

THE STORY UNFOLDS

True Potential LLP Annual Report 2015

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True Potential LLP

Report and Financial Statements for the year ended 31 December 2015

Registered number OC380771

Registered Head Office:

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

London Office:

42-44 Grosvenor Gardens, Belgravia, London, SW1W 0EB

T: 0871 700 0007

E: discover@tpllp.com

www.tpllp.com

true potential  LLP®
simple. effective. unique.

A MESSAGE FROM THE CHAIRMAN

2015 was another eventful year for us, leading to the eventual sale of a minority interest in our group to a major USA-based private equity firm, FTV Capital. Our choice of partner was based on the quality of their team, the quality of their previous acquisitions and our desire to retain our independence.

This latter aspect is particularly important to us so that we can continue to pick and manage funds from some of the best fund managers in the world. Our own funds, managed by our own management team, continue to grow in size and importantly they out-perform the market. As we all know 2015 and early 2016 have been quite volatile for the markets, so it is pleasing to see how we have been able to deliver solid market-beating performance and that the multi-asset, multi-manager and multi-styles of our funds have behaved in exactly the right manner. This huge investment in delivering diversification is we believe, unique.

One of the drivers for us to become a pension provider was to be able to control the cost to the end client, without which we would be unable to deliver our own Workplace Pension, under the auto enrolled scheme. Using our advisers, and now a network of hundreds of accountants, we have added hundreds of firms and thousands of employees as clients. We have built a head office function to help us enroll and service these clients, thus bringing our very sophisticated pension to all areas of society. That is true democratisation of finance in action and will be an important feature of our growth story in 2016.

We believe our hybrid business model allows us to make the most of opportunities - a mixture of 20% of the adviser market, direct to consumer products and support for employers, accountants and employees - plus a strong and emerging digital presence ensures ideas can be delivered at a price that benefits the consumer. This is complemented by our active role in inspiring change within the industry. We continue to influence public policy in an attempt to simplify financial products and the regulation of our industry. We do this based on our ability to collect and analyse real evidence. By acting for 20% of the adviser market, we know to the penny, exactly what is being sold and how it is being charged.

This adviser market knowledge is unique. Our Savings Gap consumer study is the largest and most extensive of its type in the UK, giving us a body of growing knowledge of the behaviour and attitude of thousands of consumers.

Finally, the True Potential Centre for the Public Understanding of Finance (PUFin) is a department at The Open University that is dedicated to doing what the name says - researching, including PhDs, the behaviours and mechanisms in the market, and converting that into useful, practical solutions for both consumers, advisers and regulators. More than 86,000 people have signed up for our free and comprehensive courses, with more to come in 2016.

As we go further into 2016, there are lots of scenarios that could lead to more market turmoil. I believe we should simply say that this could be the way we will operate forever. Praying for a smooth environment is foolish, and of course beyond anyone's control. Instead it is clear that True Potential is built for chaos and thrives on it. We continue to innovate - our Managed Portfolio Series is an example of a unique product - a full discretionary managed service incorporating an underlying quality of worldwide fund management, at a cost that is by far the lowest in the market, delivered into the palms of our clients' hands using our own digital tools. We hope to launch an even more innovative product during Q2 2016.

And of course our world-first impulseSave[®] mechanism allows clients to top up their investments from as little as £1, having been able to track their progress against their very own investment goals. Contrast this with the annual statement, written in official gobbledegook that is the normal industry standard. The world is changing and we as an industry disruptor are helping to lead that change. Thank you all for your support - we continue to be: Simple. Effective. Unique.



David Harrison
Managing Partner, True Potential LLP

ONCE AGAIN, 2015 HAS SEEN TRUE POTENTIAL DEMONSTRATE OUR POSITION AS THE UK'S MOST INNOVATIVE FINANCIAL SERVICES GROUP. WE'VE REPORTED STRONG FINANCIAL RESULTS, WON OVER 20 MAJOR AWARDS, BEEN RECOGNISED AS AN INDUSTRY LEADER, DEVELOPED A WORLD-FIRST TECHNOLOGY, CREATED A NEW MARKET, ESTABLISHED OURSELVES AS AN INVESTMENT MANAGER AND EVEN HAD INFLUENCE OVER GOVERNMENT.

THERE'S ALSO THE ADDITION OF A NEW CHAPTER TO OUR STORY AND ONE THAT WILL REWRITE THE HISTORY BOOKS...

THINK BIGGER

Outlook & Opportunities Forum 2016



... WE ARE PLEASED TO ANNOUNCE THAT TRUE POTENTIAL HAS SECURED A SIGNIFICANT INVESTMENT FROM U.S PRIVATE EQUITY FIRM FTV CAPITAL AND WILL TAKE A MINORITY SHARE IN THE BUSINESS.

FTV Capital invests in high-growth companies with innovative solutions, established business models and strong management teams that value their collaborative approach to building great companies.

This is an exciting development in True Potential's history and gives us an excellent platform to continue our rapid growth. It has also allowed us to reward the early investors in True Potential, who have not only invested their own money, but also their time and the trust of their clients.

The partnership with FTV Capital was a clear choice for us due to their strong, proven track record of investing in, and growing, financial services companies. This relationship will help us to expand our technology platform further and continue to add advisers and new products to our platform. We particularly look forward to the partnership and support of Brad Bernstein and Kyle Griswold as they join our board.



2015 KEY ACHIEVEMENTS



The Group had a turnover of £56.7m for 2015



The Group had a net profit of £12.4m for 2015



65,000 private clients currently use the True Potential Wealth Platform



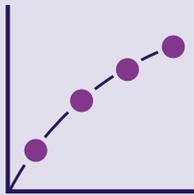
World-first impulseSave® top-up technology has seen over £30.7m of new money invested, with a third £10 or less



Administrators of £52bn of assets on behalf of True Potential end clients (as of 31 December 2015)



Appeared in Deloitte Technology Fast 500 EMEA for three years running and UK Technology Fast 50 the past two years



Launched a range of 10 discretionary Managed Portfolio Series in October 2015



Close to 20% of all UK Financial Advisers use True Potential planning tools to manage their clients' investments



Recognised as the best in the industry with over 20 major award wins

CHAPTERS OF OUR SUCCESS

CHAPTER ONE P.12

ADVICE SERVICE

Since our inception in 2007, True Potential has long since been a valuable partner to Financial Advisers wishing to meet their business objectives. Supported by our exclusive technology, Financial Advisers can tailor their working relationship with True Potential to meet their unique requirements.

CHAPTER TWO P.18

INVESTMENT MANAGER

This year marked the transition of True Potential's investment expertise from a platform to an investment manager and pension provider. Our industry expertise has meant the launch of our True Potential Wealth Strategy Fund and True Potential Managed Portfolio Series.

CHAPTER THREE P.28

DIRECT SUPPORT

With the changing financial landscape of the U.K, we've broadened our offer to work with accountants, payroll specialists, employers and private clients through our Auto-Enrolment software and easy solutions to client-led investments.

True Potential LLP is one of the UK's most innovative financial services groups. Renowned for our dynamic and proactive approach to the ever-changing financial landscape, we've been at the forefront of some of the most exciting revolutions to take place in the industry to date.

We've expanded our reach across the sector, serving financial advisers, private investors and businesses alike.

True Potential is well positioned to meet the needs of advisers and clients as they evolve, with simple, effective and unique solutions, indicative of a market leader. Our approach to unique technology is unmatched and this continues to preface our business model.

The chapters of our success story work in synchronized tandem, setting the scene for an impressive read.

CHAPTER FOUR P.36

ACTIVE INFLUENCER

We are proud of providing services and advice to our wide variety of clients, however we are not content with this alone. We want to shape the financial landscape and make investing in your future finances more profitable. That's why we fund our own research so we can lobby successfully on behalf of the investment community. We also contribute to educational partnerships as we are passionate about inclusive financial education for all.

CHAPTER FIVE P.44

HOW WE DO THIS

Our services and reputation would be nothing without the unique business model which underpins our success. From our truly exclusive technology, to our experienced and talented Board of Directors, we've created a solid back bone to deliver on all of our objectives, with the evidence in our growing list of accolades from industry experts.

CHAPTER SIX P.64

SUCCESS STORY

They say "the proof of the pudding is in the eating" and this is indicative of True Potential. What we set out to achieve has delivered in terms of our returns for advisers, our expanding client base, and our investment from FTV Capital. Our figures for 2015 reflect another year of growth and development for True Potential.

