

True Vision

Our goal has always been to revolutionise the way Wealth Management is delivered to clients. We believe the best way to achieve this is by owning and excelling in every area of the client journey.

By having ownership of the entire client journey, we integrate these areas to create an offering that is truly differentiated in the market. This creates a unique proposition, providing genuine value to clients.



We offer a pioneering, fee-free discretionary fund management service and our own tax-efficient products.



Providing best in class, 24/7 access to investments and world-first features to simplify investing for clients.



Our large-scale distribution channels deliver high-quality financial advice across the nation.

Foreword



2018 was another exceptional year for True Potential. During the year I accepted the Executive Chairman's role, promoting a new CEO, Daniel Harrison, whilst bringing in even younger, but

highly experienced blood in many parts of the firm. That work, of refreshing, of constantly changing and improving our business model early, continues.

The markets were at their most volatile and difficult since the financial crisis. A mixture of political hypocrisy ranging from Trump, to the European Technocrats, to our own dismal political performance, where political dithering and opportunism seems to trump (definitely no pun intended) national common sense, created a volatile scenario for stock and currency markets worldwide.

Many firms say they like chaos and disruption, as they think it makes them sound interesting and trendy, but as can be seen by their share price and business results, that is not the case for the vast majority, especially those entrenched in rigid corporate structures and yet to grasp true digital integration. It was also not the case for the funds that consumers invest in, with huge amounts of clients being frightened or guided into cash, exactly the opposite

of what True Potential recommended. The results of those decisions can now be clearly seen; those who remembered and were advised that they were in long term funds and held or even bought more, are now hugely better off than those who tried to play the markets. The bulk of upward share and currency movements happen in seconds, at most days and defy experts to get their timing right. Time in the market, not market timing.

Conversely True Potential enjoyed its best year yet, its funds did exactly as they said they would, and we continued to attract large amounts of net investment throughout, feeding through into our business, the detail of which is in these accounts.

Thriving in chaotic times requires certain principles, embedded deeply in a differentiated business model. One of these is diversification - diversity of people, of business sources, of clients, of investment types, of geographical destination, of currency. Diversification means that all your eggs are not in the same baskets, never mind basket. However, without the ability to pull all these parts together, large-scale diversification, as we have, inevitably is unmanageable and inefficient. The benefits of internet technology mean we have one intelligent platform on which sit our clients, our firm, and our clients' investments. The gap between a client's investment and their fund is virtually nil, as is the integration and thus intelligence into the firm's infrastructure.

I am very confident that True Potential is only beginning to show the effects of their digitally integrated model, which is after all one of opportunity. Rather than spend huge amounts on branding and its attendant preening and posing consultants, we simply provide opportunity. Our clients, like our advisers and our staff are individuals, not a convenient cohort designated by wealth, age, or class. It's not who they are, it's what they want. Once again diversification comes into play.

Finally, our role in providing opportunity extends beyond the obvious. We are a founding partner of the national Social Mobility Pledge and, as can be seen by the diversity and equality of our staff, we are enthusiastic followers of a way of working that could transform not just many lives, but also the way businesses and people think about our country - there are clever, hard working people everywhere, but opportunity isn't distributed everywhere.

True Potential is changing that.

David Harrison
Chairman, True Potential LLP

Views from Our Chief Executive



2018 was our best year yet at True Potential with a 23% increase in our turnover to £121 million and a 49% increase in profits to £35 million.

It also saw us undertake some key developments within the group.

We bolstered our Management Team through the internal promotion of Jamie Sexton, Laura Robinson and Gregg Lang to the Senior Partner team. All three individuals add a collective 30 years of True Potential experience to the team and each adds their own valuable insights into how best to serve our proposition to our clients. Steve Hutton has joined as head of True Potential Wealth Management, bringing a wealth of knowledge with funds and adviser distribution to the team.

The Investment Management team have further bolstered their True Potential Portfolio proposition with the addition of their Growth Aligned Funds. Uniquely positioned, these new funds have introduced a 'share of growth' mechanism, meaning that if we outperform, then we share a higher fee from clients.

A true 'win-win' approach, that very much resonates with one of our founding principles of always putting the client first.

Our True Potential Portfolios provide Advanced Diversification for investors against market volatility. As part of our proposition, we manage over 9,000 investment experts in 200 locations to ensure our Portfolios help clients do more with their money. Since their launch in October 2015, we've seen significant investment in our Portfolios, with £5.2 billion invested at the end of 2018. Now in the first quarter of 2019, we already have close to £6 billion invested.

Another of our founding principles has been one of innovation and how it can transform our proposition for the benefit of all involved. Bucking the industry trend of outsourcing our Investment Platform technology (and thus paying the heavy financial and delay costs that seem to be affecting our peers), we decided to design and build our True Potential Platform in-house.

This has allowed us to innovate at speed and have complete control, making our proposition more powerful than ever before and I'm proud to say we finished the year with £7.7 billion on the Platform, which has already risen to £8.2 billion at the time of writing, having seamlessly migrated all assets over.

I would like to place on the record a big 'well done' to the team who have overseen this successful piece of work and also a thank you to all of our advisers who have helped us through this process.

We are proud of our growth to date, but the future is an exciting opportunity to add to our story and the Management Team and I believe that there is a lot more work to be done yet to help achieve our aim of revolutionising how wealth management is delivered.

Daniel Harrison
Chief Executive, True Potential LLP



True Investment Management

We created our own Investment Management Firm to ensure we could offer world-class, low-cost investment products to clients.

By seamlessly integrating our products with our distribution channels and proprietary technology, we provide an unmatched investment experience for clients seeking to invest over the long-term.

Our Products

As a Pension Administrator and ISA Manager, we're able to offer fee-free, tax-efficient wrappers. By reducing the overall cost of investing, this strategy helps us attract and retain long-term investors.

Our Funds

Thanks to our scale, we've been able to partner with 10 world-class Fund Managers to create a range of **34 multi-asset funds**. As the Fund Managers work for us, we are able to use our oversight to ensure the funds are being managed with the clients' best interests in mind.

As we've grown the value invested in these funds, we've been able to consistently reduce costs, which we then pass on to clients.

Our Portfolios

Building on the success of our funds, in October 2015 we launched our True Potential Portfolios which have since seen **close to £6 billion invested**.

With our Portfolios, we're pioneering what we call Advanced Diversification. Building on the strength of multi-asset funds, we add an extra layer of expertise by diversifying through investment strategy too.

We know that no one can accurately and consistently predict the markets, there will always be winners and losers. The key to managing this is having a well-diversified investment, allowing investors to make the most of market opportunities and mitigate risks.

While most investments have some degree of diversification, often by investing in a range of asset classes, industries and regions, they usually follow the strategy of one Fund Manager, which may not always produce the best outcome.

That's because each strategy behaves differently in different market conditions. In today's fast-moving world, the power to quickly move a Portfolio from one strategy to another as markets change is invaluable.

