**	**–**	**(8.2)**	**62.3**	**(70.5)**

	Net balance 1 January 2022 $m	Recognised in profit or loss $m	Recognised in OCI/equity $m	Foreign exchange $m	Net balance 31 December 2022 $m	Deferred tax assets $m	Deferred tax liabilities $m
Investment in Partner-firms	(36.4)	54.8	–	–	18.4	18.4	–
Tax Receivable Agreement	12.3	5.0	–	–	17.3	17.3	–
Deferred payment obligations	(0.6)	–	–	–	(0.6)	–	(0.6)
Other	6.2	1.7	–	–	7.9	7.9	–
Losses	5.9	(4.9)	–	–	1.0	1.0	–
	(12.6)	56.6	–	–	44.0	44.6	(0.6)

After considering jurisdictional netting, the deferred tax balances shown above are presented on a net basis on the Consolidated Statement of Financial Position.

As at 31 December 2023 and 31 December 2022, no deferred tax asset is recognised in relation to the Company's investments and interests in Subsidiaries because it is not probable that the temporary difference will reverse in the foreseeable future, or that taxable profits will be available against which the temporary difference could be utilised.

The gross deferred tax asset as at 31 December 2023 was $62.3 million (2022: $44.6 million). It is expected that $7.6 million of the deferred tax asset will be recovered within the next 12 months and the remaining $54.7 million of the deferred tax asset will be recovered after 12 months.

Losses carried forward as at 31 December 2023 will expire as follows:

	US $m	UK $m	Total $m
2024	**–**	**–**	**–**
2025 and onwards	**–**	**–**	**–**
Unlimited	**58.0**	**–**	**58.0**
	58.0	**–**	**58.0**

Losses carried forward as at 31 December 2022 will expire as follows:

	US $m	UK $m	Total $m
2023	–	–	–
2024 and onwards	–	–	–
Unlimited	–	2.5	2.5
	–	2.5	2.5

Unrecognised deductible temporary differences and unused tax losses

Deferred tax assets have not been recognised in respect of the following items:

	31 December 2023 $m	31 December 2022 $m
Deductible temporary differences (UK) - no expiration	**66.4**	117.8
Deductible temporary differences (US) subject to initial recognition exception	**35.4**	50.6
Tax losses	**–**	0.4
	101.8	168.8

Unrecognised taxable temporary differences associated with investments and interests in Subsidiaries

As at 31 December 2023, no deferred tax liability is recognised in relation to the Company's investments and interests in Subsidiaries because the Company controls the reversal of the liability and it is expected that it will not reverse in the foreseeable future.

Unrecognised taxable temporary differences associated with investments and interests in Partner-firms

The Investments in Partner-firms were a purchase of assets for income tax purposes. Due to differences in the computation of the purchase price of the Investments in Partner-firms as well as the impact of the Tax Receivables Agreement, temporary differences arose on the acquisition. Under the Initial Recognition Exemption under paragraphs 15 and 23 of IAS 12, these temporary differences were not recognised at the time of the original purchase. As such the recognition of tax benefits or expenses related to the unrecognised amounts were also not recognised in the financial statements.

Further, to the extent that the Group has recognised unrealised losses with respect to the investments and interests in Partner-firms, such losses may result in a deferred tax asset to the extent that the unrealised losses are not currently deductible for income tax purposes. To the extent the recovery of these deferred tax assets will only result in future losses that may offset a future capital gain, the Group has not recognised the associated deferred tax assets as it is not probable that there will be sufficient income of the appropriate character in the future to utilise the associated tax benefits.

Uncertainty over income tax treatments

The Group has not identified any reserves related to uncertainty over income tax treatments as of 31 December 2023 or 31 December 2022.

10. Finance cost

	31 December 2023 $m	31 December 2022 $m
Interest on Deferred payment obligations	**6.0**	5.5
Interest on Unsecured Notes	**28.3**	29.6
Finance costs on Notes	**–**	10.3
Commitment fees	**0.4**	–
Borrowing cost amortisation	**0.6**	0.2
Other finance charges	**1.8**	–
	37.1	45.6

11. Earnings per share

Earnings per share

	For the year ended 31 December 2023	For the year ended 31 December 2022
Profit / (Loss) attributable to equity holders of the Company - $m	**321.1**	(452.9)
Weighted average number of Ordinary Shares in issue	**1,131,506,310**	1,150,241,568
Basic and diluted earnings / (loss) per share from continuing operations in the year (cents)	**28.38**	(39.36)

The weighted average number of shares for the year ended 31 December 2023 and year ended 31 December 2022 is calculated on a time weighted basis based on the timing of issue and redemption of Ordinary Shares. There are no dilutive shares in issue.

12. Trade and other receivables

	31 December 2023 $m	31 December 2022 $m
Amounts receivable from Investments	**105.9**	135.9
Tax recoverable	**10.4**	0.2
Prepayments	**1.9**	1.8
Other receivables	**9.2**	0.3
	127.4	138.2

13. Notes payable

As discussed on page 105 of the 2022 Annual Report, the Issuer SPVs had issued the Notes with an aggregate principal amount of $350.0 million. On 20 September 2022, the Notes were repaid by the Company out of proceeds raised from the issue of the Unsecured Notes. The Issuer SPVs were also subject to a Make-Whole Amount (as defined in the Indenture) of $7.0 million upon redemption of the Notes in accordance with the provisions of the Indenture.

For the year ended 31 December 2022, an amount of $28.7 million has been recorded as Finance cost relating to the Notes payable on the Consolidated Statement of Comprehensive Income.

14. Unsecured Notes payable

On 24 August 2022, the Delaware Subsidiary issued US private placement senior unsecured notes (the "Unsecured Notes") to a group of institutional investors. The Unsecured Notes issued by the Delaware Subsidiary are guaranteed by the Company.

The Unsecured Notes are comprised of five tranches:

Unsecured Notes	Notional (US$)	Tenor (years)	Maturity	Fixed Coupon
Series A	125,000,000	7	2029	5.51%
Series B	175,000,000	10	2032	5.54%
Series C	80,000,000	12	2034	5.69%
Series D	80,000,000	15	2037	5.84%
Series E	40,000,000	20	2042	6.14%

The Delaware Subsidiary may be subject to pay a Make-Whole Amount (as contained in the Note Purchase Agreement) contingent upon certain principal repayment, prepayment or redemption of the Unsecured Notes in accordance with the provisions of the Note Purchase Agreement. Absent an intent by the Group to prepay the Unsecured Notes, no accrual for such Make-Whole Amount has been made as at 31 December 2023.

In accordance with the Note Purchase Agreement, the Delaware Subsidiary is subject to various financial and non-financial covenants. The two financial covenants that the Delaware Subsidiary must adhere to are 1) the leverage ratio shall not exceed 4:1 and 2) the AUM shall not be less than the required minimum AUM amount (as defined in the Note Purchase Agreement). The Operator monitors the covenant requirements on at least a six-monthly basis. There have been no breaches of these covenants during the year.

As of 31 December 2023, the outstanding amount of the Unsecured Notes was $500 million (31 December 2022: $500 million). The carrying value of the Unsecured Notes was reported at amortised cost and was net of unamortised debt issuance costs of $6.2 million (31 December 2022: $6.8 million) in an amount of $493.8 million (31 December 2022: $493.2 million). For the year ended 31 December 2023, the effective interest rate on the Unsecured Notes was 6.2% per annum (2022: 6.2% per annum).

For the year ended 31 December 2023, an amount of $37.1 million (2022: $45.6 million) has been recorded as Finance cost on the Consolidated Statement of Comprehensive Income which includes $28.3 million in relation to interest on the Unsecured Notes (2022: $29.6 million), $Nil in relation to expenses incurred on repayment and issue of Notes and Unsecured Notes (2022: $1.2 million) and $6.0 million in relation to interest on the deferred payment obligations (2022: $5.5 million).

As of 31 December 2023, the fair value of the Unsecured Notes payable is estimated at $467.0 million (31 December 2022: $463.0 million) calculated based on discounted cash flows using the discount rate of 6.6% at 31 December 2023 and 6.6% at 31 December 2022 respectively. The Unsecured Notes payable would be classified as Level 3 in the fair value hierarchy due to the use of unobservable inputs, including the Group's own credit risk. A 3% increase / decrease in the underlying discount rate would result in a movement in net assets of approximately -$87.0 million / +$113.6 million respectively (31 December 2022: -$88.2 million / +$117.6) or -18.6% / +24.3% (31 December 2022: -19.0% / +25.4%).