CHAPTER ONE

ADVICE SERVICE

TRUE POTENTIAL WORKS WITH MANY DIFFERENT GROUPS INCLUDING INDEPENDENT AND RESTRICTED FINANCIAL ADVISERS, DIRECTLY AUTHORISED FIRMS, EMPLOYERS AND CONSUMERS DIRECTLY. ALL BENEFIT FROM OUR TECHNOLOGY DRIVEN APPROACH TO PROVIDING SIMPLE, EFFECTIVE AND UNIQUE FINANCIAL SOLUTIONS.





FINANCIAL ADVISERS

Since the launch of True Potential Adviser Services in 2007, working with Financial Advisers has been a huge part of our business; and one that we always seek to refine. Working with different types of advisers means that we endeavour to provide best of breed solutions across the board, meeting those specific needs.

All financial advisers working with us benefit from True Potential solutions such as:

- Market leading back and front office software
- Exclusive use of the award winning Wealth Platform
- Access to world first ImpulseSave® technology
- Full commission and fee collection and reconciliation
- Innovative and proactive compliance and reporting tools

We appreciate the unique spectrum of business models for financial advisers. We work with close to 20% of the UK's financial advisers and we've made it possible for them to tailor these relationships to suit theirs, and their clients' needs.

DIRECTLY AUTHORISED

Directly Authorised Firms benefit from our unique systems and approach, whilst still retaining their brand and business ownership.

Although self-employed and self-sufficient, Directly Authorised Firms are still given full support of True Potential system solutions.



**WE WORK
WITH CLOSE
TO 20% OF
THE UK'S
FINANCIAL
ADVISERS**

TRUE POTENTIAL WEALTH MANAGEMENT PARTNERS

True Potential Wealth Management is our hybrid firm, combining restricted and independent advisers. Wealth Management Partners bring professionalism, expertise and investment experience.

They benefit from a best in market offer and are supported by our in-house Adviser Service Support Team and award-winning back office technology.





TRUE POTENTIAL INVESTMENT MANAGERS

True Potential Investment Managers are a team of talented financial advisers, employed in-house. This team of employed advisers have access to True Potential platform support and also a range of our Investment funds. Reinforced by our brand, Investment Managers are salaried professionals with access to continued Head Office support throughout the clients' journey.

CHAPTER TWO

INVESTMENT MANAGER

**2015 SAW TRUE POTENTIAL
WIDEN ITS INVESTMENT SCOPE
AND ADD FURTHER CONTROL,
CHOICE AND VALUE.**



FEB 2015

In 2014, True Potential received investment permissions from the Financial Conduct Authority (FCA), thus launching our Investment Management Firm in February 2015.

MAR 2015

The first of our True Potential Wealth Strategy Funds were launched in March 2015.

OCT 2015

True Potential also launched our True Potential Managed Portfolio Series in October 2015.





MANAGED PORTFOLIO SERIES & WEALTH STRATEGY FUNDS

Our **Managed Portfolio Series** offers a suite of fully-diversified, discretionary-managed investment solutions. This carefully considered range of portfolios has been orchestrated to optimise on a number of factors for the investor including, reducing cost and risk as well as maximising on long term and risk-adjusted return. We are able to diversify across the range of investment styles which are exhibited by our clients.

The True Potential **Wealth Strategy Fund Range** is a risk-based series of fully-diversified investment solutions. Clients can choose their investment strategy based on their personal attitude to risk as our range is mapped to the five Morningstar risk profiles: Defensive, Cautious, Balanced, Growth and Aggressive.

CHAPTER TWO FUND MANAGER

Our Wealth Strategy Fund Range is backed by our Investment Committee. This dedicated team encompasses a wide range of backgrounds including, investment management, advisory practice and client advocates. This team exercise strong controls and governance over our sub-managers to get the best for our clients. Our current sub-management team includes Goldman Sachs, SEI, Close Brothers, 7IM, Allianz, Schroders and Columbia Threadneedle.





Goldman
Sachs

 **Schroders**

 **COLUMBIA
THREADNEEDLE**
INVESTMENTS

 **Close Brothers**
Asset Management

OUR INVESTMENT APPROACH

As a fund manager, we have made it as simple as possible for clients to track their finances and reach their investment goals. Our unique **True Potential Wealth Platform** and our exclusive **True Potential Pension** encapsulate our belief that a comprehensive view and 24/7 access to their investment profile equips clients to manage their financial future effectively.



24/7 ACCESS

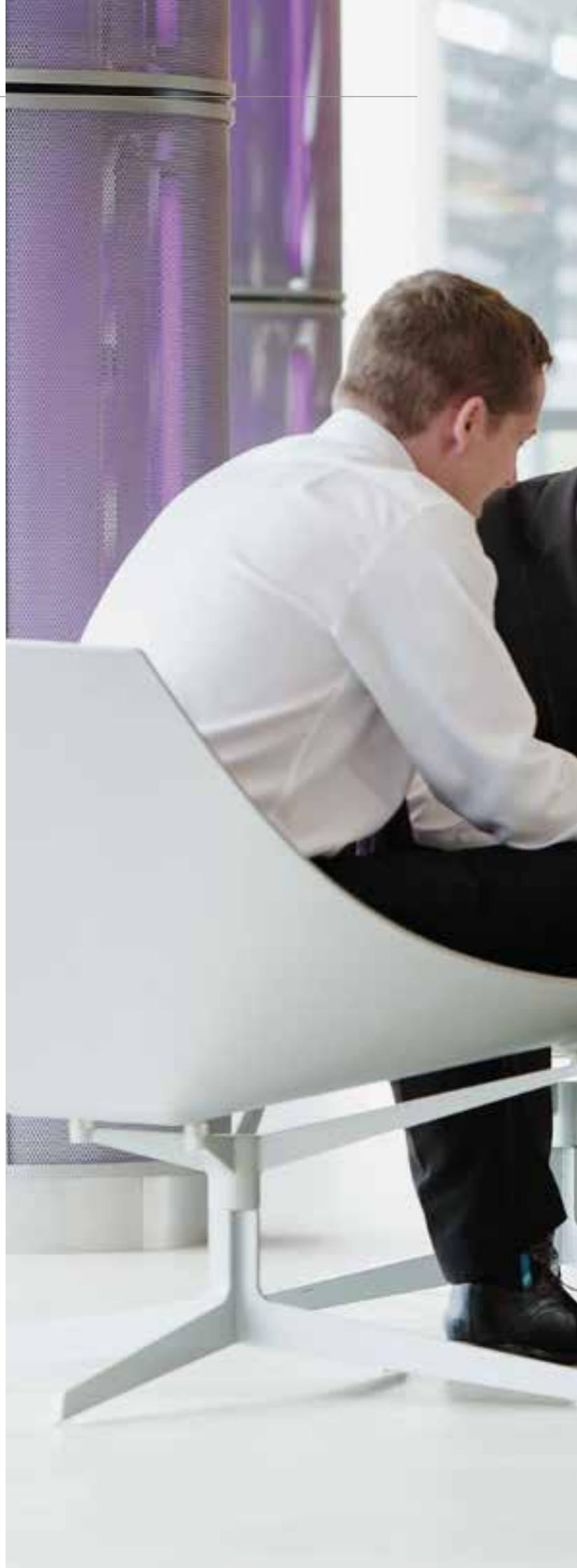


PLATFORM

The **True Potential Wealth Platform** is a fully integrated system that holds our clients' investments. On a daily basis our dedicated professionals re-evaluate each one of these investments and calculate how much they are worth.

Built by our award-winning in-house technology team, the Wealth Platform integrates our world-first top-up technology, **impulseSave®** and our exclusive financial planner **True Potential One®**.

Through the Wealth Platform, investors are able to choose from a variety of investment options. Whether through our Wealth Strategy Fund Range or Managed Portfolio Series, clients are able to invest within our risk-based strategy funds from our world-class investment managers.





TRUE POTENTIAL PENSION

Our **TPI Pension** is unlike any other on the market. What sets us apart from other personal pensions is the instant account access offered to clients, 24/7, via our iOS and android apps. Not only that, but with our award-winning **impulseSave®** technology, clients are able to top-up their pension with as little as £1 whilst on-the-go.

Unlike other personal pensions, our TPI Pension allows clients to not only save tax-efficiently, but harnesses our goal-based approach to investments and our unique technology, helping clients save effectively.

With the ability to open a True Potential Pension from as little as £50, we're handing control back to the investor. We don't believe in setting minimum monthly commitments, transaction or transfer fees or withdrawal penalties. We believe in simple and flexible solutions to clients' retirement goals and through our Wealth Platform, savers can view their full pension pot in one place, anywhere, anytime.