Doing so at the scale we offer, with over 200,000 holdings to consider, is unmatched in the industry.

What's more, there is no fee for this unique approach to discretionary fund management.

£8.2 billion*

invested on our Platform

£6.4 billion*

invested in our funds

£5.7 billion*

invested in our Portfolios

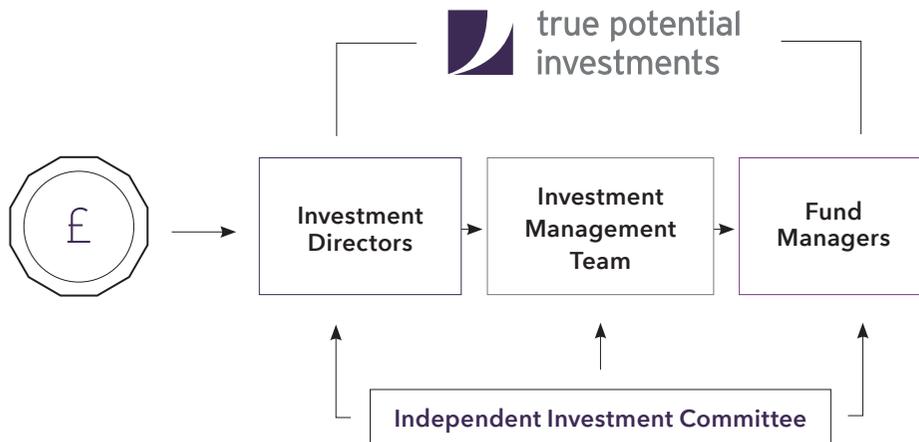


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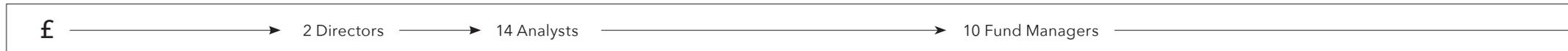
True Investment Management

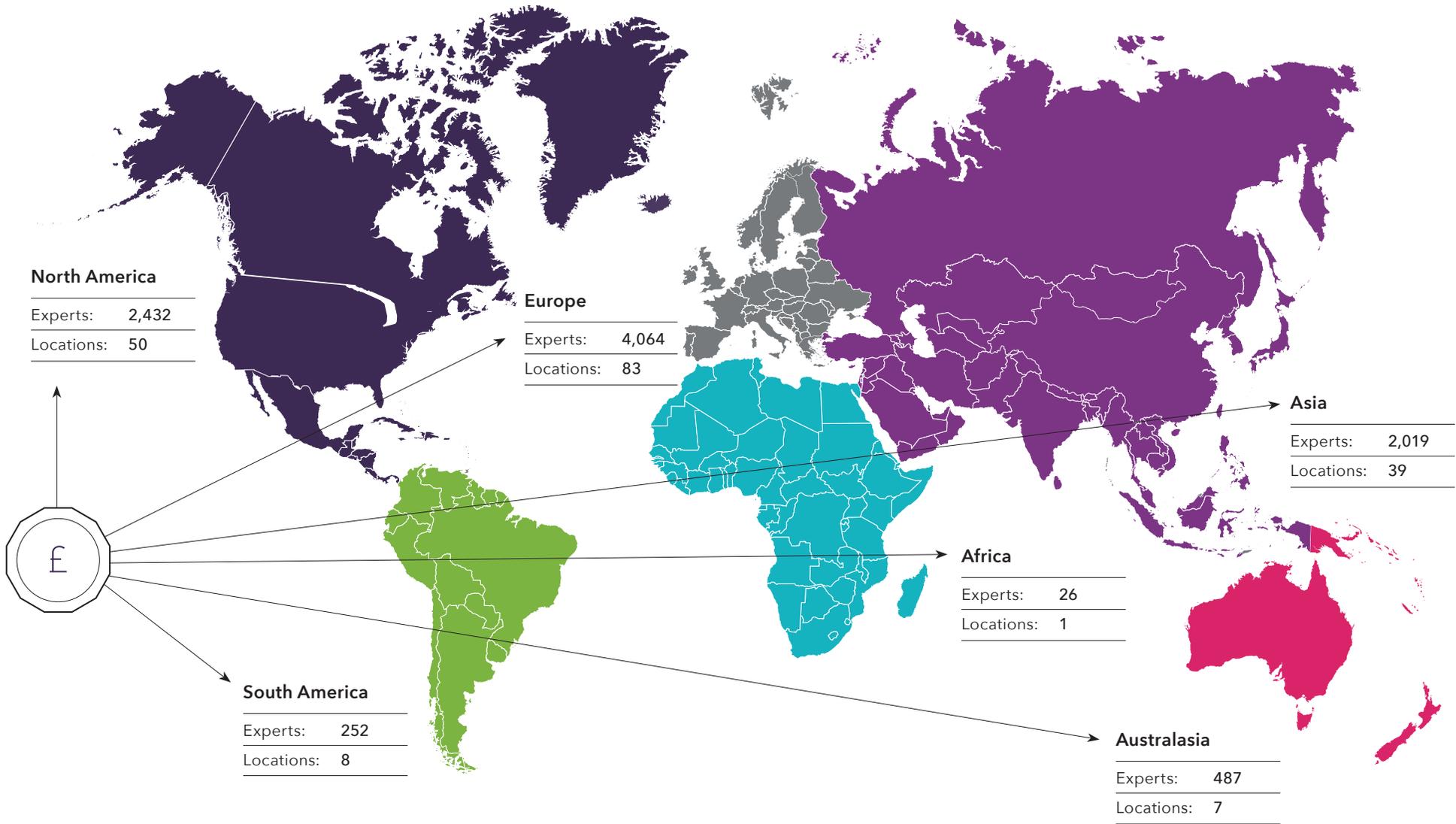
Our unique blend of carefully-selected Fund Managers report directly to us. This means we can ensure that all of the funds within our Portfolios work with you in mind.

Every pound our clients trust us with is expertly managed across 200,000 holdings.



 Experts: 3,600	 Experts: 700
 Experts: 2,000	 Experts: 300
 Experts: 600	 Experts: 700
 Experts: 550	 Experts: 450
 Experts: 350	 Experts: 30







True Innovation

From the very beginning, we've prided ourselves on creating end-to-end technology aimed at simplifying investing. We are constantly innovating to ensure every part of our business benefits from our technology, which provides simple, effective and unique financial solutions to advisers and clients.

All our technology is purpose-built in-house by a team of over 35 developers, enabling us to be fully responsive to changes in the market. We have never been one to stand still and become complacent. In 2018, our in-house developers and Investment Management Team worked closer together to create an even more seamlessly integrated financial experience for clients.

Our Back Office

Thanks to our purpose-built technology, we are able to provide business support at scale to 3,858 financial advisers. We've paid out commissions and fees to the penny, every single day, totaling over £1.8 billion since launch. In 2018, our technology-led approach has enabled us to complete 94,038 interactions with clients and advisers.