15. Liability to Petershill Funds

As discussed in note 2(xvi) and note 13 of the consolidated financial statements in the 2022 Annual Report, the Petershill Funds had beneficial ownership in the Issuer SPVs and Intermediary entities. On 20 September 2022, the Transferred Interest valued at $469.3 million held as collateral was released back to the Petershill Funds. Other assets amounting to $22.9 million and cash of $89.6 million held at the Issuer SPVs were also distributed to the Petershill Funds. As of 31 December 2023, the Group does not have any liability to Petershill Funds. Further, the Issuer SPVs and Intermediary Entities were dissolved on 19 December 2022. As a result, the Petershill Funds ceased to have any exposure to the Issuer SPVs effective this date and the Liability to Petershill Funds was extinguished.

The interest held by the Petershill Funds was classified as a financial liability and the corresponding income / expense was included in Movement in liability to Petershill Funds under Finance expense in the Condensed Interim Consolidated Statement of Comprehensive Income. For the year ended 31 December 2022, an amount of $15.4 million was included in finance income representing a reduction of Petershill Funds interest in the Issuer SPVs.

16. Net Debt Reconciliation

	31 December 2023 $m	31 December 2022 $m
Unsecured Notes payable	**493.8**	493.2
Interest payable	**10.0**	10.0
	503.8	503.2

Liabilities from financing activities for the year ended 31 December 2023

	Unsecured Notes Payable $m	**Interest Payable $m**	**Liability to Petershill Funds $m**	**Notes Payable $m**
Net debt at 1 January 2023	**493.2**	**10.0**	**–**	**–**
(Repayment) / Issue of debt / interest	**–**	**(28.3)**	**–**	**–**
Interest expense	**–**	**28.3**	**–**	**–**
Borrowing costs amortised	**0.6**	**–**	**–**	**–**
Net debt as at 31 December 2023	**493.8**	**10.0**	**–**	**–**

Liabilities from financing activities for the year ended 31 December 2022

	Unsecured Notes Payable $m	Interest Payable $m	Liability to Petershill Funds $m	Notes Payable $m
Net debt at 1 January 2022	–	8.1	597.2	340.9
Issue / (repayment) of debt / interest	500.0	(39.7)	(89.6)	(350.0)
Interest expense	–	41.6	(15.4)	–
In kind distribution of investments in Partner-firms and Trade and other receivables held at Issuer SPVs to Petershill Funds	–	–	(492.2)	–
Borrowing costs (capitalised) / amortised	(6.8)	–	–	9.1
Net debt as at 31 December 2022	493.2	10.0	–	–

17. Share capital and other reserve

For the year ended 31 December 2023

Date	Issued and fully paid	Number of Shares Issued	Share capital $m	Share premium $m	Other reserve $m	Capital redemption reserve $m	Total $m
Shares at 1 January 2023		1,135,399,597	**11.4**	**3,346.7**	**1,689.6**	**0.3**	**5,048.0**
	Share premium cancellation	–	**–**	**(3,346.7)**	**–**	**–**	**(3,346.7)**
	Repurchase and cancellation of Ordinary Shares – $0.01	(13,196,773)	**(0.2)**	**–**	**–**	**0.2**	**–**
Closing balance as at 31 December 2023		1,122,202,824	**11.2**	**–**	**1,689.6**	**0.5**	**1,701.3**

For the year ended 31 December 2022

Date	Issued and fully paid	Number of Shares Issued	Share capital $m	Share premium $m	Other reserve $m	Capital redemption reserve $m	Total $m
Shares at 1 January 2022		1,156,696,029	11.6	3,346.7	1,689.6	–	5,047.9
	Redemption and cancellation of Redeemable Shares	–	–	–	–	0.1	0.1
	Repurchase and cancellation of Ordinary Shares – $0.01	(21,296,432)	(0.2)	–	–	0.2	–
Closing balance as at 31 December 2022		1,135,399,597	11.4	3,346.70	1,689.60	0.3	5,048.0

On 17 May 2023, the Company commenced a share buyback programme of up to $50 million. During the year, the Group repurchased and cancelled 13,196,773 Ordinary Shares (2022: 21,296,432) as part of its buy-back program for a total consideration of $26.3 million (2022: $53.3 million) including transaction costs. On 30 June 2022, the Group purchased and cancelled 50,000 Redeemable Deferred Shares issued by it for a consideration of $68k.

As at 31 December 2023, the Company's issued share capital comprised 1,122,202,824 of Ordinary Shares (31 December 2022: 1,135,399,597) of $0.01 each. Ordinary Shareholders are entitled to all dividends paid by the Company. The Company does not have a limited amount of authorised capital.

The Company's shareholders approved the cancellation of the amount standing to the credit of the Company's share premium account in full (the "Reduction of Capital") at its annual general meeting held on 24 May 2023. A formal approval of the same was obtained on 20 June 2023 by His Majesty's High Court in England (the "Court"), Accordingly, the Reduction of Capital has become effective which has created additional distributable reserves of approximately $3,346.7 million. Accordingly, the amounts standing to the credit of the share premium account has been transferred to Retained earnings.

18. Retained earnings

	For the year-ended 31 December 2023 $m	For the year-ended 31 December 2022 $m
Opening balance	**(328.7)**	247.9
Profit / (loss) and total comprehensive income / (expense) in the year	**321.1**	(452.9)
Dividends paid	**(180.2)**	(70.3)
Repurchase and cancellation of ordinary shares	**(26.3)**	(53.3)
Share premium cancellation	**3,346.7**	–
Transfer of cancelled Redeemable Shares to Capital redemption reserve	**–**	(0.1)
	3,132.6	(328.7)

19. Net assets per share

	31 December 2023	31 December 2022
Net Assets ($m)	**4,833.9**	4,719.3
Number of Ordinary Shares issued	**1,122,202,824**	1,135,399,597
Net assets per share (cents)	**430.75**	415.65

20. Dividends declared and paid

For the year ended 31 December 2023

Dividends declared and paid	**Paid on**	**Dividend per share cents**	**Total dividend $m**
Final dividend with respect to the year ended 31 December 2022	13 June 2023	**11.0**	**124.9**
Interim dividend with respect to the year ended 31 December 2023	27 October 2023	**4.9**	**55.3**
Total		**15.9**	**180.2**

For the year ended 31 December 2022

Dividends declared and paid	Paid on	Dividend per share cents	Total dividend $m
Final dividend with respect to the period ended 31 December 2021	14 June 2022	2.6	30.1
Interim dividend with respect to the year ended 31 December 2022	24 October 2022	3.5	40.2
Total		6.1	70.3

21. Financial risk management

Financial risk management objectives

The Group's investing activities expose it to various types of risks that are associated with the Partner-firms. The Group makes the investments in order to generate returns in accordance with its Acquisition Strategy and Investment Policy.

The most important types of financial risks to which the Group is exposed are market risk (including price, interest rate and foreign currency risk), liquidity risk and credit risk. The Board of Directors has delegated portfolio management and risk management responsibilities to the Operator. Accordingly, the Operator has overall responsibility for the determination of the Group's risk management and sets policy to manage that risk at an acceptable level to achieve those objectives. The policy and process for measuring and mitigating each of the main risks are described below.

	31 December 2023 $m	31 December 2022 $m
Financial assets		
Non-current assets:		
Investments at fair value through profit or loss	**5,254.7**	4,958.9
Other financial assets:		
Investments in money market funds at fair value through profit or loss	**62.3**	483.4
Cash and cash equivalents	**242.9**	97.6
Trade and other receivables excluding prepayments	**125.5**	136.1
Financial liabilities		
Non-current liabilities:		
Unsecured Notes payable	**(493.8)**	(493.2)
Deferred Payment Obligations	**(7.3)**	(50.0)
Liability for Tax Receivables Agreement	**(150.5)**	(150.6)
Contingent consideration at fair value through profit or loss	**(3.9)**	–
Fee payable on divestment of Investments	**(94.8)**	(44.3)
Current liabilities:		
Trade and other payables	**(6.9)**	(8.7)
Deferred Payment Obligations	**(44.6)**	(189.9)
Interest payable	**(10.0)**	(10.0)
Profit sharing charge payable	**(0.1)**	–
Operator charge payable	**(6.6)**	(21.0)
Contingent consideration at fair value through profit or loss	**(2.5)**	–
Liability for Tax Receivables Agreement	**(24.2)**	(35.1)

Categories of financial instruments

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the returns to Shareholders. The Board of Directors approves the level of dividend distributions to Shareholders. The Group may purchase its own shares within the limits defined by the Board of Directors subject to restrictions imposed by applicable laws.