CHAPTER THREE

DIRECT SUPPORT



**OUR EXPANDING REACH WITHIN
FINANCIAL SERVICES MEANS WE
ARE ALSO DEALING DIRECTLY WITH
ACCOUNTANTS, EMPLOYERS AND
ALSO WITH CONSUMERS.**

ACTIVE AUTO ENROLMENT

The Government's flagship auto enrolment programme is set to affect over one million small businesses over the next two years. With few companies prepared, we have used our technology to build a unique solution to a growing problem.

Our new auto enrolment system, available to businesses through True Potential Investor, is designed for the busy employer or their accountant. It's free to use, compliant with the government's regulations, simple to set up and manage and has a dedicated support team.

The system is fully integrated with payroll providers, allowing employers and their accountants to manage auto enrolment without the need for costly and time-consuming middleware. It even deals with all statutory communications to employees. Last year we talked about auto-enrolment being on 'auto-pilot', however, this year our clients have certainly shown they're taking action.

Through 2015 we saw interest in our system grow rapidly with over **£1.5million made in contributions since January 2015**, and **over 1,600 employers** signing up for the service and nearly **2,000 direct debits made**. The number of employees who are benefiting from our auto enrolment system is in excess of **20,000**.

Employers using our solution offer their employees the full True Potential Investor service. Employees get access to funds priced below the government's charging cap of 0.75% as well as our exclusive range of strategy funds. They can manage their pension online and via our iOS and Android apps, as well as make impulseSave® top-ups. Since this system was launched in 2014, there has been a total of **2,760 impulseSave® payments** by auto enrolment clients. The number of clients taking advantage of this unique addition to their wealth management had risen by **2,100%** at the time of publication.

**WITH A HUGE MARKET,
A TECHNOLOGY- BASED
SOLUTION FOR EMPLOYERS
AND TRUE POTENTIAL
INVESTOR FOR EMPLOYEES,
OUR AUTO ENROLMENT
SYSTEM IS A WIN-WIN
AND OUR GROWING
FIGURES REFLECT THAT.**



2%



1%

OCT 2012

From October 2012 - Total Minimum contribution of 2% with a minimum of 1% from Employer



5%



2%

APR 2018

From April 2018 - Total minimum contribution of 5% with a minimum of 2% from Employer



8%



3%

APR 2019

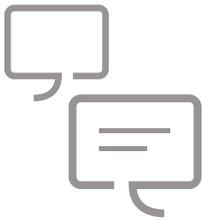
From April 2019 - Total minimum contribution of 8% with a minimum of 3% from Employer.

GOVERNMENT TAX RELIEF ALSO BOOSTS EMPLOYEE CONTRIBUTIONS

ACCOUNTANTS

We work with over 500 accountants. By 2018, 1.8 million firms will be putting their auto enrolment pensions in place for their employees. Working directly with accountants means that True Potential is best placed to help those firms get ready for the implementation of the scheme.

Benefits to Accountants



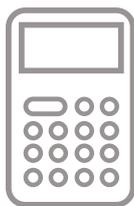
Our technology handles all mandatory communications automatically



Assist employers in staying compliant with regulatory standards



Provide ongoing support, regular reviews and support for your clients



Help employers see the true cost impact of auto enrolment



Help your clients identify all employees eligible for auto enrolment

EMPLOYERS

We are also equipped to work directly with employers seeking a solution to auto enrolment. The organisations can see the same benefits of our True Potential auto enrolment system with employees having access to a complete financial picture from True Potential Investor.

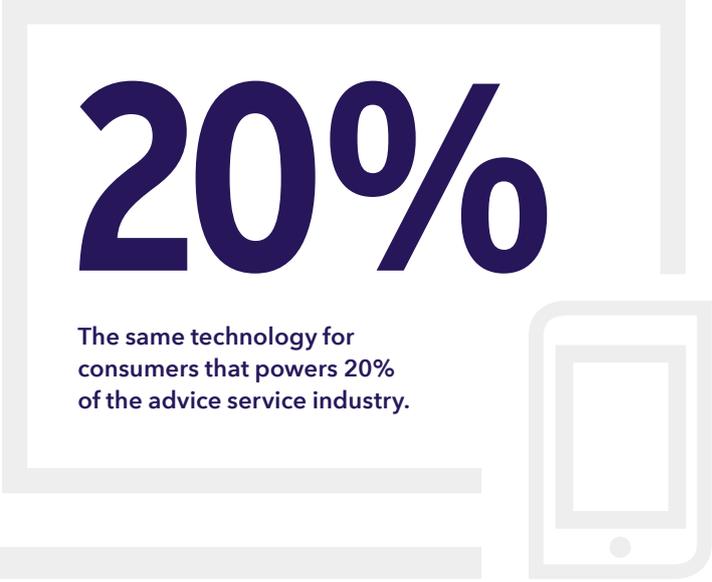
True Potential manages the communication and enrolment of eligible employees, as well as offering a range of risk-rated funds and continued employee support. Busy employers can be rest assured that our purpose-built system removes most of the work.



DIRECT SUPPORT FOR NON-ADVISED CLIENTS

True Potential has developed technology to support consumers directly, which is the same technology that powers 20% of the advice service industry.

True Potential has recognised the impact of an ever-changing financial landscape on private investors. The reduction in the number of financial advisers, and people's attitude towards their investments, has meant it has been essential to adapt the services we offer to comply with consumers wishing to take control of their investments directly, with the launch of True Potential Investor.



20%

The same technology for
consumers that powers 20%
of the advice service industry.



CHAPTER FOUR

ACTIVE INFLUENCER

A person in a dark suit is walking past a stone balustrade. They are carrying a silver laptop and a newspaper titled 'FINANCIAL TIMES'. The scene is outdoors, with the balustrade in the foreground and a building facade in the background.

TRUE POTENTIAL SEEKS NOT ONLY TO PROVIDE AN ALL-ENCOMPASSING SERVICE TO FINANCIAL ADVISERS, ACCOUNTANTS, EMPLOYERS AND CONSUMERS DIRECTLY, BUT WE ALSO ACTIVELY HOPE TO INFLUENCE THE FINANCIAL LANDSCAPE OF THE UK.

CAMPAIGNING FOR BETTER UNDERSTANDING

We take an active role in campaigning for a better and wider understanding of savings and investments in the UK, through our own research and partnerships. In 2015, True Potential continued to support campaigns and initiatives designed to help today's savers achieve the future they want.

We continued our **'Tackling the Savings Gap'** campaign, which uses research to raise awareness amongst the media, decision makers and the public, of the chasm between what people expect from their retirement and what they are really saving.

Conducted quarterly, the research shows that Britons are not saving enough. Millions will face poverty once they stop working, with the State Pension under increasing pressure.

With each survey that questions over 2,000 UK adults, we are building a clearer picture of the state of the British public's finances. With this data, we are armed with the information we need to campaign to change the way people save.

Our findings give a detailed picture of consumer behaviour and form the basis of how we develop our products and services to meet clients' needs. They also enable us to advise decision makers and campaign for the changes that will close the Savings Gap.





SAVINGS GAP KEY FINDINGS FOR 2015



A 35-year-old starting to save for a pension now and hoping to retire at 60 needs to save £52 a day to get a pension of £23,457 per year. However, savers are currently only putting £9.50 aside per day, on average.

£140,000 

People's understanding of the word 'risk' may be costing them a £140,000 return on their investments and see them fall short of the standard of life they expect in retirement.

 **£460,000**

Savers have said that they would need £23,000 as an income per year in retirement to enable them to live comfortably. That would require a pension pot worth at least £460,000.

62% CAUTIOUS **6% GROWTH**



62% of savers identify themselves as being defensive or cautious investors, with only 6% saying they would select a fund designed to deliver capital growth.

 **16%**

Despite 2015's pension reforms, only 16% of people say they plan to change the way they access their pension.

RISK

Savers cite risk as the greatest factor influencing their decision on where to invest.



£238

On average, British savers are putting £238 per month toward their retirement. If this were invested into a balanced portfolio over a 45-year working life, it could achieve approximately £510,000. If the same £238 per month were invested into a cautious portfolio over 45 years, the projected returns reduce by £140,000 to £370,000.



£56

On average, British savers admit to spending £56 per month on impulse purchases such as coffee and snacks, with savers aged 25 to 34 spending £76 a month.



Fewer than 10% of those aged 55 and over have taken out a large sum of money from their pension under their new freedoms.



33%

33% of savers believe they won't be able to retire for any longer than five years.

16%

Despite 2015's pension reforms, only 16% of people say they plan to change the way they access their pension.

66%

Since the recent pension freedoms in April, there has been a 66% increase in the number of savers turning to financial advisers.