Through our Compliance Framework technology and personal approach, we make compliance business-as-usual for adviser firms. In a busy 2018, the compliance team completed 1,015 bi-annual and annual reviews, 3,468 cases were checked for suitability and 725 Retail Mediation Activities Returns filed. In the final quarter

of 2018, we announced our integrated suitability review process, ahead of MiFID II requirements in January 2019. This latest technology launch demonstrates we are again ahead of the competition and ensures our firms are ready for any regulatory and legislative changes.

Our Investment Platform

The True Potential Platform is seamlessly integrated with our Back Office, saving advisers valuable time by reducing hours of administration. By building it ourselves, our Platform does exactly what we want it to do and our in-house team can innovate in real-time adapting to market changes almost instantaneously.

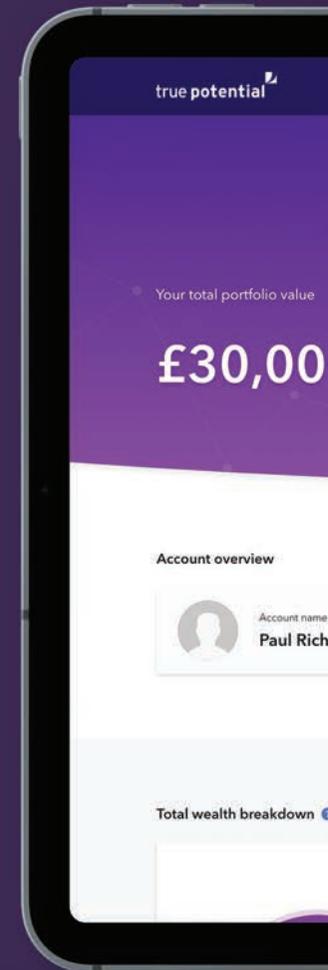
With over £8.2 billion on our Investment Platform, over £2 billion of which was added in 2018, it's more important than ever that our solution is capable of scaling at speed. By adopting the latest technologies including Blockchain, we've ensured that our Platform is future-proof and more powerful than ever before.

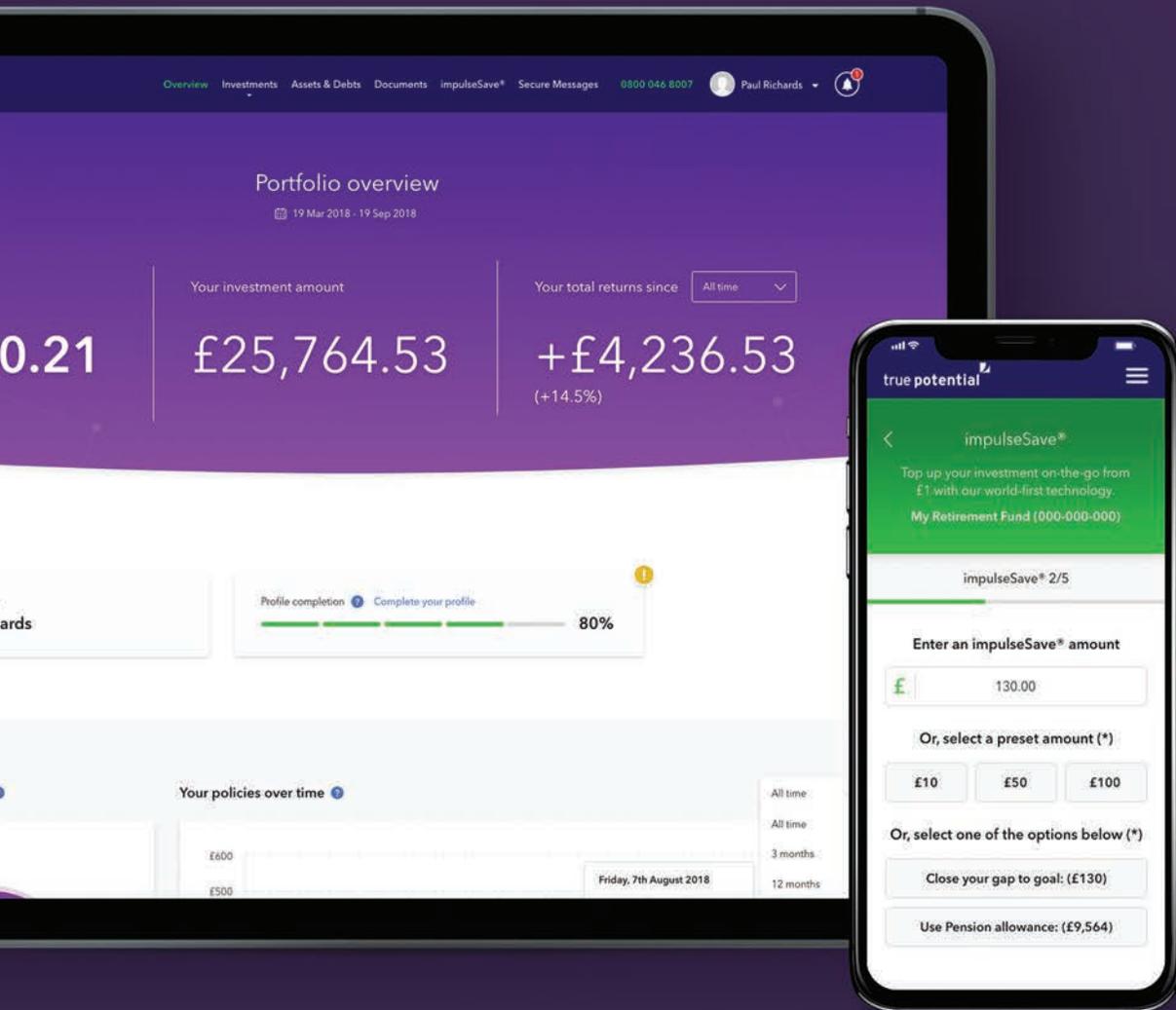
£8.2 billion*

held on our Investment Platform

£1.8 billion

worth of commissions and fees paid since launch





Our Personal Client Accounts

All True Potential clients with an investment on our Platform have exclusive access to their policies both online, and through our tablet and mobile apps.

Clients can set and track goals for their investments, monitor performance and overall investment value, as well as top up their policies, all in one convenient place. With our Personal Finance tools, clients can link any UK bank account and credit card to their account to get a holistic view of their net worth, as well as create budgets and find ways to improve their spending habits. This technology empowers clients, enabling them to have full control over their finances and make better investment decisions to suit them.

Our World-First Technology

Our world-first and unique technology, impulseSave® makes it quicker and simpler than ever before for clients to add to their investments. Starting from £1, clients can use impulseSave® online or through the convenience of their smartphone.

impulseSave® helps our clients form the habits of long-term investors, with a technology that's unmatched in the financial services industry. This award-winning feature has seen over £146 million invested since launch, with £46 million in 2018 alone. Four years on from its launch, there is still no one in the UK financial services industry who has been able to replicate impulseSave®.