The capital structure of the Group consists of issued share capital, retained earnings and other reserves as stated in the Consolidated Statement of Financial Position.

Market risk

Market risk includes price risk, foreign currency risk and interest rate risk.

a) Price risk

The majority of the Group's investments are held in Partner-firms which presents a potential risk of loss of capital to the Group. Price risk arises from changes in fair value of the investments in Partner-firms held by the Group. As discussed in note 3, the fair value of these investments is determined using valuation techniques including earnings multiples, discounted cash flows and recent comparable transactions. In valuing the investments, key assumptions include estimates around future fundraise timing and sizes, expected management and performance fee rates and margins of the Partner-firms, expected current and future fund returns and timing of realisations. Periodically, the Valuation Oversight Group of the Operator presents the valuation proposals and their independent price verification review results to the Operator's Valuation Committee which convenes to approve and oversee the application of valuation policies, and review fair value estimates for the investments. Subsequently, the Operator reports the valuation results to the Board of Directors. As new information surfaces on these key assumptions, the valuation techniques may be adjusted causing the fair value of these investments to change.

As at 31 December 2023, the fair value of investments was $5,254.7 million (31 December 2022: $4,958.9 million). As presented in the Sensitivity analysis to significant changes in unobservable inputs table, the valuation of these investments could vary from -$487.4 million to +$532.4 million (31 December 2022: -$597.0 million to +$366.9 million) depending on the valuation techniques used while keeping the key assumptions constant.

The Group is exposed to a variety of risks which may have an impact on the carrying value of the Group's investments. The Group's risk factors are set out below:

i. Not actively traded

The majority of the Group's investments are held in Partner-firms. These investments are not generally traded in an active market but are indirectly exposed to market price risk arising from uncertainties about future values of the investments held. The Group investments vary as to industry sub-sector, geographic distribution of operations and size, all of which may impact the susceptibility of their valuation to uncertainty.

Although the investments are in the same industry, this risk is managed through careful selection of investments within the specified limits of the investment policy. The investments are monitored on a regular basis by the Operator.

ii. Concentration

The Group invests in the alternative asset sector, with a focus on investments in asset managers with asset classes such as private equity, private credit, private real assets and absolute return strategies. Concentration risk may relate to a subsector, relative size of an investment and geography. The Group is exposed to concentration risk from its investments in the asset management sector as detailed in note 2 (ii) of these financial statements and page 17 of the preliminary results.

The Board of Directors and the Operator monitor the concentration of the investments on a quarterly basis to ensure compliance with the investment policy.

b) Foreign currency risk

The Group transacts in currencies other than US$. Consequently, the Group is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Group's assets or liabilities denominated in currencies other than the US$. Any exposure to foreign currency risk at the underlying investment level is captured within price risk.

The following table sets out, in US$, the Group's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities:

As at 31 December 2023	US$ $m	CAD$ $m	GBP£ $m	Total $m
Non-current assets				
Investments at fair value through profit or loss	**5,149.2**	**102.9**	**2.6**	**5,254.7**
Total non-current assets	**5,149.2**	**102.9**	**2.6**	**5,254.7**
Current assets				
Investments in money market funds at fair value through profit or loss	**62.3**	**–**	**–**	**62.3**
Cash and cash equivalents	**241.1**	**–**	**1.8**	**242.9**
Trade and other receivables excluding prepayments	**123.1**	**–**	**2.4**	**125.5**
Total current assets	**426.5**	**–**	**4.2**	**430.7**
Non-current liabilities				
Deferred payment obligations	**(7.3)**	**–**	**–**	**(7.3)**
Unsecured notes payable	**(493.8)**	**–**	**–**	**(493.8)**
Contingent consideration at fair value through profit or loss	**(3.9)**	**–**	**–**	**(3.9)**
Fee payable on divestment of investments	**(94.8)**	**–**	**–**	**(94.8)**
Liability for Tax Receivables Agreement	**(150.5)**	**–**	**–**	**(150.5)**
Total non-current liabilities	**(750.3)**	**–**	**–**	**(750.3)**
Current liabilities				
Trade and other payables	**(4.7)**	**–**	**(2.2)**	**(6.9)**
Profit sharing charge payable	**(0.1)**	**–**	**–**	**(0.1)**
Operator charge payable	**(6.6)**	**–**	**–**	**(6.6)**
Deferred Payment Obligations	**(44.6)**	**–**	**–**	**(44.6)**
Interest payable	**(10.0)**	**–**	**–**	**(10.0)**
Contingent consideration at fair value through profit or loss	**(2.5)**	**–**	**–**	**(2.5)**
Liability for Tax Receivables Agreement	**(24.2)**	**–**	**–**	**(24.2)**
Total current liabilities	**(92.7)**	**–**	**(2.2)**	**(94.9)**

As at 31 December 2022	US$ $m	CAD$ $m	GBP£ $m	Total $m
Non-current assets				
Investments at fair value through profit or loss	4,849.2	109.7	–	4,958.9
Total non-current assets	4,849.2	109.7	–	4,958.9
Current assets				
Investments in money market funds at fair value through profit or loss	483.4	–	–	483.4
Cash and cash equivalents	95.2	–	2.4	97.6
Trade and other receivables excluding prepayments	136.1	–	–	136.1
Total current assets	714.7	–	2.4	717.1
Non-current liabilities				
Unsecured Notes payable	(493.2)	–	–	(493.2)
Deferred payment obligations	(50.0)	–	–	(50.0)
Fee payable on divestment of investments	(44.3)	–	–	(44.3)
Liability for Tax Receivables Agreement	(150.6)	–	–	(150.6)
Total non-current liabilities	(738.1)	–	–	(738.1)
Current liabilities				
Trade and other payables	(6.7)	–	(2.0)	(8.7)
Deferred payment obligations	(189.9)	–	–	(189.9)
Interest payable	(10.0)	–	–	(10.0)
Operator charge payable	(21.0)	–	–	(21.0)
Liability for Tax Receivables Agreement	(35.1)	–	–	(35.1)
Total current liabilities	(262.7)	–	(2.0)	(264.7)

The Board of Directors does not consider that the foreign currency exchange risk at the balance sheet date is material and therefore sensitivity analysis for the foreign currency risk has not been provided.

c) Interest rate risk

The Group's exposure to interest rate risk relates to the Group's cash and cash equivalents and money market investments. The Group is subject to risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates. As at the date of the Consolidated Statement of Financial Position, the majority of the Group's cash and cash equivalents were held at interest bearing fixed deposit accounts.

The Group's investment in money market funds is variable and is subject to fluctuations. Any exposure to interest rate risk at the underlying investment level is captured within price risk. An increase of 100 basis points, based on the closing balance sheet position over a 12-month period, would lead to an approximate increase in total profit before tax of $0.6 million (31 December 2022: $4.8 million) for the Group.

In addition, the Group has indirect exposure to interest rates through changes to the financial performance and the valuation of investments in Partner-firms caused by rate fluctuations.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's policy and the Operator's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemption of shares, without incurring unacceptable losses or risking damage to the Company's reputation.

The Group's financial assets include investments in Partner-firms which are generally illiquid. As a result, the Group may not be able to liquidate its investments in time to meet its liquidity requirements.

The Operator has a liquidity management policy which is designed to enable it to monitor the liquidity risk of the Group. The systems and procedures employed by the Operator in this regard allow it to apply various tools and arrangements necessary to respond appropriately to liquidity concerns. As part of the policy, the Operator prepares estimates of projected cash flows of the Group from its investment in Partner-firms, evaluates it against the projected expenses, investment opportunities and potential distributions to the Company's shareholders. The Operator updates the Board of Directors on its findings on a regular basis and highlights any risks from a liquidity management perspective.