76%

76% of respondents rated their understanding of personal finance as 'Satisfactory' or worse, while 81% want more financial education to be provided.

70%✓ 50%✗

70% of financial advice-seeking savers are using a financial adviser, however almost 50% admit to ignoring the financial advice they are given.

FINANCIAL EDUCATION

True Potential continues our partnership with the Open University with whom we launched the True Potential Centre for the Public Understanding of Finance in 2014. Over five years, we have committed to providing £1.4 million in funding to support the Centre's work, which is a pioneering Centre of Excellence for research in the development of personal financial capabilities.

More than 86,000 people have signed up to the 'Managing My Money' and 'Managing my Investments' courses. These are two of three free online courses aimed to improve public understanding of personal finance, with the third course set to be available in April 2016.

We believe that financial education is one of the key ways in which to solve the UK's savings crisis. By supporting the Open University and publications like the Money Manual, we're helping the public take control of their financial futures.

True Potential is also on the advisory board for Tax Incentivised Savings Association (TISA) Savings and Investment Policy Project and actively campaigns directly to politicians to improve conditions for savers, and to reduce burdensome savings related regulation in the UK.



**MORE THAN
86,000 PEOPLE HAVE
SIGNED UP TO THE
'MANAGING MY MONEY'
AND 'MANAGING MY
INVESTMENTS' COURSES**



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The Open University Business School



Personal Finance

The True Potential Centre for the
**Public Understanding
of Finance**



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Understanding the basics



Find out about our research and expertise



Discover what's topical in personal finance



The True Potential Centre for the Public Understanding of Finance (True Potential PUFin) launched in November 2013, with the intention of empowering the UK public to better manage their finances. True Potential PUFin works to improve the public understanding of personal finance through its research and the delivery of free modules providing individuals with the tools to make sound financial decisions. [Read more](#)

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Learn more about this research centre

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Learn more about the people involved in this research centre



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CHAPTER FIVE

HOW WE DO THIS

ONE OF THE FUNDAMENTAL DIFFERENCES TO SAVING AND INVESTING WITH US IS THAT EVERYTHING WE DO IS GOAL-BASED.



GOALS-BASED APPROACH

By encouraging our clients to think about and focus on achieving a personal financial dream, we're tapping into a tried and tested system of success.

It's a formula that works so we encourage every client, advised and non-advised, to use our goal-setting tools to navigate a path towards a successful financial outcome.

INNOVATIONS

The smooth running of True Potential, our products and services and our relationships with our clients are underpinned by our innovative and responsive technology including **impulseSave®**, **True Potential One®** and **True Potential Investor**.

We use our findings from our research with the Open University and our on-going support of the True Potential Centre for the Public Understanding of Finance to shape and adapt our **award-winning technology**.

During 2014, we launched our innovative **impulseSave®** technology and our True Potential Investor client site.

Both platforms have been developed throughout 2015 and are ready to meet the needs of non-advised clients who are seeking to take control of their financial portfolio.



In March 2014 we launched **True Potential Investor**, an online investment service with a difference.

Designed for the general public to make taking ownership of finances easier and more manageable, this site uses our True Potential Wealth Platform technology and was created to bridge the gap between advice and self-directed investments.

Using simple language and an easy-to-use interface, the service helps direct clients to calculate a realistic future goal. From this goal, clients can see how much they will need to invest and for how long. Interactive graphs help clients decide their personal risk profile and comparison tables show the differences between each of our 24 world-class investment funds.

By offering a select range of funds from our partners Goldman Sachs, Allianz, Close Brothers, 7IM, Schroders and SEI, we provide enough choice to clients without overwhelming them.

They can also use the service to get a holistic view of their finances by linking up bank accounts, external investments, other assets and liabilities. With these features, as well as the ability to top-up with **impulseSave®**, True Potential Investor is an innovative online investment and financial planning service.

True Potential Investor was awarded '**Best D2C Platform**' by Professional Adviser at their 2015 awards.

Key Figures for 2015



26% increase in user sessions



Increase of 18% in users



Mobile access up 93.7%



New users using mobile devices
to access TPI is up 88.58%



Page views are up by 65%

RELAUNCH OF CLIENT SITES

True Potential is continuing efforts to streamline and perfect our services. This will culminate in both advised and non-advised clients benefiting from new developments and market leading technology. We're making the overall interface easier to navigate for clients, allowing for a more enjoyable user experience. By making it easier for clients to purchase and invest or transfer an existing investment, we're building a responsive platform.



Clearer calls to action, simplified features, Managed Portfolio Series funds brought to the front of the client experience.



Faster, simplified process. No wet signature required.



Third party service allows us to pull transactional data from clients bank provider to give a more complete picture of financial portfolio.



Faster authentication, new goal setting process, modify attitudes to risk and fund selection.



impulseSave®

impulseSave® is directly linked to our goals-based approach to saving and investing that enables clients to have 24/7 sight of their financial goal and any gap that develops.

With the click of a button, or the tap of a smartphone or smart watch, clients are able to add as little as £1 to their investments.

In 2015, True Potential furthered the capacity for this technology by launching our True Potential Investor app on Apple Watch. Once again, demonstrating our ability to be at the cutting edge of technology when making saving and investing easier.

Throughout 2015, we've seen impressive growth of clients embracing this technology. We saw a **185% increase in terms of total value of impulse saves**, along with a **71% increase in users**, and a **98% increase in the number of payments made**.

Since going live in 2014, there has been a total of **£30.7million** of new investments to date, a third of that relating to amounts of **£10 or less**.

At True Potential, we seek to respond to the needs of our clients and we are evolving our service to anticipate new ways in which to make saving easier. As such, we will be adding new features to our highly successful impulseSave® applications. These new features include **Instant Feedback** on your impulse saves and **Scheduled impulseSave®** notifications.

Scheduled impulseSave® will provide clients with the option to add a reminder via SMS, email or push notification. This will be delegated by each client's preference of how much they would like to save, the frequency and duration of how long the client would like the reminder feature to run. The client will then be able to activate the impulseSave® transaction, or chose to change or cancel the operation.

185%

We saw a 185% increase in terms of total value of impulse saves.

71%

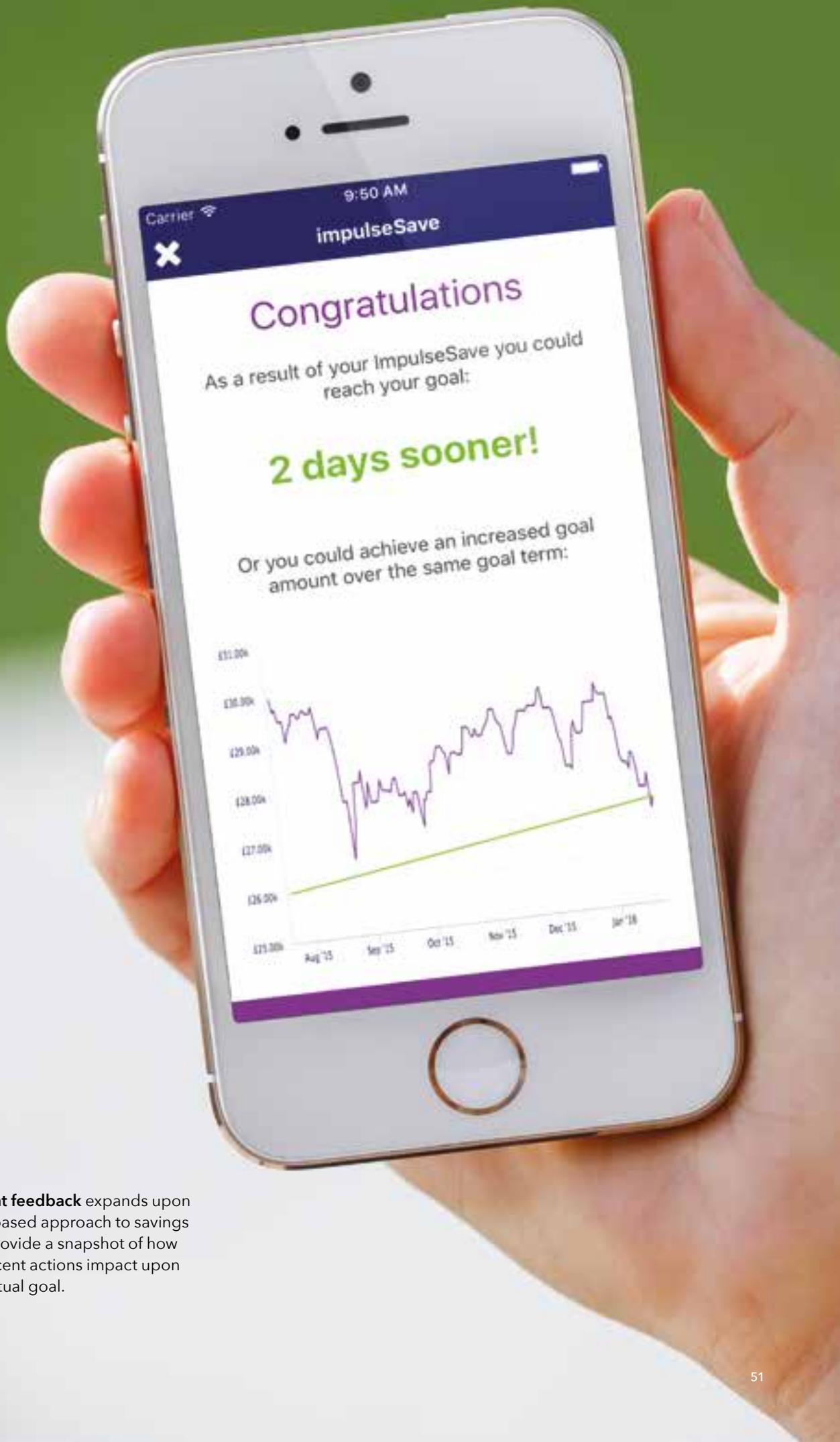
We saw a a 71% increase in users.