True Distribution

To reach and build our diverse client base, we have multiple large-scale distribution channels taking our unique proposition to 20% of UK advisers and their clients.

True Potential Adviser Services

During 2018 we supported **684 Directly Authorised firms, 3,858 advisers** and **over 18,000 system users** with business matters ranging from becoming authorised with the Financial Conduct Authority to retirement and everything in-between.

Our unique approach, built in-house, provides first-class business and administration support to our firms, increasing their efficiency and giving them more time for client sales and support.

With this technology, we've seen our firms go from strength-to-strength, with some reporting a tenfold increase in profits since joining us - which we're delighted to be a part of.

True Potential Wealth Management

The year has been a positive one for True Potential Wealth Management, **we've seen continued growth and now have 470 restricted advisers** now using our first-class technology.

Each year our Wealth Management client proposition evolves, providing our clients with unique technology and advice whenever they need it.

Our adviser contract remains the most attractive in the UK, with Wealth Management Partners retaining 95% of earnings. We also offer exclusive solutions to Partners seeking to retire or downsize their client bank.

Auto Enrolment

As a Pensions Regulator approved Workplace Pension provider, we offer a complete pension management solution alongside support for accountants, employers and employees. **We deliver free auto enrolment services to 2,545 accountants, 25,642 employers, and 231,041 employees, contributing over £98 million, 65% of this in 2018 alone.**

We've had a successful year in terms of increasing ease and efficiency for clients to activate their online account, and make changes to their contribution, risk and investment choices to ensure it best suits their individual circumstances.

With the final contributions phasing date in April, and the average contributions still far below what's required for a sustainable retirement, we are preparing for an even busier 2019.

True Potential Investor

2018 has been an exciting year for True Potential Investor, with evolving client demands, regulatory changes and a fast-moving market seeking to improve further on the 20% asset growth the online investment industry saw in 2017.

With the direct-to-consumer market still developing in the UK, the future looks bright for a service backed by award-winning technology and unique investment solutions.



Client Demographic

56 years old
average age

£100,000
average account size

Client Interaction

50,614
impulseSave® transactions

£146 million
invested through impulseSave®

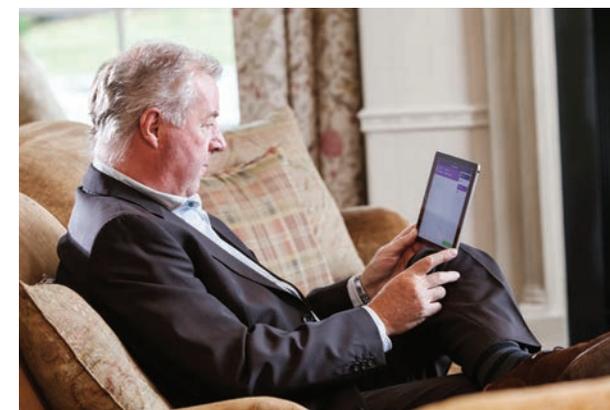
3.9 million
client logins in 2018

Company Interaction

3,858 Advisers
supported through 2018

684 Firms
use our services

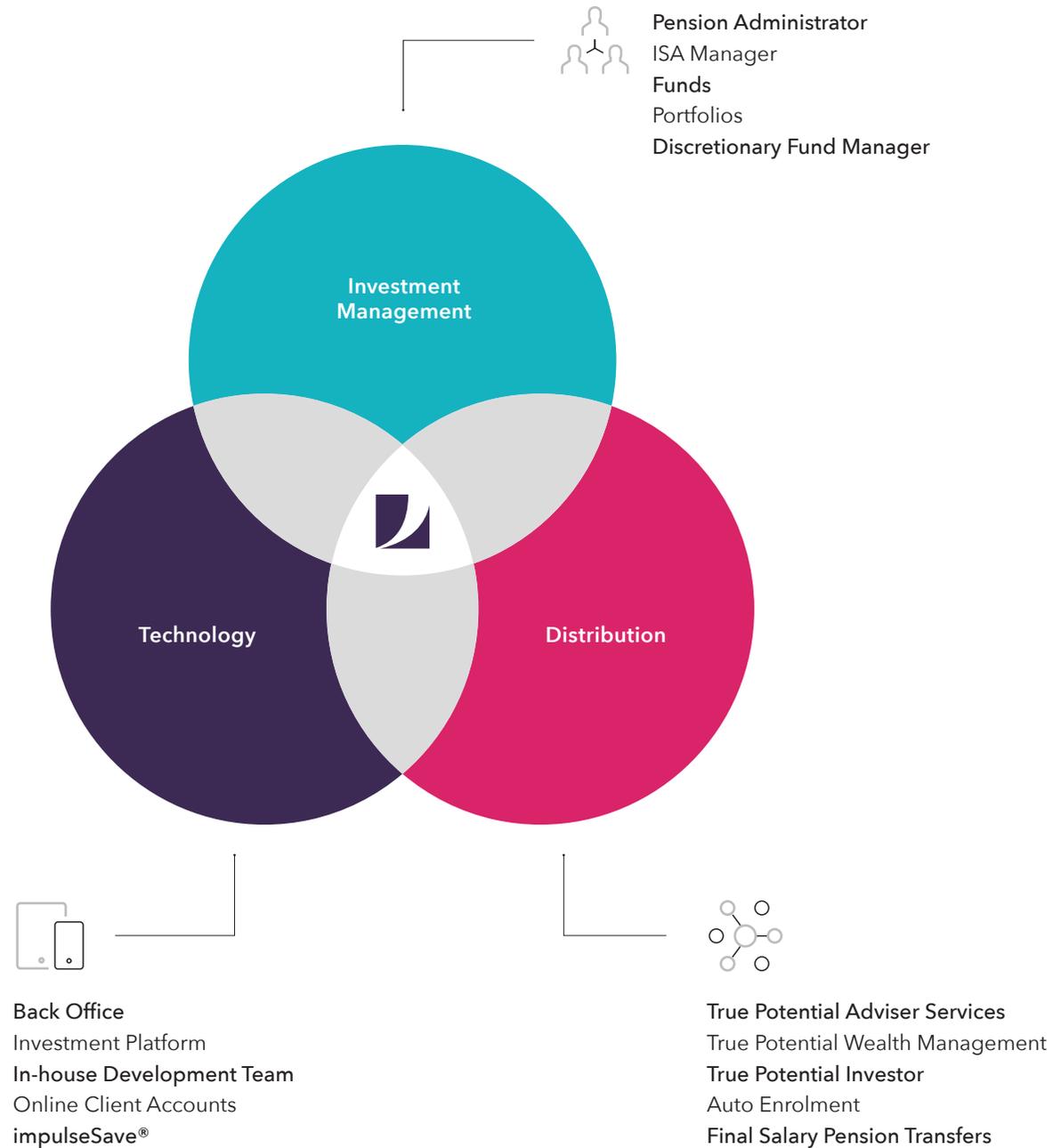
470 Partners
now use our first-class technology



True Ownership

By having full ownership of each stage of the value chain, with our own Investment Management Firm, in-house technology and large-scale distribution, we can ensure everything we do provides value for our clients.