The following tables detail the Group's expected maturity for its financial assets (excluding equity) and liabilities together with the contractual undiscounted cash flow amounts:

As at 31 December 2023	**Less than 1 year $m**	**1-5 years $m**	**5+ years $m**	**Total $m**
Assets				
Investments at fair value through profit and loss	**–**	**–**	**5,254.7**	**5,254.7**
Investments in money market funds at fair value through profit and loss	**62.3**	**–**	**–**	**62.3**
Cash and cash equivalents	**242.9**	**–**	**–**	**242.9**
Trade and other receivables excluding prepayments	**125.5**	**–**	**–**	**125.5**
Liabilities				
Trade and other payables	**(6.9)**	**–**	**–**	**(6.9)**
Unsecured notes payable	**(28.3)**	**(113.1)**	**(640.2)**	**(781.6)**
Profit-sharing charge payable	**(0.1)**	**–**	**–**	**(0.1)**
Operator charge payable	**(6.6)**	**–**	**–**	**(6.6)**
Contingent consideration at fair value through profit or loss	**(2.5)**	**(3.9)**	**–**	**(6.4)**
Deferred payment obligations	**(44.6)**	**(7.3)**	**–**	**(51.9)**
Liability for Tax Receivables Agreement	**(24.2)**	**(137.0)**	**(393.3)**	**(554.5)**
Fee payable on divestment of investments	**–**	**–**	**(94.8)**	**(94.8)**

As at 31 December 2022	Less than 1 year $m	1-5 years $m	5+ years $m	Total $m
Assets				
Investments at fair value through profit and loss	–	–	4,958.9	4,958.9
Investments in money market funds at fair value through profit and loss	483.4	–	–	483.4
Cash and cash equivalents	97.6	–	–	97.6
Trade and other receivables excluding prepayments	136.1	–	–	136.1
Liabilities				
Trade and other payables	(8.7)	–	–	(8.7)
Operator charge payable	(21.0)	–	–	(21.0)
Deferred payment obligations	(193.1)	(55.5)	–	(248.6)
Unsecured Notes payable	(28.3)	(113.1)	(677.9)	(819.3)
Liability for Tax Receivables Agreement	(39.7)	(129.3)	(412.0)	(581.0)
Fee payable on divestment of investments	–	–	(44.3)	(44.3)

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group, resulting in financial loss to the Group. It arises principally from investments in money market funds, and also from derivative financial assets, cash and cash equivalents and other receivables balances.

The Group's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the credit standards set out in the Company's prospectus.

The Group's policy with respect to Financial instruments, which is inclusive of income receivables, is detailed in note 2(iv). As at 31 December 2023, the Group has income receivables of $101.9 million, which is included within Amounts receivable from Investments in note 12. Of the total outstanding income receivables, 2.2% is classified as stage 2 and all remaining income receivables are classified as stage 1. The Partner-firm ratings where available ranged from A to BBB. The calculated ECL as at 31 December 2023 is $123 thousand.

Credit risk is monitored on an ongoing basis by the Operator in accordance with the procedures and policies in place. The table below details the Group's maximum exposure to credit risk:

	31 December 2023 $m	31 December 2022 $m
Interest bearing		
Investments in money market funds	**62.3**	483.4
Cash and cash equivalents	**242.9**	97.6
Non-interest bearing		
Trade and other receivables excluding prepayments	**125.5**	136.1

The table below shows the cash and money market deposit balances and the credit rating for each counterparty:

	Location	**Rating**	**31 December 2023 $m**	31 December 2022 $m
Counterparty				
State Street Bank and Trust Company	**USA**	**A-1+**	**92.9**	97.6
US$ Treasury Liquid Reserves Fund - Institutional Shares	**USA**	**AAA**	**0.2**	21.6
Financial SquareSM Government Fund – Institutional Shares	**USA**	**AAA**	**10.5**	103.3
Financial SquareSM Treasury Instruments Fund – Institutional Shares	**USA**	**AAA**	**51.6**	358.5
Goldman Sachs Bank USA	**USA**	**A-1**	**150.0**	–

The Group's maximum exposure to loss of capital at the period end is shown below:

	31 December 2023 $m	31 December 2022 $m
Investments at fair value through profit or loss	**5,254.7**	4,958.9
Other financial assets excluding prepayments	**430.7**	717.1

22. Related party transactions

Board of Directors

The Company has five Non-Executive Directors. Directors' fees for the year ended 31 December 2023 amounted to $1.7 million (2022: $1.5 million), of which $Nil (31 December 2022: $Nil) was outstanding at year end. Amounts paid to the Board of Directors as reimbursement of travel and other incidental expenses during the year amounted to $32 thousand (2022: $38 thousand), of which, $Nil (31 December 2022: $Nil) was outstanding at year end.

The Board of Directors held beneficial interests in 1,094,999 (31 December 2022: 749,999) Ordinary Shares in the Company.

Money Market Funds

On 31 December 2023, the Group held an investment of $62.3 million (31 December 2022: $483.4 million) in money market funds that are managed by affiliates of the Operator. The Group earned interest income of $24.7 million (2022: $8.6 million) from investments held in such money market funds managed by affiliates of the Operator.

Transactions with Petershill Funds

As at 31 December 2023, the Petershill Funds, managed by wholly owned subsidiaries of the Goldman Sachs Group acting as the investment manager, owned approximately 76.6% (31 December 2022: 76.1%) of the Company. As at 31 December 2023, the Group had amounts payable to the Petershill Funds of $0.2 million (31 December 2022: $Nil) and amounts receivable from the Petershill Funds of $6.1 million (31 December 2022: $Nil). These amounts will be settled in the ordinary course of business.

Liability to Petershill Funds

As discussed in note 2(xvi) and note 15, on 20 September 2022, the Transferred Interest valued at $469.3 million held as collateral was released back to the Petershill Funds. Other assets amounting to $22.9 million and cash of $89.6 million held at the Issuer SPVs were also distributed to the Petershill Funds. During the year, the Group recorded an interest income of $Nil in relation to its Liability to Petershill Funds (2022: $15.4 million). As of 31 December 2023 and 31 December 2022, the Group does not have any liability in relation to the issuer SPVs.

Tax Receivables Agreement

As discussed in note 2(v), the Group has entered into a Tax Receivables Agreement with Petershill Funds, an affiliate of the Operator and the Goldman Sachs Group, which will require the Group to pay 75% of the amount of cash tax savings, if any, in US federal, state and local income tax that the Group realises as a result of the tax benefits associated with this increase in tax basis. As of 31 December 2023, the carrying value of liability for the Tax Receivables Agreement was $174.7 million (31 December 2022: $185.7 million). During the year, payments totalling $32.5 million were made in relation to the Tax Receivables Agreement liability.

Operator

The Operator is an affiliate and wholly-owned subsidiary of the Goldman Sachs Group and provides advice to the Group on the origination and completion of new investments, the management of the portfolio and on realisations, as well as on funding requirements, subject to approval by the Board of Directors. For the provision of services under the Operator Agreement, the Operator earns a Profit-Sharing Charge, Recurring Operating Charges and Divestment Fee, as detailed in note 6.

The Operator may, in its discretion, pay certain of the Group's fees or expenses and the Group will reimburse the Operator for the payment of any such fee or expense. As at 31 December 2023, the Group owed $0.1 million to the Operator under this arrangement (31 December 2022: $Nil).

Transactions with Goldman Sachs & Co. LLC

Goldman Sachs & Co. LLC ("GSCO") is an affiliate and wholly owned subsidiary of the Goldman Sachs Group. GSCO acted as the joint placement agent in the issue of the Unsecured Notes in 2022. For the year ended 31 December 2023, GSCO was paid a compensation of $Nil (2022: $2.5 million) for its services.

Transactions with Goldman Sachs Bank USA

Goldman Sachs Bank USA ("GSBUSA") is an affiliate and wholly owned subsidiary of the Goldman Sachs Group. On 14 December 2023, the Company placed a fixed term deposit with GSBUSA for $150.0 million. The fixed term deposit matured on 15 March 2024 and accrued interest at a rate of 5.40% per annum. During the year ended 31 December 2023, interest of $0.4 million was earned and was due at maturity.

23. Ultimate controlling party

The Board of Directors has reviewed the Shareholders of the Company and has concluded that there is no ultimate controlling party. The Company has a very diversified investor base that does not cede control to any single investor or a group of investors. Although the Petershill Funds own 76.6% (31 December 2022: 76.1%) of the Company, Goldman Sachs Asset Management and its affiliates are the beneficial owner of less than 1% of the Ordinary Shares of the Company as of 31 December 2023.

The Petershill Funds are managed by Goldman Sachs Asset Management and its affiliates acting as the investment manager of the Petershill Funds under the supervision of the independent Board of Directors. Goldman Sachs Asset Management and its affiliates act in in their capacity as an agent for the Equity Shareholders of the Company and such a relationship does not give rise to controlling ownership.