A 98% increase in the number of payments made.

£30.7M

£30.7million of new investments to date.



The **instant feedback** expands upon our goal-based approach to savings and will provide a snapshot of how client's recent actions impact upon their eventual goal.

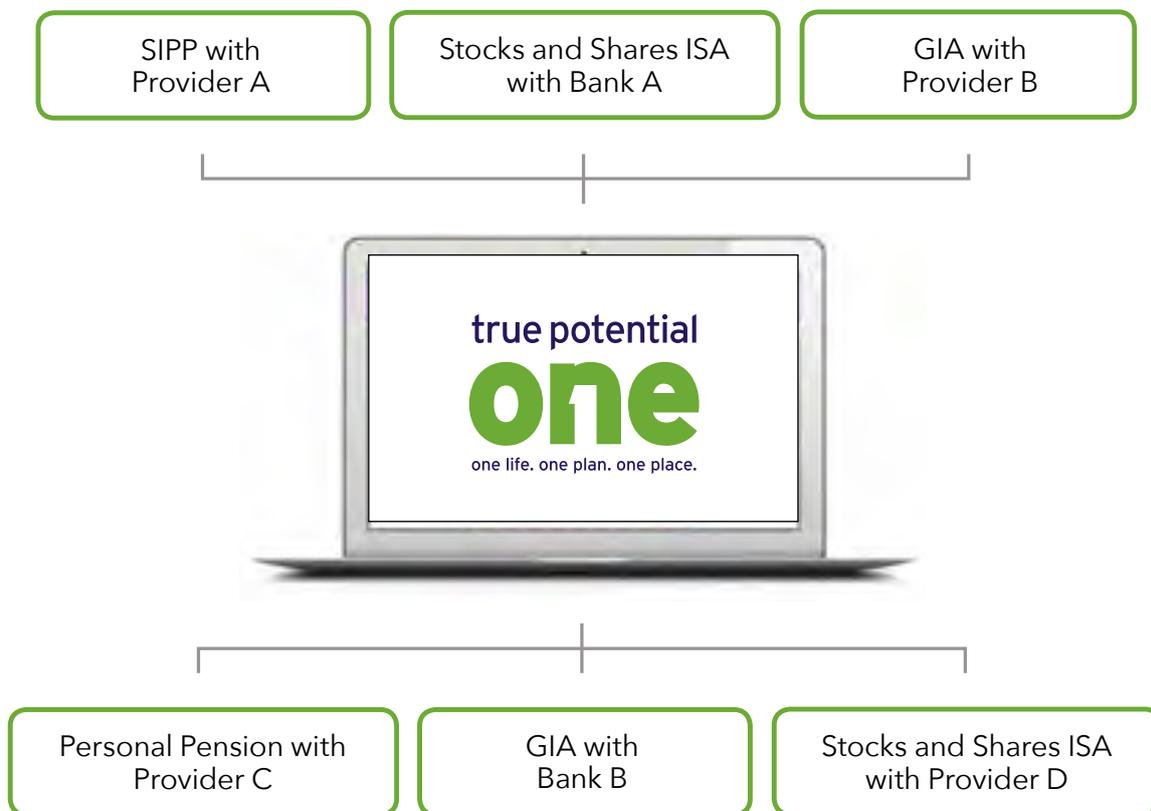
true potential one

one life. one plan. one place.

True Potential One® is our financial planning system that can consolidate a client’s financial profile in one convenient location. We believe in simplicity and empowering clients to reach their financial goals, and True Potential One® offers both.

At True Potential, we know that things can often change which is why we’ve incorporated flexibility in to the system to give clients the ability to update and adjust their plan, whenever and wherever they want.

True Potential One® allows clients to create a financial masterplan. Our unique planner enables clients to look at their life as a whole, breaking down retirement in to stages. It’s a client-led plan that’s as individual as you are.





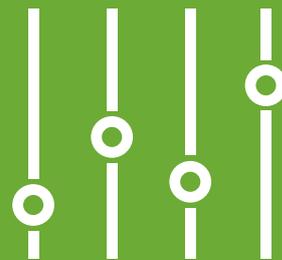
One financial life plan



Plan your retirement spending in detail to set a realistic goal



Consolidate your investments



Flexible planning you can adjust when life changes



Makes it easier to take advantage of new pension freedoms



Top-up investments with impulseSave® to reach your goal

OUR BOARD OF DIRECTORS

DAVID HARRISON

Managing Partner
True Potential LLP

In 1997, David founded financial services firm Positive Solutions and grew the business to the largest in the country, representing 1,900 independent financial advisers (IFAs), with a turnover of £114 million and profits in excess of £1 million a month.

In 2007, David became Managing Partner of Newcastle-based financial services group True Potential LLP, which had a turnover of £56.7 million in 2015 and currently employs 203 staff and Partners.

David oversees the strategic and key business decision areas for the Group and is a crusader for technological advances in financial services. His vision is to foster a nation of educated savers who set clear targets for their future and use technology to reach their goals.

He also believes in the value of building the right savings habits and accessing investments in a way that suits savers' lifestyles. This has led to the development of world-first technology such as impulseSave®, which helps savers top-up their investments from anywhere in the world with as little as £1 at a time.

David invests in technology, chiefly by hiring the brightest developers from the three world-class universities on his doorstep. He currently has 24, most of whom joined the company while still students.

He is a regular commentator on the UK's Savings Gap crisis and has featured in coverage by the BBC, The Times and The Guardian.



DANIEL HARRISON

Senior Partner
True Potential LLP

Daniel began his career as Technology Co-ordinator at financial services firm Positive Solutions, where he provided first line technical support to independent financial advisers (IFAs). Progressing to development, Daniel helped build some of the innovative tools that saw Positive Solutions routinely pick up technology awards.

With his technology background in place, he was appointed Head of Marketing at Positive Solutions. Reporting directly to the Board, Daniel helped build end-client communications and worked with recruitment to help grow Positive Solutions to be the largest firm of its kind.

After eight years in the industry, he helped found True Potential LLP as a Senior Partner. Initially heading up the Group's marketing and technology teams, Daniel helped design, build and market technologies that built the reputation for innovation that the company continues to enjoy.

Daniel has broadened his role further in the past nine years. In addition to continuing to chair the technology board, he has been in charge of delivering a service proposition to more than 4,000 financial advisers and has worked as Head of Operations within True Potential Wealth Management, helping shape regulatory and process decisions for both advisers and the end-client.

As the head of the company's award-winning Wealth Platform, Daniel was instrumental in guiding the development of True Potential's unique client sites and the world-first impulseSave® technology. He believes that technology can help address the UK's savings crisis by creating a more engaging way for people to save and invest.



NEIL JOHNSON

Senior Partner
True Potential LLP

Neil graduated from King's College, Cambridge University and started his career with 'Big Four' accountancy firm PriceWaterhouseCoopers. There, he spent eight years, qualifying as a Chartered Accountant in 1990 and achieving Group Manager Status.

He moved into the financial services industry in 1995 and joined Positive Solutions in 2000 as Finance Director. Neil was promoted to Chief Operating Officer in 2003 and then to Chief Executive Officer in 2006.

He left Positive Solutions in 2007 to set up True Potential LLP and has played a key role in helping the firm to become one of the financial industry's success stories.