We've created a business model that benefits 1.4 million private clients, 3,858 advisers and the True Potential Group. While each area is successful in its own right, our true value is in how we integrate these distinct areas of the business into something more valuable than the sum of its parts.



£8.2 billion

held on Platform

Investment Management

£6.4 billion

in True Potential Investments

£5.7 billion

in True Potential Portfolios



£1.4 billion

added to True Potential Portfolios in 2018



1.4 million clients



3,858 advisers



£1.8 billion

paid out in commissions and fees since launch

94,038

Support Interactions

with advisers in 2018

£146 million

invested through impulseSave® since 2014

Technology

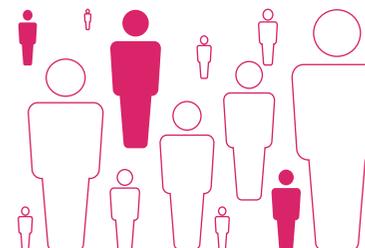
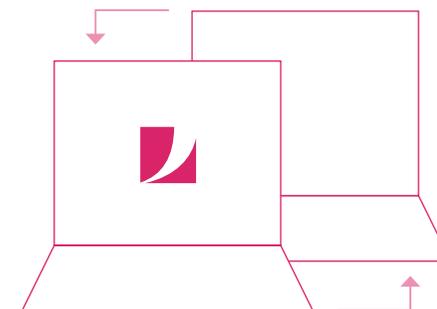
3.9 million

client logins in 2018

Distribution

28,187 employers

and accountants using our system



231,041 employees

use our Auto Enrolment service

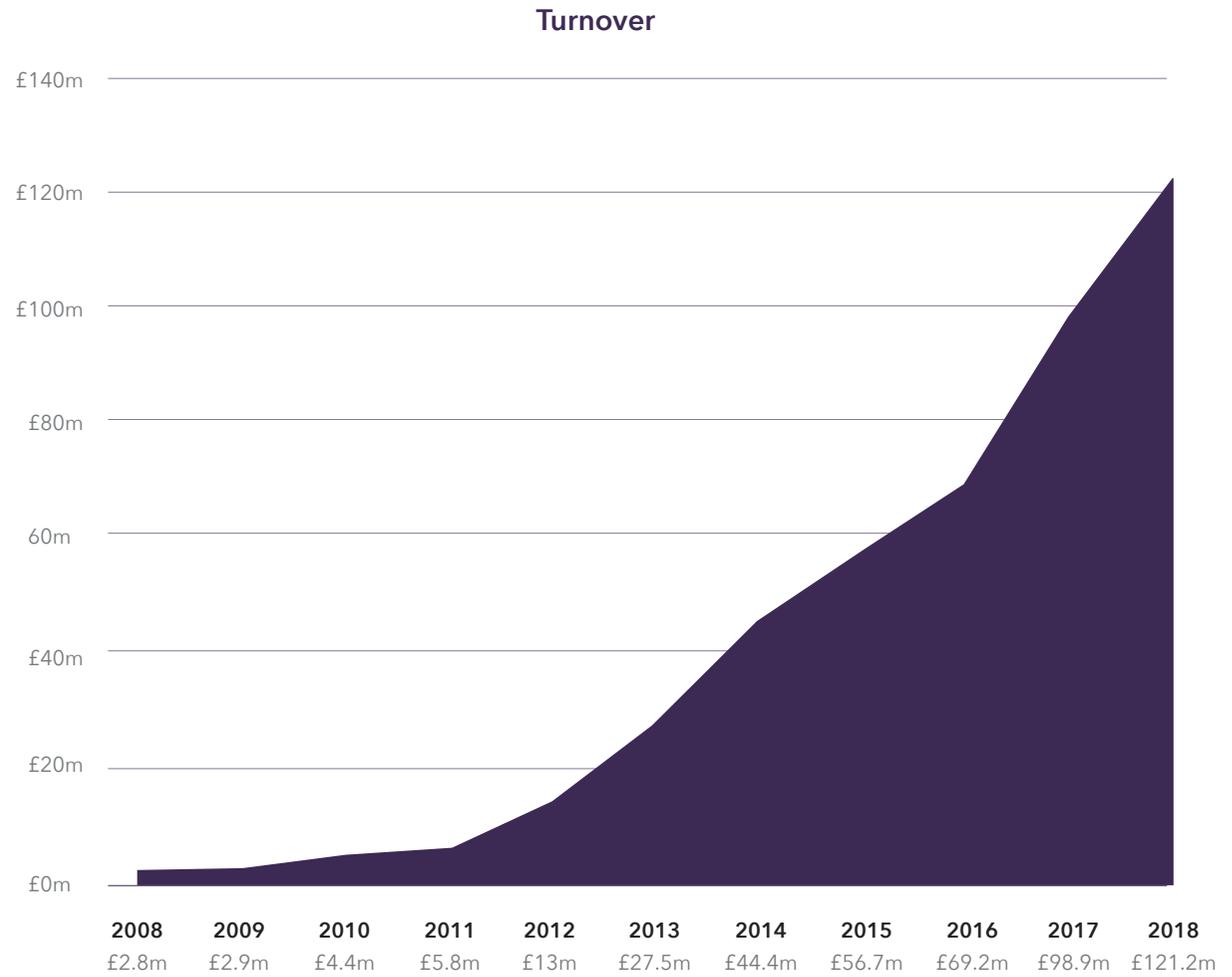
True Growth

Our diverse income streams create a predictable and sustainable recurring income for the Group.

Group Turnover

£121.2 million
in Group Turnover for 2018

23% increase
in Group Turnover on 2017



Our integrated model is entirely unique in the industry and has generated continued growth for eleven years, with 2018 being another highly profitable year for us.