24. Subsequent events

The Group has evaluated activity through25 March 2024, the date that the consolidated financial statements were available to be issued.

On 1 January 2024, new subsidiaries were introduced into the Group structure to enable employees of the Operator to be direct beneficiaries of a portion of the Profit-sharing charge (if any) payable by the Group to the Operator. This was done to further improve the alignment of interest in the incentives of the Group, the Operator and the employees of the Operator. There is no change to the amount or timing of any Profit-sharing charge payable by the Group under the original Operator Agreement. Furthermore, this arrangement is not expected to give rise to any material tax consequences for the Group and all initial and ongoing costs of implementing this arrangement are borne by the Operator.

The Group concluded that no other events took place that would require material adjustments to the amounts recognised in these consolidated financial statements.

GLOSSARY OF KEY OPERATING METRICS

This document contains certain key operating metrics that are not defined or recognised under IFRS.

The Operator and the Directors use these key operating metrics to help evaluate trends, assess the performance of the Partner-firms and the Company, analyse and test dividends received from the Partner-firms and inform operating, budgeting and re-investment decisions. The Directors believe that these metrics, which present certain operating and other information in respect of the Partner-firms, provide an enhanced understanding of the underlying portfolios and performance of the Partner-firms and are therefore essential to assessing the investments and performance of the Company.

The key operating metrics described in this section are derived from financial and other information reported to the Operator by the Partner-firms. The Operator, with the assistance of an independent accounting firm, performs due diligence procedures on the information provided by the Partner-firms. It should be noted, however, that these due diligence procedures do not constitute an audit.

In addition, each Partner-firm may account for and define certain financial and other information differently from one another. For example, each Partner-firm may calculate its fee-paying AuM differently, the result of which being that the inputs of the Company's Aggregate Fee-paying AuM are not consistently calculated.

Whilst the operating metrics described in this section are similar to those used by other alternative asset managers, there are no generally accepted principles governing their calculation, and the criteria upon which these metrics are based can vary from firm to firm. These metrics, by themselves, do not provide a sufficient basis to compare the Partner-firms' or the Company's performance with that of other companies.

None of Partner Distributable Earnings, Partner FRE, Partner Realised Performance Revenues or Partner Realised Investment Income are measures of or provide any indication of profits available for the purpose of a distribution by the Company within the meaning of section 830 of the Companies Act 2006, or of any Partner-firm in accordance with the equivalent applicable rules.

Aggregate Partner-firm AuM

Aggregate Partner-firm AuM is defined as the sum of (a) the net asset value of the Partner-firms' underlying funds and investment vehicles, and in most cases includes co-investment vehicles, GP commitments and other non fee-paying investment vehicles and (b) uncalled commitments from these entities, as reported by the Partner-firms to the Operator from time to time and aggregated by the Operator without material adjustment. This is an aggregated figure across all Partner-firms and includes Partner-firm AuM outside of the Company's ownership interest in the Partner-firms.

The Operator and the Directors consider Aggregate Partner-firm AuM to be a meaningful measure of the size, scope and composition of the Partner-firms, as well as of their capital raising activities. The Operator uses Aggregate Partner-firm AuM to inform operating, budgeting and reinvestment decisions.

Aggregate Fee-paying AuM

Aggregate Fee-paying AuM is defined as the portion of Aggregate Partner-firm AuM for which Partner-firms are entitled to receive management fees, as reported by the Partner-firms to the Operator. The principal difference between Aggregate Fee-paying AuM and Aggregate Partner-firm AuM is that Aggregate Fee-paying AuM typically excludes co-investment on which Partner-firms generally do not charge fees and, to a lesser extent, fund commitments in Partner-firm funds (i) on which fees are only earned on investment, rather than from the point of commitment and (ii) where capital has been raised but fees have not yet been activated. This may also include legacy assets where fees are no longer being charged.

The Operator and the Directors consider Aggregate Fee-paying AuM to be a meaningful measure of the Partner-firms' capital base upon which they earn management fees and use the measure in assessing the management fee-related performance of the Partner-firms and to inform operating, budgeting and re-investment decisions.

Aggregate Performance Fee Eligible Partner-firm AuM

The amount of Aggregate Partner-firm AuM that is eligible for performance fees.

AuM and Associated Data

The data presented in this document for the following key operating metrics reflects AuM data reported to the Operator on a three-month lag. This three-month data lag is due to the timing of the financial information received by the Operator from the Partner-firms, which generally require at least 90 days following each period end to present final financial information to the Operator. The key operating metrics reflected on a three-month lag are:

- Aggregate Partner-firm AuM
- Aggregate Fee-paying Partner-firm AuM
- Average Aggregate Fee-paying Partner-firm AuM
- Aggregate Performance Fee Eligible Partner-firm AuM
- Average Aggregate Performance Fee Eligible Partner-firm AuM
- Partner Blended Net Management Fee Rate
- Implied Blended Partner-firm FRE Ownership
- Investment Capital

Issuer SPVs

Issuer SPVs comprise the following entities – PH Offshore GP Issuer, PH Offshore IM Issuer, PH Onshore GP Issuer, PH Onshore IM Issuer.

Intermediary Entities

Intermediary Entities comprise the following entities – PH Offshore GP Aggregator, PH Offshore IM Aggregator, PH Onshore GP Aggregator, PH Onshore IM Aggregator.

Investment Capital

Investment Capital is defined as the sum of the reported value of the balance sheet investments from the Partner-firms. The Operator and the Directors consider Investment Capital to be a meaningful measure of the performance of the Partner-firms' balance sheet investments and potential future Partner Realised Investment Income. The Operator therefore uses Investment Capital to assess future expected Partner Realised Investment Income and inform operating, budgeting and reinvestment decisions.

In respect of Investment Capital, the data may be adjusted for any known valuation impacts following the reporting date of the information received from the Partner-firms.

Ownership weighted AuM

Ownership weighted AuM represents the Company's ownership stake of each Partner-firms' Aggregate Partner-firm AuM.

Ownership weighted Fee-paying AuM

Ownership weighted Fee-paying AuM represents the Company's ownership stake of each Partner-firms' Aggregate Fee-paying AuM. Please refer to Aggregate Fee-paying AuM on page 49.

Partner Blended Net Management Fee Rate

Partner Blended Net Management Fee Rate is defined as Partner Net Management and Advisory Fees for the period, divided by the average Aggregate Fee-paying AuM weighted for the Company's ownership interests in each Partner-firm. The average Aggregate Fee-paying AuM is calculated as the mean of the Aggregate Fee-paying AuM at the start and the end of the reporting period and excludes new acquisitions where the Company has not yet started to receive or have only received partial period amounts of Partner Net Management and Advisory Fees.

The Operator and the Directors consider Partner Blended Net Management Fee Rate to be a key metric in assessing the Company's overall management fee-related performance.

Implied Blended Partner-firm FRE Ownership

Implied Blended Partner-firm FRE Ownership is defined as the weighted average of the Company's ownership stake in the Partner-firms' management fee-related earnings and is calculated based on the contribution of average Aggregate Fee-paying AuM from Partner-firms in each period. It will therefore be expected to change to some degree from period to period based on the contribution to average Aggregate Fee-paying AuM of each Partner-firm, even if the actual ownership of each underlying Partner-firm does not change. Excludes new acquisitions where Petershill has not yet started to receive or have only received partial period amounts of Partner Net Management and Advisory Fees.

The Operator and the Directors consider Implied Blended Partner-firm FRE Ownership to be a meaningful measure of the composition of the Company's investments.

Partner Net Management and Advisory Fees

Partner Net Management and Advisory Fees is defined as the Company's aggregate proportionate share of the Partner-firms' net management fees (as reported by the Partner-firms to the Operator), including monitoring and advisory fees and less any management fee offsets, payable by the Partner-firms' funds to their respective Partner-firms for the provision of investment management and advisory services.

Certain Partner-firms provide transaction and advisory services, as well as services to monitor ongoing operations of portfolio companies. Management fees paid to the Partner-firms may be subject to fee offsets, which are reductions to management fees and are based on a percentage of monitoring fees and transaction and advisory fees paid by portfolio companies to the Partner-firms.

The Operator and the Directors consider Partner Net Management and Advisory Fees to be a meaningful measure of the management fee-related performance of the Partner-firms, and the Operator uses this metric to analyse and test income received from the Partner-firms and to inform operating, budgeting and re-investment decisions.