During a challenging time for the financial services industry, Neil ensured that True Potential maintained a strong position, with an emphasis on developing an increasingly profitable business model. As a testament to his efforts, True Potential LLP was one of just 67 UK companies to be named in Deloitte's Technology Fast 500 EMEA for 2014 and 2015. True Potential has also been named in Deloitte's UK Technology Fast 50 in both 2014 and 2015.

Building on his success, Neil moved over to become Managing Partner of True Potential Wealth Management with responsibility for growing the business in the years ahead.

Neil is a Fellow of The Institute of Chartered Accountants in England and Wales.



MARK HENDERSON

Senior Partner
True Potential LLP

Mark began his financial services career in private banking with Lloyds, covering investment management and executor and trustee work in the north of England and Scotland. He then moved to Merrill Lynch's International Private Client Division before joining Positive Solutions where he held the position of Director of Wealth Management. Mark is one of the founding partners of True Potential LLP, initially heading up provider relations. In this role, he was responsible for gaining industry-wide agreements that enabled the firm to develop technology for evaluations, electronic payments and commission statements.

Instrumental in building the True Potential Wealth Platform, Mark is responsible for enhancing the platform's product range which now covers ISAs, GIAs, Pensions and Investment Bonds both onshore and offshore. He has also been the key driver in the development of the True Potential Strategy Fund Range, and the continued evolution of the Wealth Platform's product and fund range, as well as its benefits for both advisers and clients.

In 2013, Mark launched two new Goldman Sachs Institutional funds. These are a first of their kind for retail investors, often reserved for ultra high net worth and institutional clients, and available only to True Potential clients. In addition, he helped develop one of the first free pension wrappers in the UK, the TPI Pension.



Most recently, Mark has overseen the establishment of True Potential Investments as an investment management firm and the launch of the Wealth Strategy Fund Range. These multi-asset funds, managed in association with world-class global asset managers have attracted over £1.3bn in assets within the first year.

Further to this, the firm now offers a Managed Portfolios Series of 10 portfolios underpinned by the Wealth Strategy Fund range, both being further examples of True Potential using scale to drive down charges and provide clients with great value and choice to meet their investment goals.

EARL GLASGOW

Senior Partner
True Potential LLP

Since beginning his career with Prudential in 1987, Earl has amassed 28 years of experience in the financial services industry.

During his tenure with Prudential, he quickly moved up the ranks from Financial Adviser to hold management positions within sales, marketing and training. In 2002, he joined Positive Solutions as a Business Consultant, where he had responsibility for building the IFA business in Northern Ireland.

Earl grew his Northern Ireland team from a standing start to over 100 advisers. Based on these results, he was appointed Head of Recruitment in 2005 before joining True Potential as one of the founding partners and Head of Recruitment in 2007.

With a proven track record in building distribution from the ground up, Earl's first responsibility within True Potential was to recruit directly authorised firms into True Potential Adviser Services. Through his efforts, and those of his team, there are now 700 adviser firms using True Potential's technology and support services. That is close to 20% of all UK Financial advisers.

Expanding on the success of True Potential Adviser Services, Earl was instrumental in setting up a new distribution channel in 2012, True Potential Wealth Management. As a former Financial Adviser, he understands what it takes to be successful in today's market.

Earl is also an Associate of the Personal Finance Society.



GEORGE PEEBLES

Non-Executive Partner
True Potential LLP, True Potential
Investments and True Potential
Wealth Management LLP

George is an experienced finance professional and has specialised in the financial services sector for over 15 years. He has worked in corporate finance roles with a major accountancy practice and latterly as Development Director of a major UK life and pensions business.

He is a qualified Chartered Accountant and also holds a law degree.

George joined the True Potential Board as a Non-Executive Partner in 2012, providing oversight on the Group's activities with emphasis on the commercial, financial and risk aspects.



MIKE EDWARDS

Non-Executive Partner
True Potential LLP &
True Potential Wealth Management LLP

Mike has over 40 years experience in the financial services industry, working with firms at a regional and national director level, including Hambro Life and Positive Solutions.

His expertise is in Sales, Marketing and Advisory Management.

Having joined the True Potential Group Board as an Executive Partner in 2012, Mike provides oversight for the Group's sales activities. In 2014, he also assumed an Non-Executive role on the True Potential Wealth Management Board.



BRAD BERNSTEIN

Partner, Head of NY Office
FTV Capital

Brad heads up FTV's New York office and leads investments in enterprise technology & services and financial services.

Brad has over 20 years of private equity experience. Prior to FTV Capital, Brad was a partner at Oak Hill Capital Management and its predecessors where he managed the business and financial services group. He began his private equity career with Patricof & Company Ventures and started his professional career in the investment banking division of Merrill Lynch in New York. Brad received a BA magna cum laude from Tufts University.



KYLE GRISWOLD

Partner
FTV Capital

Kyle currently has investment responsibilities in financial services and payments & transaction processing. Prior to joining FTV Capital, Kyle was an investment banking associate with Berkshire Capital Securities, focusing on transactions in the financial services sector.

Kyle received a BA in Economics and Mathematics from Trinity College and is a CFA® charterholder.



AWARDS

Our unique business model and development of innovative technology has seen us recognised as an industry leader with 2015 being another year True Potential picked up an impressive variety of awards.

Awards

Deloitte UK Technology Fast 50 2015

Deloitte Technology Fast 500 EMEA 2015

Winner of Money Marketing Best Support Service 2015

Highly Commended for 'Best Online Service' at Money Marketing Awards 2015

Winner of Money Marketing Best Use of Technology by an Adviser 2015

Winner of Best innovation & Best User Experience at the 2015 Direct Platform Awards

Highly commended for the 'Best Online Service Award at Investment Life & Pensions Moneyfacts Investment Life & Pensions Awards 2015

Commended for the 'Innovation Award' at Moneyfacts Investment Life & Pensions Awards 2015

Winner of Best D2C Platform Professional Adviser Awards 2015.

Highly commended in the 'Best Platform for Restricted Advisers Professional Adviser Awards 2015.

CHAPTER SIX

OUR SUCCESS STORY



**TRUE POTENTIAL LLP
REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2015**

Registered number OC380771

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Members and advisers for the year ended 31 December 2015

Managing board members

David Harrison (Managing Partner)

Neil Johnson

Mark Henderson

Daniel Harrison

Earl Glasgow

Mike Edwards (Non-executive)

George Peebles (Non-executive)

Brad Bernstein (Non-executive)

Kyle Griswold (Non-executive)

Registered office

Newburn House

Gateway West

Newburn Riverside

Newcastle upon Tyne

NE15 8NX

Bankers

The Royal Bank of Scotland plc

1 Trinity Gardens

2nd Floor Broadchare

Newcastle upon Tyne

NE1 2HF

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Central Square South

Orchard Street

Newcastle upon Tyne

NE1 3AZ

Members' report for the year ended 31 December 2015

The members present their report and the audited consolidated financial statements for the year ended 31 December 2015.

Designated members

The following designated members have held office during the year and to the date of signing of the financial statements:

David Harrison (Managing Partner)
Neil Johnson
Mark Henderson
Daniel Harrison
Earl Glasgow

Principal activities

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

FRS102

This is the first year that the group and partnership has presented its results under FRS 102. Please see note 19 for details.

Post balance sheet event

Please see note 20 for more details.

Policy on members' drawings

The overall policy for members' drawings is to distribute the majority of the profit during the financial year, taking into account the need to maintain sufficient funds to finance the working capital and other needs of the business. The Managing Board sets the level of drawings.

Drawings and other distributions to members are not expensed in profit and loss but recorded directly in members' interests.

Members' profit shares

Any remaining profit after the members' drawings for the year is allocated to the members as set out in the partnership deed and approved by the Managing Board.

Members' responsibilities statement

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

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the group and parent partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law as applied to limited liability partnerships the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the partnership and of the profit or loss of the partnership and group for that period. In preparing these financial statements, the members are required to:

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations.

They are also responsible for safeguarding the assets of the partnership and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement of disclosure of information to auditors

The members confirm that so far as each member is aware, there is no relevant audit information of which the LLP's auditors are unaware; and that each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the annual general meeting.