Group Profit

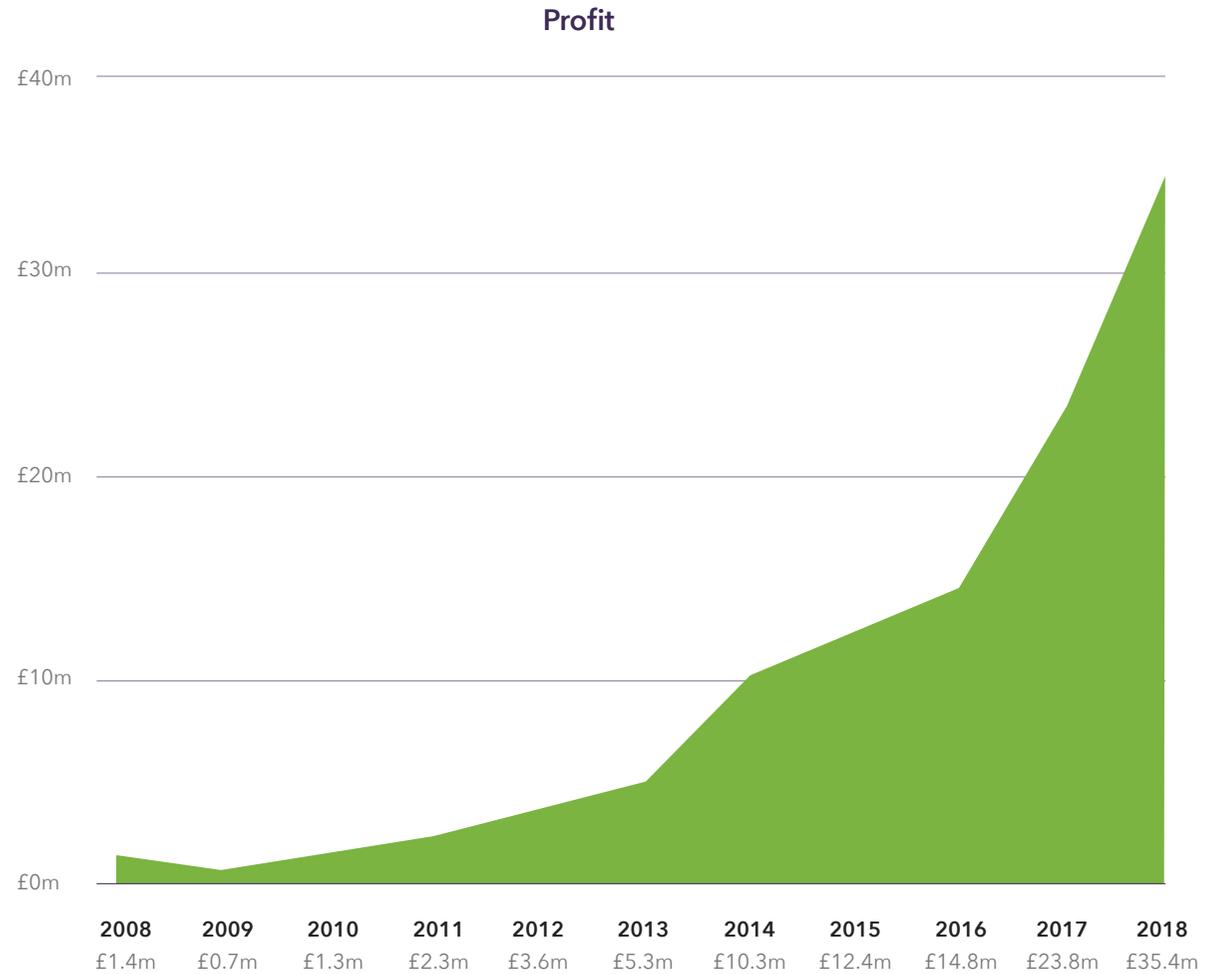
£35.4 million

in Group Profit for 2018

49% increase

in Group Profit on 2017

Visit www.tpllp.com/2018 for more information and our full set of 2018 accounts.



True Recognition

Over the years, we are proud to have been recognised by leading industry experts in a number of award categories from our world-class investment products to our innovative technology.

Highlights include:

- Becoming the first business to win two European Business Awards, collecting the European Business of the Year Award in 2017 and the Public Vote in 2018.
- Winner of the Money Marketing Best Support Service Award, for an unprecedented six consecutive years.
- Picking up the Best Platform Provider (AUM under £25 billion) Award at the UK Platform Awards in 2017 and 2018.
- Voted the nation's most popular advice firm by clients through VouchedFor.

Everything we do as a business, from our technology to our investment products, is with the aim of revolutionising wealth management for our clients.

Whilst we're proud of our success to date, we continue building and striving for more.



Report and consolidated financial statements for the year ended 31 December 2018

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Registered number OC380771

Report and consolidated financial statements for the year ended 31 December 2018

Members and advisers for the year ended 31 December 2018

Managing board members

David Harrison	<i>(Chairman)</i>
Daniel Harrison	<i>(Chief Executive Officer)</i>
Neil Johnson	
Mark Henderson	
Earl Glasgow	
George Peebles	<i>(Non-executive)</i>
Peter Coward	<i>(Non-executive)</i>
Brad Bernstein	<i>(Non-executive)</i>
Kyle Griswold	<i>(Non-executive)</i>
Laura Robinson	
Jamie Sexton	
Gregg Lang	
Steve Hutton	

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

Report and consolidated financial statements for the year ended 31 December 2018

Members' report for the year ended 31 December 2018

The members present their report and the audited consolidated financial statements for the year ended 31 December 2018.

Designated members

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

David Harrison	<i>(Chairman)</i>
Daniel Harrison	<i>(Chief Executive Officer)</i>
Neil Johnson	
Mark Henderson	
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. On 13 December 2018, True Potential Wealth Management LLP acquired 100% of the share capital of Trem Holdings Ltd.

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 Group 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. Profits are distributed to True Potential Group Ltd.

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 Group Managing Board.

Members' responsibilities statement

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. 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 prepared the group and limited liability partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 limited liability partnership and of the profit or loss of the group and limited liability partnership for that period.

In preparing the financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and limited liability partnership will continue in business.

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

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

Report and consolidated financial statements for the year ended 31 December 2018

Members' report for the year ended 31 December 2018 (continued)

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



Daniel Harrison
Designated member

25 March 2019

Registered number OC380771

Report and consolidated financial statements for the year ended 31 December 2018

Independent auditors' report to the members of True Potential LLP

Report on the audit of the financial statements

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 2018 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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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.

We have audited the financial statements, included within the Report and consolidated financial statements (the "Annual Report"), which comprise: the consolidated and partnership balance sheets as at 31 December 2018; the consolidated profit and loss account, the consolidated statement of cash flows, and the consolidated and partnership statements of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and limited liability partnership's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information.

Report and consolidated financial statements for the year ended 31 December 2018

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Members' Responsibilities Statement set out on page 21, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The members are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of this report

This report, including the 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.

Other required reporting

Companies Act 2006 exception reporting

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.