Partner Fee Related Earnings (FRE) and Partner FRE Margin

Partner FRE is defined as Partner Net Management and Advisory Fees, less the Partner-firms' operating expenses, fixed and bonus compensation, net interest income/(expense) and taxes (but not performance fee-related expenses) allocable to the Company's share of Partner Net Management and Advisory Fees, as reported by the Partner-firms to the Operator, and subject to applicable contractual margin protections in respect of certain Partner-firms. Partner FRE Margin is defined as Partner FRE divided by Partner Net Management and Advisory Fees.

The Operator and the Directors consider Partner FRE and Partner FRE Margin to be meaningful measures of the management fee-related earnings of the Partner-firms and key performance indicators of the Company's income from investments in management companies derived from management fee income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and reinvestment decisions.

Partner Realised Performance Revenues

Partner Realised Performance Revenues is defined as the Company's aggregate proportionate share of the Partner-firms' realised carried interest allocations and incentive fees payable by the Partner-firms' funds to their respective Partner-firms, less any realised performance fee-related expenses of the Partner-firms allocable to the Company's share of performance fee-related revenues, as reported by the Partner-firms to the Operator.

The Company's share of the Partner-firms' performance fee-related earnings will be lower than its share of the Partner-firms' management fee-related earnings because the Company's ownership stake in the Partner-firms' performance fee-related earnings is lower than its ownership stake in the Partner-firms' management fee-related earnings.

The Operator and the Directors consider Partner Realised Performance Revenues to be a meaningful measure of the performance fee-related earnings of the Partner-firms and key performance indicator of the Company's income from investments in management companies derived from performance fee income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and reinvestment decisions.

Partner Realised Investment Income

Partner Realised Investment Income is defined as the Company's aggregate proportionate share of Partner-firm earnings resulting from the realised gains and losses, or any distributed income, from the investments held on Partner-firms' balance sheets, as reported by the Partner-firms to the Operator. Partner Realised Investment Income is also realised by the Company through a limited number of direct stakes in certain Partner-firms' funds. Realised Investment Income includes income that has been realised but not yet paid, as well as amounts that are realised and either fully or partially reinvested.

The Company's share of the Partner-firms' investment and balance sheet income will be lower than its share of the Partner-firms' management fee-related earnings because the Company's ownership stake in the Partner-firms' investment and balance sheet income is lower than its ownership stake in the Partner-firms' management fee-related earnings.

The Operator and the Directors consider Partner Realised Investment Income to be a meaningful measure of the investment performance of certain assets held by the Partner-firms and key performance indicator of the Company's income from investments in management companies derived from investment income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and reinvestment decisions.

Partner Distributable Earnings and Partner Distributable Earnings Margin

Partner Distributable Earnings is defined as the sum of Partner FRE, Partner Realised Performance Revenues and Partner Realised Investment Income. Partner Distributable Earnings Margin is defined as Partner Distributable Earnings divided by the sum of Partner Net Management and Advisory Fees, Partner Realised Performance Revenues and Partner Realised Investment Income.

The Operator and the Directors consider Partner Distributable Earnings and Partner Distributable Earnings Margin to be meaningful measures of the overall performance of the Partner-firms and key performance indicators of the Company's total income from investments in management companies. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and re-investment decisions. These measures reflect any contractual margin protections or revenue share interests that the Company may have with the Partner-firms, which means that the Partner Distributable Earnings Margin may differ from the margins achieved by other shareholders or partners of the Partner-firms.

Partner Revenues

Partner Revenues is defined as the sum of Partner Net Management and Advisory Fees, Partner Realised Performance Revenues and Partner Realised Investment Income.

The Operator and the Directors consider Partner Revenues to be a meaningful measure of the overall performance of the Partner-firms. The Operator uses this metric to inform operating, budgeting and re-investment decisions.

Partner Private Markets Accrued Carried Interest

Partner Private Markets Accrued Carried Interest is defined as the Company's proportionate share of the Partner-firms' balance sheet accrued carry (as reported by the Partner-firms to the Operator) and represents the Company's proportionate share of the accumulated balance of unrealised profits from the Partner-firms' funds.

The Operator and the Company consider Partner Accrued Carried Interest to be a meaningful measure of the performance of the private markets Partner-firms and potential future private markets Partner Realised Performance Revenues. Absolute return performance fees are not accrued and are instead realised annually. The Operator uses Partner Accrued Carried Interest to assess future expected carried interest payments and inform operating, budgeting and re-investment decisions. This key operating metric reflects data reported to the Operator on a three-month lag.

Petershill Funds

The Petershill Funds refers to the following entities: Petershill II L.P. and Petershill II Offshore L.P., Petershill Private Equity L.P., Petershill Private Equity Offshore L.P., Vintage VII L.P. and related entities and certain co-investment vehicles.

Weighted Average Capital Duration

Weighted Average Capital Duration is a key measure of the long term, locked-up capital of Aggregate Fee-paying Partner-firm AuM. It is defined as the average life of the underlying Partner-firm funds weighted based on Fee-paying AuM.

ALTERNATIVE PERFORMANCE MEASURES ("APMS")

As part of the initial acquisition of the portfolio of Partner-firms on 28 September 2021, the Company acquired interests in several trusts ("Issuers"), which previously issued $350m of long-term debt ("Notes") with a 5% coupon and a maturity date of 2039. The Notes were secured by the rights to the cash flows of certain Partner-firm investments held by the Company and other investments held by the Petershill Funds.

For the period ended 31 December 2021 and during 2022, under IFRS, the Company was required to consolidate them, although the Company did not have rights to the cash flows of the collateral that were held by the Petershill Funds, This consolidation resulted in reflecting all of the assets and liabilities of these entities in the Condensed Interim Consolidated Statement of Financial Position and all of the income, investment gain and finance cost in the Condensed Interim Consolidated Statement of Comprehensive Income. However, shareholder returns were only affected by the interests that the Company owns.

As at 31 December 2022, the Notes were repaid, and the collateral was released to the Petershill Funds and the Subsidiaries of the Company. Other assets comprised of income receivable and cash in the Issuer SPVs were distributed as well. The Issuer SPVs and the Intermediary Entities were dissolved on 19 December 2022. As a result, the Petershill Funds ceased to have any exposure to the Issuer SPVs effective this date.

Pursuant to the above, the Company has consolidated the accounts of the Issuer SPVs and the Intermediary Entities in preparing the comparative Condensed Interim Consolidated Financial Statements for the period of 1 January 2022 through 19 December 2022, the date these Issuer SPVs and the Intermediary Entities were dissolved. As at 31 December 2022 and 2023, the Company no longer had any exposure to Petershill Funds on account of the Issuer SPVs and Intermediary Entities.

The APM basis, which presents the financial information on a non IFRS basis, excluding the impact of the assets, liabilities, income, investment gain and finance cost which do not affect shareholder returns, aids shareholders in assessing their investment in the Company.

The IFRS and APM basis numbers discussed and presented below include significant 'unrealised' and non-cash items that include unrealised change in fair value of investments, and it should be noted that while permitted, it is not the Company's core strategy to exit or realise these investments. Therefore, management results are also presented excluding the unrealised change in fair value of investments at fair value through profit and loss and related unrealised divestment fee.

APMs are used by the Directors and the Operator to analyse the business and financial performance, track the Company's progress, and help develop long-term strategic plans and they also reflect more closely the cash flow of the Company. The Directors believe that these APMs are used by investors, analysts and other interested parties as supplemental measures of performance and liquidity.