On behalf of the members



David Harrison
Designated member



Neil Johnson
Designated member

11 March 2016

Independent auditors' report to the members of True Potential LLP

Report on the financial statements

Our opinion

In our opinion, True Potential LLP's group financial statements and limited liability partnership financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the limited liability partnership's affairs as at 31 December 2015 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the consolidated and partnership balance sheets as at 31 December 2015;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated and partnership statements of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the statement of accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the limited liability partnership financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Members' Responsibilities Statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of True Potential LLP (continued)

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the limited liability partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Bill MacLeod (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

11 March 2016

Consolidated statement of comprehensive income for the year ended 31 December 2015

		2015	2014
	Note	£'000	£'000
Turnover	1	56,699	44,424
Cost of Sales		(33,650)	(25,330)
Gross profit		23,049	19,094
Administrative expenses		(10,618)	(8,542)
Operating profit	3	12,431	10,552
Interest receivable and similar income	4	-	3
Interest payable and similar charges	5	(48)	(11)
Profit on ordinary activities before taxation		12,383	10,544
Tax on profit on ordinary activities	6	(12)	-
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members		12,371	10,544
Other comprehensive income		-	-
Total comprehensive income		12,371	10,544

All operations are continuing.

There is no difference between the profit for the financial year above and the historic cost equivalent.

Consolidated balance sheet as at 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Goodwill	8	108	120
Intangible assets	8	541	12
Tangible assets	9	988	1,129
		1,637	1,261
Current assets			
Debtors	11	6,168	3,492
Cash at bank and in hand		8,582	4,104
		14,750	7,597
Creditors: amounts falling due within one year	12	(5,019)	(2,045)
Net current assets		9,731	5,552
Net assets attributable to members		11,368	6,813
Members' other interests			
Members' capital		-	447
Loans and other debts due to members		11,368	6,366
Total members' interests		11,368	6,813

These financial statements on pages 72 to 90 were approved by the board of members on 11 March 2016 and are signed on their behalf by:



David Harrison
Designated member

11 March 2016

Registered number OC380771



Neil Johnson
Designated member

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Registered number OC380771

Partnership balance sheet as at 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Tangible Assets	9	315	316
Investment in subsidiary undertakings	10	2,484	2,484
		2,799	2,800
Current assets			
Debtors	11	1,472	1,076
Creditors: amounts falling due within one year	12	(18,738)	(7,790)
Net current liabilities		(17,266)	(6,714)
Total assets less current liabilities		(14,467)	(3,914)
Net liabilities attributable to members		(14,467)	(3,914)
Members' other interests			
Members' capital		-	447
Loans and other debts due from members		(14,467)	(4,361)
Total members' interests		(14,467)	(3,914)

These financial statements on pages 72 to 90 were approved by the board of members on 11 March 2016 and are signed on their behalf by:



David Harrison
Designated member

11 March 2016



Neil Johnson
Designated member

Registered number OC380771

Consolidated statement of changes in equity

Group	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors	Total
	Members' capital	Other reserves	Total		
	£'000	£'000	£'000		
At 1 January 2015	447	-	447	6,366	6,813
Profit for the financial year available for discretionary distribution among members	-	12,371	12,371	-	12,371
Members' interests after profit for the year	447	12,371	12,818	6,366	19,184
Members' interests-capital withdrawn	(447)	-	(447)	-	(447)
Divisions of profit	-	(12,371)	(12,371)	12,371	-
Drawings	-	-	-	(3,738)	(3,738)
Other distribution	-	-	-	(3,631)	(3,631)
Members' interests 31 December 2015	-	-	-	11,368	11,368

Group	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors	Total
	Members' capital	Other reserves	Total		
	£'000	£'000	£'000		
At 1 January 2014	2,000	-	2,000	(671)	1,329
Profit for the financial year available for discretionary distribution among members	-	10,544	10,544	-	10,544
Members' interests after profit for the year	2,000	10,544	12,544	(671)	11,873
Members' interests-capital withdrawn	(1,553)	-	(1,553)	-	(1,553)
Divisions of profit	-	(10,544)	(10,544)	10,554	-
Drawings	-	-	-	(3,507)	(3,507)
Members' interests 31 December 2014	447	-	447	6,366	6,813

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Registered number OC380771

Partnership statement of changes in equity

Partnership	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors	Total
	Members' capital	Other reserves	Total		
	£'000	£'000	£'000		
At 1 January 2015	447	-	447	(4,361)	(3,914)
Loss for the financial year available for discretionary distribution among members	-	(2,954)	(2,954)	-	(2,954)
Members' interests after loss for the year	447	(2,954)	(2,507)	(4,361)	(6,868)
Members' interests-capital withdrawn	(447)	-	(447)	-	(447)
Divisions of loss	-	2,954	2,954	(2,954)	-
Drawings	-	-	-	(3,521)	(3,521)
Distribution of profit	-	-	-	(3,631)	(3,631)
Members' interests 31 December 2015	-	-	-	(14,467)	(14,467)

Partnership	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors	Total
	Members' capital	Other reserves	Total		
	£'000	£'000	£'000		
At 1 January 2014	2,000	-	2,000	(437)	1,563
Loss for the financial year available for discretionary distribution among members	-	(417)	(417)	-	(417)
Members' interests after loss for the year	2,000	(417)	1,583	(437)	1,146
Members' interests-capital withdrawn	(1,553)	-	(1,553)	-	(1,553)
Divisions of loss	-	417	417	(417)	-
Drawings	-	-	-	(3,507)	(3,507)
Members' interests 31 December 2014	447	-	447	(4,361)	(3,914)

Consolidated statement of cash flows for the year ended 31 December 2015

		2015	2014
	Note	£'000	£'000
Net cash inflow from operating activities	14	12,990	9,058
Cash flows from investing activities			
Purchase of tangible fixed assets		(79)	(350)
Purchase of intangible fixed assets		(569)	-
Purchase of subsidiary (net of cash acquired)		-	(109)
Net cash outflow from investing activities		(648)	(459)
Cash flow from financing activities			
Interest received		-	3
Interest paid		(48)	(11)
Payments to members		(7,369)	(3,507)
Capital withdrawals by members		(447)	(1,553)
Net cash outflow from financing activities		(7,864)	(5,068)
Net increase in cash and cash equivalents		4,478	3,531
Net increase in cash and cash equivalents			
		2015	2014
	Note	£'000	£'000
Net increase in cash and cash equivalents		4,478	3,531
Cash and cash equivalents at 1 January		4,104	573
Cash and cash equivalents at 31 December	15	8,582	4,104

Statement of accounting policies

Statement of compliance

These financial statements are prepared in compliance with the Companies Act 2006 as applicable to LLPs, the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" and applicable accounting standards in the United Kingdom, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

The principal accounting policies, which have been applied consistently throughout the year, are set out below. Details of the transition to FRS 102 are disclosed in note 19.

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the companies Act 2006 as applicable to LLPs. The members consider this to be appropriate due to the cash generative and profitable nature of the group. The principal accounting policies, which have been applied consistently throughout the year are set out below.

Basis of consolidation

The consolidated financial statements include the results of True Potential LLP and all of its subsidiary undertakings up to 31 December 2015. No profit and loss account for the parent partnership has been presented as permitted by Section 408 of the Companies Act 2006. Uniform accounting policies are used in all entities within the group.

Turnover

Turnover represents fees earned in respect of work carried out in the year in the ordinary course of business. Turnover for the group arises fully within the UK. For amounts receivable by asset providers, revenue is recognised on an accruals basis and is driven by the amount of assets held on the provider's platform and an agreed margin applied.

For commissions due to the group arising from transactions made via associated Independent Financial Advisers, revenue is recognised when cash is received by the group as prior to this point the value of goods and services provided cannot be reliably measured.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided at rates calculated to write off the cost of tangible fixed assets less estimated realisable value by annual instalments over their expected useful lives.

The rates applicable on a straight line basis are as follows:

Fixtures, fittings and equipment: **10% - 33 1/3%**
Short leasehold buildings: **length of lease**

Intangible fixed assets and amortisation

Goodwill represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill is eliminated by amortisation through the profit and loss account over 10 years on a straight-line basis, which is the presumed useful economic life of goodwill under FRS 102.

Other intangible fixed assets are stated at cost less accumulated amortisation.

Cost includes the original purchase price of the asset. Amortisation is provided at rates calculated to write off the cost of intangible fixed assets less estimated realisable value by annual instalments over their expected useful lives.

The rates applicable on a straight line basis are as follows:

Formation costs **20%**
Other intangibles **10%**

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Provisions

Provisions are recognised when there is a present obligation, as result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of that obligation can be made. Provisions for restructuring measures are made when a detailed, formal plan for the measures exists and well-founded expectations have been created among those who will be affected by the measures.

Investments in subsidiary undertakings

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

Income tax

Income tax payable on the LLP's profits is solely the personal liability of the individual members and consequently is not dealt with in these financial statements, other than tax attributable to one subsidiary in the group which is a limited company.

Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contribution payable in the year.

Exceptional items

The group classifies certain one-off charges or credits that have a material impact on the group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the group.

Notes to the financial statements for the year ended 31 December 2015

1. Turnover

Turnover represents fees earned in respect of the financial services activities of the group. Turnover is attributable to the group's continuing principal activity and arose wholly within the United Kingdom.

2. Employee information

The monthly average number of employees during the year was:

	2015	2014
	Number	Number
Management and administration	155	139

Staff costs	£'000	£'000
Wages and salaries	4,110	3,718
Social security costs	392	361
Other pension costs	29	7
	4,531	4,086

3. Operating profit

This is stated after charging:

	2015	2014
	£'000	£'000
Depreciation of owned fixed assets	220	238
Amortisation of intangible assets	53	11
Auditors' remuneration - audit of group financial statements	48	41
- non-audit - taxation services	14	9
Operating lease rentals - land and buildings	762	634

Notes to the financial statements for the year ended 31 December 2015 (continued)

4. Interest receivable and similar income	2015	2014
	£'000	£'000
Bank interest receivable	-	3

5. Interest payable and similar charges	2015	2014
	£'000	£'000
Interest payable on borrowings	48	11

6. Tax on profit on ordinary activities

a) Analysis of tax charge for the year	2015	2014
	£'000	£'000
Current tax:		
United Kingdom corporation tax on profits of the year	12	-
Total current tax	12	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	12	-

Notes to the financial statements for the year ended 31 December 2015 (continued)**6. Tax on profit on ordinary activities (continued)**

The tax assessed for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%). The differences are explained below:

b) Factors affecting the current tax charge for the year	2015	2014
	£'000	£'000
Profit on ordinary activities before taxation	12,371	10,544
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%)	2,505	2,267
Effects of:		
LLP profits not subject to corporation tax	(2,493)	(2,267)
Total tax charge for the year	12	-

c) Factors that may affect the future tax charge

The tax rate for the current year is lower than the prior year due to changes in the UK corporation tax rate which decreased from 21% to 20% from 1 April 2015.

Further reductions to UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 on 18 November 2015. This reduces the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

Notes to the financial statements for the year ended 31 December 2015 (continued)

7. Profit and loss account

As permitted by Section 408 of the Companies Act 2006, the parent partnership's profit and loss account has not been included in these financial statements. The parent partnership's loss for the financial year was £2,954,000 (2014: £417,000).

8. Intangible assets

Group	Goodwill	Other intangibles	Total
	£'000	£'000	£'000
Cost			
At 1 January 2015	120	53	173
Additions	-	570	570
At 31 December 2015	120	623	743
Accumulated amortisation			
At 1 January 2015	-	41	41
Charge for the year	12	41	53
At 31 December 2015	12	82	94
Net book value			
At 31 December 2015	108	541	649
At 31 December 2014	120	12	132

Notes to the financial statements for the year ended 31 December 2015 (continued)

9. Tangible assets

Group	Fixtures, fittings and equipment	Short leasehold buildings	Total
	£'000	£'000	£'000
Cost			
At 1 January 2015	2,083	77	2,160
Additions	79	-	79
At 31 December 2015	2,162	77	2,239
Accumulated depreciation			
At 1 January 2015	993	38	1,031
Charged during the year	210	10	220
At 31 December 2015	1,203	48	1,251
Net book value			
At 31 December 2015	959	29	988
At 31 December 2014	1,090	39	1,129

Notes to the financial statements for the year ended 31 December 2015 (continued)

9. Tangible assets (continued)

Partnership	Fixtures, fittings and equipment	Total
	£'000	£'000
Cost		
At 1 January 2015	335	335
Additions	37	37
At 31 December 2015	372	372
Accumulated depreciation		
At 1 January 2015	19	19
Charged during the year	38	38
At 31 December 2015	57	57
Net book value		
At 31 December 2015	315	315
At 31 December 2014	316	316

10. Investments in Subsidiary Undertakings

Partnership	Subsidiary undertakings
	£'000
Cost and net book value	
At 1 January and 31 December 2015	2,484

Notes to the financial statements for the year ended 31 December 2015 (continued)

Details of investments held by the partnership are as follows:

Subsidiary undertakings	Country of registration	Proportion of ordinary shares held	Nature of business
True Potential Adviser Services LLP	England and Wales	100%	Provision of services to financial services distribution firms
True Potential Investments LLP	England and Wales	100%	Provision of a Wealth Platform
True Potential Wealth Management LLP	England and Wales	100%	Wealth Management Firm
True Potential Trustee Company Limited	England and Wales	100%	Pension Trustee
True Potential Associate Partners Limited	England and Wales	100%	Wealth Management Firm

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

11. Debtors

	Group		Partnership	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Other debtors	4,353	2,655	560	740
Prepayments and accrued income	1,815	837	912	336
	6,168	3,492	1,472	1,076

Notes to the financial statements for the year ended 31 December 2015 (continued)

12. Creditors: amounts falling due within one year

	Group		Partnership	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Trade creditors	806	217	84	5
Amounts due to group undertakings	-	-	13,765	7,678
Taxation and social security	132	99	-	-
Pension Contributions	7	6	-	-
Other creditors	2,812	670	-	-
Accruals and deferred income	1,262	1,053	61	-
Overdraft	-	-	4,828	107
	5,019	2,045	18,738	808

The balances owed by group undertakings are all unsecured, interest free and have no fixed date of repayment

13. Total members' interests

Members' capital contributions are determined by reference to the working capital needs of the business. Individual members' capital contributions are set by the Managing Board.

The amount in respect of the highest paid member in the year ended 31 December 2015 is £448,570 (2014: £225,817).

The total key management personnel compensation for the year is £950,570 (2014: £440,000).

Loans and other debts due to members rank in priority to other unsecured creditors.

Notes to the financial statements for the year ended 31 December 2015 (continued)

14. Notes to the statement of cash flows

Reconciliation of operating profit to net cash inflow from operating activities

	2015	2014
	£'000	£'000
Profit for the financial year	12,371	10,544
Net interest expense	48	8
Tax on profit on ordinary activities	12	-
Operating profit	12,431	10,552
Depreciation	220	238
Amortisation of intangibles	53	11
Increase in debtors	(2,676)	(1,308)
Increase in creditors	2,974	(435)
Corporation tax paid	(12)	-
Net cash inflow from operating activities	12,990	9,058

15. Analysis of net funds

Analysis of changes in net funds

	At 1 January 2015	Cash Flow	At 1 December 2015
	£'000	£'000	£'000
Cash at bank and in hand	4,104	4,478	8,582
Net funds	4,104	4,478	8,582

Notes to the financial statements for the year ended 31 December 2015 (continued)

16. Operating lease commitments

The group had the following future minimum lease payments under non-cancellable operating leases expiring for each of the following periods:

	2015	2014
	£'000	£'000
Not later than one year	477	523
Later than one year and not later than five years	1,845	1,929
Later than five years	2,086	3,509
	4,408	5,961

17. Related party transactions

True Potential LLP has taken advantage of the exemptions available under FRS8 "Related Party Disclosures" from disclosing related party transactions with group undertakings.

18. Ultimate controlling party

The ultimate controlling party is the Managing Board of members, as listed on page 1.

19. Transition to FRS 102

This is the first year that the group and partnership has presented its results under FRS 102. The last financial statements under old UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2015. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 December 2014 and the total members' interests as at 1 January 2014 and 31 December 2014 between old UK GAAP as previously reported and FRS 102.

Notes to the financial statements for the year ended 31 December 2015 (continued)

Reconciliation of profit for the year

Analysis of changes in net funds

There were no differences in figures previously presented in the Annual report for year ended 31 December 2014 under UK GAAP and figures presented here under FRS 102.

	31 December 2014
	£'000
Profit for the year as previously reported under UK GAAP	10,544
Profit for the year as reported under FRS 102	10,544

There were no differences in figures previously presented in the Annual report for year ended 31 December 2014 under UK GAAP and figures presented here under FRS 102.

20. Post balance sheet event

On 27 January 2016 FTV-True LLC completed an investment into the Firm and the Group and became a Partner in the Firm. Brad Bernstein and Kyle Griswold have joined the Group Managing Board as Non-Executive Partners representing FTV.



True Potential LLP

Registered Head Office: Newburn House, Gateway West, Newburn Riverside, Newcastle upon Tyne, NE15 8NX
London Office: 42-44 Grosvenor Gardens, Belgravia, London, SW1W 0EB

T: 0871 700 0007 E: discover@tpllp.com www.tpllp.com