Gary Shaw (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
25 March 2019

Report and consolidated financial statements for the year ended 31 December 2018

Consolidated profit and loss account for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Turnover	1	121,172	98,939
Cost of Sales		(63,028)	(54,930)
Gross profit		58,144	44,009
Administrative expenses		(22,707)	(20,175)
Operating profit	3	35,437	23,834
Interest payable and similar charges	4	(21)	(32)
Profit on ordinary activities before taxation		35,416	23,802
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members		35,416	23,802
Other comprehensive income		-	-
Total comprehensive income		35,416	23,802

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

Report and consolidated financial statements for the year ended 31 December 2018

Consolidated balance sheet as at 31 December 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	6	9,843	4,293
Tangible assets	7	2,418	2,538
		12,261	6,831
Current assets			
Debtors	9	54,191	25,050
Cash at bank and in hand		17,872	10,335
		72,063	35,385
Creditors: amounts falling due within one year	10	(12,515)	(11,939)
Net current assets		59,548	23,446
Creditors: amount falling due after more than one year	11	(331)	(746)
Net assets attributable to members		71,478	29,531
Members' other interests			
Members' capital		71,478	29,531
Other reserves		-	-
Total members' interests		71,478	29,531

These financial statements on pages 25 to 47 were approved by the board of members on 25 March 2019 and are signed on their behalf by:



David Harrison Designated member



Daniel Harrison Designated member
25 March 2019

Registered number OC380771

Report and consolidated financial statements for the year ended 31 December 2018

Partnership balance sheet as at 31 December 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	6	218	221
Tangible assets	7	2,088	2,076
Investment in subsidiary undertakings	8	118,840	72,248
		121,146	74,545
Current assets			
Debtors	9	23,244	13,545
Cash at bank and in hand		163	71
		23,407	13,616
Creditors: amounts falling due within one year	10	(72,744)	(57,884)
Net current liabilities		(49,337)	(44,268)
Creditors: amount falling due after more than one year	11	(331)	(746)
Net assets attributable to members		71,478	29,531
Members' other interests			
Members' capital		71,478	29,531
Other reserves		-	-
Total members' interests		71,478	29,531

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 2018 was £4,644,915 (2017: £3,116,078).

These financial statements on pages 25 to 47 were approved by the board of members on 25 March 2019 and are signed on their behalf by:



David Harrison Designated member



Daniel Harrison Designated member
25 March 2019

Report and consolidated financial statements for the year ended 31 December 2018

Consolidated statement of changes in equity for the year ended 31 December 2018

Group	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	Members' capital	Other reserves	Total		
	£'000	£'000	£'000		
At 1 January 2018	29,531	-	29,531	-	29,531
Profit for the financial year available for discretionary distribution among members	-	35,416	35,416	-	35,416
Members' interests after profit for the year	29,531	35,416	64,947	-	64,947
Divisions of profit	-	(35,416)	(35,416)	35,416	-
Distribution of profit	-	-	-	(35,416)	(35,416)
Member's capital contribution	41,947	-	41,947	-	41,947
Members' interests 31 December 2018	71,478	-	71,478	-	71,478

Report and consolidated financial statements for the year ended 31 December 2018

Consolidated statement of changes in equity for the year ended 31 December 2018

Group	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	Members' capital	Other reserves	Total		
	£'000	£'000	£'000		
At 1 January 2017	-	-	-	10,803	10,803
Profit for the financial year available for discretionary distribution among members	-	23,802	23,802	-	23,802
Members' interests after profit for the year	-	23,802	23,802	10,803	34,605
Divisions of profit	-	(23,802)	(23,802)	23,802	-
Distribution of profit	-	-	-	(34,605)	(34,605)
Member's capital contribution	29,531	-	29,531	-	29,531
Members' interests 31 December 2017	29,531	-	29,531	-	29,531

Report and consolidated financial statements for the year ended 31 December 2018

Partnership statement of changes in equity for the year ended 31 December 2018

Partnership	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	Members' capital	Other reserves	Total		
	£'000	£'000	£'000		
At 1 January 2018	29,531	-	29,531	-	29,531
Loss for the financial year available for discretionary distribution among members	-	(4,645)	(4,645)	-	(4,645)
Members' interests after loss for the year	29,531	(4,645)	24,886	-	24,886
Divisions of loss	-	4,645	4,645	(4,645)	-
Distribution of profit	-	-	-	(35,416)	(35,416)
Member's capital contribution	41,947	-	41,947	-	41,947
Profit from subsidiaries	-	-	-	40,061	40,061
Members' interests 31 December 2018	71,478	-	71,478	-	71,478

Report and consolidated financial statements for the year ended 31 December 2018

Partnership statement of changes in equity for the year ended 31 December 2018

Partnership	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	Members' capital	Other reserves	Total		
	£'000	£'000	£'000		
At 1 January 2017	-	-	-	(32,262)	(32,262)
Loss for the financial year available for discretionary distribution among members	-	(3,116)	(3,116)	-	(3,116)
Members' interests after loss for the year	-	(3,116)	(3,116)	(32,262)	(35,378)
Divisions of loss	-	3,116	3,116	(3,116)	-
Distribution of profit	-	-	-	(34,605)	(34,605)
Member's capital contribution	29,531	-	29,531	-	29,531
Profit from subsidiaries	-	-	-	69,983	69,983
Members' interests 31 December 2017	29,531	-	29,531	-	29,531

Report and consolidated financial statements for the year ended 31 December 2018

Consolidated statement of cash flows for the year ended 31 December 2018

		2018	2017
	Note	£'000	£'000
Net cash inflow from operating activities	13	8,153	13,553
Cash flows from investing activities			
Purchase of tangible fixed assets		(394)	(951)
Purchase of intangible fixed assets		(6,370)	(2,649)
Investment in subsidiary		(35,416)	-
Net cash outflow from investing activities		(42,180)	(3,600)
Cash flow from financing activities			
Interest paid		(21)	(32)
Payments to members		-	(5,074)
(Decrease)/Increase in finance lease & loan		(362)	386
Capital Introduced		41,947	-
Net cash inflow/(outflow) from financing activities		41,564	(4,720)
Net increase in cash and cash equivalents		7,537	5,233
	Note	2018	2017
		£'000	£'000
Net increase in cash and cash equivalents		7,537	5,233
Cash and cash equivalents at 1 January		10,335	5,102
Cash and cash equivalents at 31 December	14	17,872	10,335

Report and consolidated financial statements for the year ended 31 December 2018

Statement of accounting policies for the year ended 31 December 2018

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.

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 2018. 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 received for the provision of financial advisory, investment management and support services to financial advisers. Turnover is recognised on a receivable basis and arises fully within the UK.

Accounting judgements and estimates

The preparation of the financial statements in conformity with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. The estimates and judgements are based on historical experience and contracted rates, including expectation of future events that are believed to be reasonable.

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

Exemptions for qualifying entities under FRS102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain disclosure exemptions, subject to certain conditions, which have been complied with including notification of, and no objection to, the use of exemptions by the Partnership's members. The Partnership has taken advantage of the following exemptions in its individual financial statements:

From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows is included in these financial statements, includes the company's cash flows.

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.

Report and consolidated financial statements for the year ended 31 December 2018

Statement of accounting policies for the year ended 31 December 2018 (Continued)

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

Deferred Acquisition Costs	10%
Software Licences	20%

Other intangibles

Amortisation is charged on an annual straight line basis over a period 10 years. Regular impairment reviews are carried out on the realisable value.

Financial instruments

(i) Financial assets

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

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

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables are initially recognised at transaction price. Debt instruments are subsequently measured at amortised cost, using the effective interest rate method. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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.