	Year ended 31 December 2023			Year ended 31 December 2022		
	Alternative performance measurement basis (APM) $m	Adjustments $m	IFRS basis $m	Alternative performance measurement basis (APM) $m	Adjustments $m	IFRS basis $m
Income						
Income from investments in Partner-firms derived from:						
Management fee income	**203.0**	**–**	**203.0**	213.2	(0.2)	213.0
Performance fee income	**54.7**	**–**	**54.7**	131.6	7.8	139.4
Investment income	**34.4**	**–**	**34.4**	25.4	7.2	32.6
Total income from investments in Partner-firms	**292.1**	**–**	**292.1**	370.2	14.8	385.0
Interest income from investments in money market funds	**24.7**	**–**	**24.7**	8.6	–	8.6
Interest income from other assets	**2.6**	**–**	**2.6**	–	–	–
Total income	**319.4**	**–**	**319.4**	378.8	14.8	393.6
Movement in financial assets / liabilities held at fair value						
Change in investments at fair value through profit or loss	**227.0**	**–**	**227.0**	(776.5)	(30.2)	(806.7)
Change in contingent consideration at fair value through profit or loss	**(6.4)**	**–**	**(6.4)**	–	–	–
Total movement in financial assets / liabilities held at fair value	**220.6**	**–**	**220.6**	(776.5)	(30.2)	(806.7)
Expenses						
Board of Directors' fees and expenses	**(1.7)**	**–**	**(1.7)**	(1.5)	–	(1.5)
Operator charge	**(21.9)**	**–**	**(21.9)**	(27.8)	–	(27.8)
Other operating expenses	**(10.1)**	**–**	**(10.1)**	(14.4)	–	(14.4)
Profit sharing charge	**(0.1)**	**–**	**(0.1)**	–	–	–
Unrealised Divestment Fee (expense) / credit	**(50.5)**	**–**	**(50.5)**	0.9	–	0.9
Total expenses	**(84.3)**	**–**	**(84.3)**	(42.8)	–	(42.8)
Operating profit / (loss) for the year	**455.7**	**–**	**455.7**	(440.5)	(15.4)	(455.9)
Finance income / (expense)						
Finance cost	**(37.1)**	**–**	**(37.1)**	(45.6)	–	(45.6)
Movement in liability to Petershill Funds	**–**	**–**	**–**	–	15.4	15.4
Change in liability for Tax Receivables Agreement	**(21.5)**	**–**	**(21.5)**	(19.0)	–	(19.0)
Total finance expense	**(58.6)**	**–**	**(58.6)**	(64.6)	15.4	(49.2)
Profit / (loss) for the year before tax	**397.1**	**–**	**397.1**	(505.1)	–	(505.1)
Tax (expense) / credit	**(76.1)**	**–**	**(76.1)**	52.2	–	52.2
Profit / (loss) for the year after tax	**321.1**	**–**	**321.1**	(452.9)	–	(452.9)
Profit / (loss) and total comprehensive income / (expense) for the year	**321.1**	**–**	**321.1**	(452.9)	–	(452.9)
Profit / (loss) and total comprehensive income / (expense) attributable to:						
Equity holders of the Company	**321.1**	**–**	**321.1**	(452.9)	–	(452.9)
Earnings per share						
Basic and diluted earnings per share (cents)	**28.38**	**–**	**28.38**	(39.36)	–	(39.36)

	Year ended 31 December 2023			Year ended 31 December 2022		
	Alternative performance measurement basis (APM) $m	**Adjustments $m**	**IFRS basis $m**	Alternative performance measurement basis (APM) $m	Adjustments $m	IFRS basis $m
Non-current assets						
Investments at fair value through profit or loss	**5,254.7**	**–**	**5,254.7**	4,958.9	–	4,958.9
Deferred tax asset	**–**	**–**	**–**	44.0	–	44.0
	5,254.7	**–**	**5,254.7**	5,002.9	–	5,002.9
Current assets						
Investments in money market funds at fair value through profit or loss	**62.3**	**–**	**62.3**	483.4	–	483.4
Cash and cash equivalents	**242.9**	**–**	**242.9**	97.6	–	97.6
Trade and other receivables	**127.4**	**–**	**127.4**	138.2	–	138.2
	432.6	**–**	**432.6**	719.2	–	719.2
Total Assets	**5,687.3**	**–**	**5,687.3**	5,722.1	–	5,722.1
Non-current liabilities						
Unsecured notes payable	**493.8**	**–**	**493.8**	493.2	–	493.2
Deferred payment obligations	**7.3**	**–**	**7.3**	50.0	–	50.0
Liability for Tax Receivables Agreement	**150.5**	**–**	**150.5**	150.6	–	150.6
Contingent consideration at fair value through profit or loss	**3.9**	**–**	**3.9**			
Deferred tax liability	**8.2**	**–**	**8.2**			
Fee payable on divestment of investments	**94.8**	**–**	**94.8**	44.3	–	44.3
	758.5	**–**	**758.5**	738.1	–	738.1
Current liabilities						
Trade and other payables	**6.9**	**–**	**6.9**	8.7	–	8.7
Deferred payment obligations	**44.6**	**–**	**44.6**	189.9	–	189.9
Interest payable	**10.0**	**–**	**10.0**	10.0	–	10.0
Profit sharing charge payable	**0.1**	**–**	**0.1**	–	–	–
Operator charge payable	**6.6**	**–**	**6.6**	21.0	–	21.0
Contingent consideration at fair value through profit or loss	**2.5**	**–**	**2.5**	–	–	–
Liability for Tax Receivables Agreement	**24.2**	**–**	**24.2**	35.1	–	35.1
	94.9	**–**	**94.9**	264.7	–	264.7
Total liabilities	**853.4**	**–**	**853.4**	1,002.8	–	1,002.8
Net assets	**4,833.9**	**–**	**4,833.9**	4,719.3	–	4,719.3
Equity						
Share capital	**11.2**	**–**	**11.2**	11.4	–	11.4
Share premium	**–**	**–**	**–**	3,346.7	–	3,346.7
Other reserve	**1,689.6**	**–**	**1,689.6**	1,689.6	–	1,689.6
Capital redemption reserve	**0.5**	**–**	**0.5**	0.3	–	0.3
Retained earnings / (accumulated losses)	**3,132.6**	**–**	**3,132.6**	(328.7)	–	(328.7)
Total Shareholders' funds	**4,833.9**	**–**	**4,833.9**	4,719.3	–	4,719.3
Number of Ordinary Shares in issue at year end	**1,122,202,824**	**–**	**1,122,202,824**	1,135,399,597	–	1,135,399,597
Net assets per share (cents)	**430.75**	**–**	**430.75**	415.65	–	415.65

	Year ended 31 December 2023			Year ended 31 December 2022		
	Alternative performance measurement basis (APM)	**Adjustments**	**IFRS basis**	Alternative performance measurement basis (APM)	Adjustments	IFRS basis
	$m	**$m**	**$m**	$m	$m	$m
Cash flows from operating activities						
Profit / (Loss) for the year before tax	**397.1**	**–**	**397.1**	(505.1)	–	(505.1)
Adjustments to reconcile operating profit / (loss) for the year to net cash flows from operating activities:						
Reinvestment of income from investments in Partner-firms	**(57.0)**	**–**	**(57.0)**	(42.4)	(0.2)	(42.6)
Movement in financial assets and liabilities held at fair value through profit and loss	**(228.8)**	**–**	**(228.8)**	776.5	30.2	806.7
Movement in trade and other receivables	**14.6**	**–**	**14.6**	(82.0)	22.9	(59.1)
Movement in trade and other payables	**(2.8)**	**–**	**(2.8)**	3.8	–	3.8
Movement in fee payable on divestment of investments	**50.5**	**–**	**50.5**	(0.9)	–	(0.9)
Movement in profit sharing charge payable	**0.1**	**–**	**0.1**	–	–	–
Movement in operator charge payable	**(14.4)**	**–**	**(14.4)**	–	–	–
Movement in contingent consideration held at fair value through profit or loss	**6.4**	**–**	**6.4**			
Finance expense	**58.6**	**–**	**58.6**	64.6	(15.4)	49.2
Purchase of investments in money market funds	**(781.4)**	**–**	**(781.4)**	(1,051.4)	–	(1,051.4)
Sale of investments in money market funds	**1,227.1**	**–**	**1,227.1**	1,021.1	–	1,021.1
Reinvested interest income from investments in money market funds	**(24.6)**	**–**	**(24.6)**	–	–	–
Taxes paid	**(28.2)**	**–**	**(28.2)**	(4.4)	–	(4.4)
Net cash flows from operating activities	**617.2**	**–**	**617.2**	179.8	37.5	217.3
Cash flows from investing activities						
Purchase of investments at fair value through profit or loss	**(204.2)**	**–**	**(204.2)**	(149.7)	–	(149.7)
Capital proceeds received	**–**	**–**	**–**	(6.7)	–	(6.7)
Net cash flows from investing activities	**(204.2)**	**–**	**(204.2)**	(143.0)	–	(143.0)
Cash flows from financing activities						
Dividends paid	**(180.2)**	**–**	**(180.2)**	(70.3)	–	(70.3)
Interest expense payments	**(28.3)**	**–**	**(28.3)**	(23.8)	(4.0)	(27.8)
Payment of share issue costs	**-**	**–**	**-**	(5.7)	–	(5.7)
Repayment and cancellation of share capital	**(25.4)**	**–**	**(25.4)**	(50.0)	–	(50.0)
Proceeds from Unsecured Notes	**–**	**–**	**–**	500.0	–	500.0
Repayment of Notes payable	**–**	**–**	**–**	(350.0)	–	(350.0)
Payment of transaction costs related to debt issuance and repayment	**–**	**–**	**–**	(8.1)	–	(8.1)
Extinguishment of liability to Petershill funds	**–**	**–**	**–**	–	(89.6)	(89.6)
Payment under Tax Receivables Agreement	**(33.8)**	**–**	**(33.8)**	–	–	–
Net cash flows from financing activities	**(267.7)**	**–**	**(267.7)**	(7.9)	(93.6)	(101.5)
Net increase / (decrease) in cash and cash equivalents during the year	**145.3**	**–**	**145.3**	28.9	(56.1)	(27.2)
Cash and cash equivalents at the beginning of the year	**97.6**	**–**	**97.6**	68.7	56.1	124.8
Cash and cash equivalents at the end of the year	**242.9**	**–**	**242.9**	97.6	–	97.6

Net cash position at end of year

Cash and cash equivalents APM basis plus investments in money market funds less deferred payment obligations, contingent consideration and long term debt.

	31 December 2023 $m	31 December 2022 $m
Cash and cash equivalents APM basis	**242.9**	97.6
Investments in money market funds at fair value through profit or loss	**62.3**	483.4
Unsecured notes payable (gross)	**(500.0)**	(500.0)
Deferred payment obligations	**(51.9)**	(239.9)
Contingent consideration	**(6.4)**	–
Net cash position at end of year	**(253.1)**	(158.9)

Free cash flow

The Net cash flows from operating activities APM basis less Purchase of investments in money market funds, Sale of investments in money market funds, Reinvestment of income from investments in Partner-firms APM basis and Taxes paid as a percent of the Adjusted EBIT. This amount can differ year over year as the timing of settlement of certain income from investments in Partner-firms may vary.

	31 December 2023 $m	31 December 2022 $m
Net cash inflows from operating activities APM basis	**617.2**	179.8
Purchase of investments in money market funds	**781.4**	1,043.4
Sale of investments in money market funds	**(1,227.1)**	(1,021.1)
Reinvestment of income from investments in Partner-firms APM basis	**57.0**	42.4
Reinvestment of interest income from investments in money market funds	**24.6**	8.0
Taxes paid	**28.2**	4.4
Adjusted net cash inflows from operating activities	**281.3**	256.9
Adjusted EBIT	**284.4**	336.3
Free cash flow	**99%**	76%

Book value

Total shareholders' funds.

	31 December 2023 $m	31 December 2022 $m
Total shareholders' equity	**4,833.9**	4,719.3

Book value per share

Total shareholders' funds divided by the number of Ordinary Shares in issue at year end.

	31 December 2023 $m	31 December 2022 $m
Total shareholders' equity ($m)	**4,833.9**	4,719.3
Number of Ordinary Shares in issue at year end	**1,122,202,824**	1,135,399,597
Book value per share (cents)	**430.75**	415.65

Adjusted Earnings Before Interest and Tax ("EBIT")

Sum of total income APM basis and expenses excluding non-recurring charges before net finance result and before income taxes, change in fair value of investments at fair value through profit or loss APM basis, change in contingent consideration at fair value through profit or loss, profit sharing charge and unrealised divestment fee.

	For the year ended 31 December 2023 $m	For the year ended 31 December 2022 $m
Total income APM basis	**319.4**	378.8
Board of Directors' fees and expenses	**(1.7)**	(1.5)
Operator charge	**(21.9)**	(27.8)
Profit sharing charge	**(0.1)**	–
Other operating expenses	**(10.1)**	(14.4)
Non-recurring operating (credit) / expense	**(1.2)**	1.2
Adjusted Earnings before interest and tax (EBIT)	**284.4**	336.3

Adjusted EBIT margin

Adjusted EBIT divided by APM basis total income.

	For the year ended 31 December 2023 $m	For the year ended 31 December 2022 $m
Total income APM basis	**319.4**	378.8
Adjusted EBIT	**284.4**	336.3
Adjusted EBIT margin	**89.0%**	88.8%

Adjusted Earnings Before Tax ("EBT")

Sum of total income APM basis and expenses excluding Profit sharing charge, unrealised divestment fee, income taxes, change in liability for tax receivables agreement, movement in liability to Petershill Funds, change in fair value of investments at fair value through profit or loss APM basis , change in contingent consideration at fair value through profit or loss, and non-recurring charges.

	For the year ended 31 December 2023 $m	For the year ended 31 December 2022 $m
Total income APM basis	**319.4**	378.8
Board of Directors' fees and expenses	**(1.7)**	(1.5)
Operator charge	**(21.9)**	(27.8)
Profit sharing charge	**(0.1)**	–
Other operating expenses	**(10.1)**	(14.4)
Finance cost	**(37.1)**	(45.6)
Non-recurring operating (credit) / expense	**(1.2)**	1.2
Non-recurring charges related to financing	**–**	17.3
Adjusted Earnings before tax (EBT)	**247.3**	308.0

Tax and tax related expenses

The current tax plus the actual/expected payment under the tax receivables agreement for the current year.

	For the year ended 31 December 2023 $m	For the year ended 31 December 2022 $m
Current tax	**(23.5)**	(4.2)
Expected payment under the tax receivables agreement	**(24.2)**	(31.2)
Tax and tax related expenses	**(47.7)**	(35.4)

Adjusted tax and tax related expense rate

The Tax and tax related expenses divided by the Adjusted EBT.

	For the year ended 31 December 2023 $m	For the year ended 31 December 2022 $m
Tax and related expenses	**47.7**	35.4
Adjusted Earnings before tax (EBT)	**247.3**	308.0
Adjusted tax and tax related expense rate	**19.3%**	11.5%

Adjusted Profit After Tax

Sum of total income APM basis and expense excluding Profit sharing charge, unrealised divestment fee, income taxes, change in liability for tax receivables agreement, movement in liability to Petershill Funds, change in fair value of investments at fair value through profit or loss APM basis , change in contingent consideration at fair value through profit or loss, and non-recurring charges and including tax and related expenses under the tax receivables agreement.

	For the year ended 31 December 2023 $m	For the year ended 31 December 2022 $m
Total income APM basis	**319.4**	378.8
Board of Directors' fees and expenses	**(1.7)**	(1.5)
Operator charge	**(21.9)**	(27.8)
Other operating expenses	**(10.1)**	(14.4)
Profit sharing charge	**(0.1)**	–
Finance Cost	**(37.1)**	(45.6)
Non-recurring operating expenses	**(1.2)**	1.2
Tax and tax related expenses	**(47.7)**	(35.4)
Non-recurring charges related to financing	**–**	17.3
Adjusted profit after tax	**199.6**	272.6

Adjusted Earnings Per Share ("EPS")

Adjusted profit after tax divided by weighted average number of Ordinary Shares in issue.

	For the year ended 31 December 2023 $m	For the year ended 31 December 2022 $m
Adjusted profit after tax	**199.6**	272.6
Weighted average number of Ordinary Shares in issue	**1,131,506,310**	1,150,241,568
Adjusted Earnings per share (EPS) (cents)	**17.64**	23.70

This results announcement has been prepared solely to provide additional information to shareholders and meets the relevant requirements of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority. The results announcement should not be relied on by any other party or for any other purpose. Whilst the Company aims to provide a diversified investment approach, diversification does not protect an investor from market risk and does not ensure a profit.

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Any tender offer made by the Company would be made in the US pursuant to an exemption from certain US tender offer rules and otherwise in accordance with the requirements of UK legislation. In accordance with normal UK market practice and Rule 14e-5(b) of the US Exchange Act, the Company, its nominees, its brokers (acting as agents), any financial advisers or any of their respective affiliates could from time to time make certain purchases of, or arrangements to purchase, Company securities outside the United States, other than pursuant to any such tender offer, before or during the period in which such tender offer remains open for acceptance, including sales and purchases of securities effected by any financial advisers acting as market makers in the Company securities. These purchases could occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases would be disclosed as required in the United Kingdom, would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website, http://www.londonstockexchange.com.

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