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.

Report and consolidated financial statements for the year ended 31 December 2018

Notes to the financial statements for the year ended 31 December 2018

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:

	2018	2017
	Number	Number
Management and administration	157	140
	2018	2017
Staff costs:	£'000	£'000
Wages and salaries	2,711	3,064
Social security costs	285	290
Other pension costs	80	46
	3,076	3,400

Report and consolidated financial statements for the year ended 31 December 2018

Notes to the financial statements for the year ended 31 December 2018

3. Operating profit

This is stated after charging:

	2018	2017
	£'000	£'000
Depreciation of owned fixed assets	513	485
Amortisation of intangible assets	821	459
Auditors' remuneration - audit of group financial statements	54	48
- other audit services	20	-
- non-audit - taxation services	18	14
Operating lease rentals - land and buildings	1,031	1,054

4. Interest payable and similar charges

	2018	2017
	£'000	£'000
Interest payable on borrowings during the year	21	32

Report and consolidated financial statements for the year ended 31 December 2018

Notes to the financial statements for the year ended 31 December 2018

5. 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 2018 was £4,644,915 (2017: £3,116,078).

6. Intangible assets

Group	Other intangibles	Total
	£'000	£'000
Cost		
At 1 January 2018	4,975	4,975
Additions	6,371	6,371
At 31 December 2018	11,346	11,346
Accumulated amortisation		
At 1 January 2018	682	682
Charge for the year	821	821
At 31 December 2018	1,503	1,503
Net book value		
At 31 December 2018	9,843	9,843
At 31 December 2017	4,293	4,293

Report and consolidated financial statements for the year ended 31 December 2018

Notes to the financial statements for the year ended 31 December 2018

6. Intangible assets (Continued)

Partnership	Other intangibles	Total
	£'000	£'000
Cost		
At 1 January 2018	271	271
Additions	56	56
At 31 December 2018	327	327
Accumulated amortisation		
At 1 January 2018	50	50
Charge for the year	59	59
At 31 December 2018	109	109
Net book value		
At 31 December 2018	218	218
At 31 December 2017	221	221

Report and consolidated financial statements for the year ended 31 December 2018

Notes to the financial statements for the year ended 31 December 2018

7. Tangible assets

Group	Fixtures, fittings and equipment	Short Leasehold Buildings	Total
		£'000	£'000
Cost			
At 1 January 2018	4,480	77	4,557
Additions	393	-	393
At 31 December 2018	4,873	77	4,950
Accumulated amortisation			
At 1 January 2018	1,971	48	2,019
Charge for the year	504	9	513
At 31 December 2018	2,475	57	2,532
Net book value			
At 31 December 2018	2,398	20	2,418
At 31 December 2017	2,509	29	2,538

Report and consolidated financial statements for the year ended 31 December 2018

Notes to the financial statements for the year ended 31 December 2018

7. Tangible assets (Continued)

Partnership	Fixtures, fittings and equipment	Total
		£'000
Cost		
At 1 January 2018	2,533	2,533
Additions	349	349
At 31 December 2018	2,882	2,882
Accumulated amortisation		
At 1 January 2018	457	457
Charge for the year	337	337
At 31 December 2018	794	794
Net book value		
At 31 December 2018	2,088	2,088
At 31 December 2017	2,076	2,076

Report and consolidated financial statements for the year ended 31 December 2018

Notes to the financial statements for the year ended 31 December 2018

8. Investment in subsidiary undertakings

Partnership	Total	
	£'000	
Cost		
At 1 January 2018	72,248	All profits for the LLP's for the year are allocated to True Potential LLP as set out in the partnership deed. A members' capital contribution has been made to reinvest the profits back into the subsidiaries. Registered address of the above investment in subsidiary is the same as the parent.
Capital contribution	46,592	
At 31 December 2018	118,840	

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
Trem Holdings Limited	England and Wales	100%	Holding Firm

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

Report and consolidated financial statements for the year ended 31 December 2018

Notes to the financial statements for the year ended 31 December 2018

9. Debtors

	Group		Partnership	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Amounts due from group undertakings	35,335	14,045	20,443	11,104
Other debtors	17,214	9,767	2,324	2,045
Prepayments and accrued income	1,642	1,238	477	396
	54,191	25,050	23,244	13,545

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

Report and consolidated financial statements for the year ended 31 December 2018

Notes to the financial statements for the year ended 31 December 2018

10. Creditors: amounts falling due within one year

	Group		Partnership	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade creditors	1,705	1,450	196	217
Amounts due to group undertakings	-	-	71,126	56,654
Taxation and social security	290	400	148	160
Pension Contributions	22	24	11	13
Other creditors	7,700	6,878	0	2
Accruals and deferred income	2,434	2,876	899	527
Finance loan	364	311	364	311
	12,515	11,939	72,744	57,884

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

Report and consolidated financial statements for the year ended 31 December 2018

Notes to the financial statements for the year ended 31 December 2018

11. Creditors: amounts falling due after more than one year

	Group		Partnership	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Finance Loan	331	746	331	746

12. 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 Group Managing Board.

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

Report and consolidated financial statements for the year ended 31 December 2018

Notes to the financial statements for the year ended 31 December 2018

13. Net cash inflow from operating activities

Reconciliation of operating profit to net cash inflow from operating activities

		Partnership
	2018	2017
	£'000	£'000
Profit for the financial year	35,416	23,802
Net interest expense	21	32
Operating profit	35,437	23,834
Depreciation	513	485
Amortisation of intangibles	821	459
Increase in debtors	(29,141)	(16,095)
Increase in creditors	523	4,870
Net cash flow from operating activities	8,153	13,553

Report and consolidated financial statements for the year ended 31 December 2018

Notes to the financial statements for the year ended 31 December 2018

14. Cash and cash equivalents

	At 1 January 2018	Cash flow	At 31 December 2018
	£'000	£'000	£'000
Cash at bank and in hand	10,335	7,537	17,872
Net funds	10,335	7,537	17,872

15. Operating lease commitments

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

	2018	2017
	£'000	£'000
Not later than one year	589	599
Later than one year and not later than five years	1,692	1,897
Later than five years	1,247	1,631
	3,528	4,127

Report and consolidated financial statements for the year ended 31 December 2018

Notes to the financial statements for the year ended 31 December 2018

16 Related party transactions

The company has taken advantage of the exemption in FRS 102 para 33 'Related party disclosures' not to disclose transactions with other members of the Group headed by True Potential Group Limited, on the grounds that it is a wholly owned subsidiary of True Potential Group Limited, whose financial statements are publicly available.

There were no other related party transactions in the year (2017: none).

17. Ultimate controlling party

The ultimate parent undertaking and controlling party is True Potential Group Limited, a UK registered Limited Liability Company. Copies of the parent's consolidated financial statements can be obtained from Newburn House, Gateway West, Newburn Riverside, Newcastle upon Tyne, NE15 8NX.

