

**True Potential Adviser Services LLP**  
**Report and financial statements**  
**for the year ended 31 December 2017**

**Registered number OC326607**

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True Potential Adviser Services LLP  
Report and financial statements  
for the year ended 31 December 2017  
Contents

|                                                                                          |    |
|------------------------------------------------------------------------------------------|----|
| Members and advisers for the year ended 31 December 2017 .....                           | 1  |
| Members' report for the year ended 31 December 2017 .....                                | 2  |
| Independent auditors' report to the members of True Potential Adviser Services LLP ..... | 4  |
| Statement of comprehensive income for the year ended 31 December 2017 .....              | 7  |
| Balance sheet as at 31 December 2017 .....                                               | 8  |
| Statement of changes in equity for the year ended 31 December 2017 .....                 | 9  |
| Statement of accounting policies for the year ended 31 December 2017 .....               | 10 |
| Notes to the financial statements for the year ended 31 December 2017 .....              | 12 |

# **True Potential Adviser Services LLP**

## **Members and advisers for the year ended 31 December 2017**

### **Managing Board members**

David Harrison (Managing Partner)

Daniel Harrison

Mark Henderson

Neil Johnson

### **Registered office**

Newburn House

Gateway West

Newburn Riverside

Newcastle upon Tyne

NE15 8NX

### **Bankers**

The Royal Bank of Scotland plc

1 Trinity Gardens

2<sup>nd</sup> 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

# **True Potential Adviser Services LLP**

## **Members' report for the year ended 31 December 2017**

The members present their report and audited financial statements of the partnership for the year ended 31 December 2017.

### **Principal activities and results**

The principal activity of True Potential Adviser Services LLP ("the LLP") is that of provision of services to financial services distribution firms and their clients. The results for the LLP are noted on page 7. These were considered satisfactory by the members.

### **Review of business**

The members are satisfied with the progress of the business.

### **Designated members**

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

David Harrison  
Mark Henderson  
Neil Johnson  
Daniel Harrison

### **Members' profit shares and capital contributions**

All profits for the year are allocated to True Potential LLP as set out in the partnership deed. A Members' capital contribution has been made to re-invest the profits back into True Potential Adviser Services LLP. 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.

### **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 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 limited liability partnership and of the profit or loss of the 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 limited liability partnership will continue in business.

# **True Potential Adviser Services LLP**

## **Members' report for the year ended 31 December 2017 (continued)**

### **Members' responsibilities statement (continued)**

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the 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.

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

### **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.

On behalf of the members



David Harrison  
Designated member



Neil Johnson  
Designated member

21<sup>st</sup> February 2018

**True Potential Adviser Services LLP**

**Registered number OC326607**

# **True Potential Adviser Services LLP**

## **Independent auditors' report to the members of True Potential Adviser Services LLP**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, True Potential Adviser Services LLP's financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2017 and of its profit 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 financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the statement of comprehensive income and the statement 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 limited liability partnership 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**

We have nothing to report in respect of the following matters in relation to which 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 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the limited liability partnership's ability to continue as a going concern.

#### **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.

## **True Potential Adviser Services LLP**

### **Independent auditors' report to the members of True Potential Adviser Services LLP (Continued)**

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

#### **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 2 & 3, 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 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 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](http://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.

## **True Potential Adviser Services LLP**

### **Independent auditors' report to the members of True Potential Adviser Services LLP (Continued)**

#### **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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Michael Jeffrey (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne  
21<sup>st</sup> February 2018

## True Potential Adviser Services LLP

### Statement of comprehensive income for the year ended 31 December 2017

|                                                                                                                                        | Note     | 2017<br>£          | 2016<br>£          |
|----------------------------------------------------------------------------------------------------------------------------------------|----------|--------------------|--------------------|
| <b>Turnover</b>                                                                                                                        |          | <b>6,733,465</b>   | <b>5,852,160</b>   |
| Administrative expenses                                                                                                                |          | <b>(1,946,152)</b> | <b>(1,784,301)</b> |
| <b>Operating profit</b>                                                                                                                | <b>1</b> | <b>4,787,313</b>   | <b>4,067,859</b>   |
| Interest receivable and similar income                                                                                                 | 2        | -                  | 4                  |
| Interest payable and similar charges                                                                                                   | 3        | -                  | (10,893)           |
| <b>Profit for the financial year before members' remuneration and profit shares available for discretionary division among members</b> |          | <b>4,787,313</b>   | <b>4,056,970</b>   |
| <b>Other comprehensive income</b>                                                                                                      |          | <b>-</b>           | <b>-</b>           |
| <b>Total comprehensive income</b>                                                                                                      |          | <b>4,787,313</b>   | <b>4,056,970</b>   |

All operations are continuing.

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

# True Potential Adviser Services LLP

## Balance sheet as at 31 December 2017

|                                                       | Note | 2017<br>£  | 2016<br>£  |
|-------------------------------------------------------|------|------------|------------|
| <b>Fixed assets</b>                                   |      |            |            |
| Tangible assets                                       | 5    | 366,177    | 494,382    |
| <b>Current assets</b>                                 |      |            |            |
| Debtors                                               | 6    | 17,359,270 | 12,261,879 |
| Cash at bank and in hand                              |      | 127,456    | 162,637    |
|                                                       |      | 17,486,726 | 12,424,516 |
| <b>Creditors: amounts falling due within one year</b> | 7    | (524,786)  | (378,094)  |
| <b>Net current assets</b>                             |      | 16,961,940 | 12,046,422 |
| <b>Total assets less current liabilities</b>          |      | 17,328,117 | 12,540,804 |
| <b>Net assets</b>                                     |      | 17,328,117 | 12,540,804 |
| <b>Members' other interests</b>                       |      |            |            |
| Members' capital                                      |      | 17,328,117 | 1,865,154  |
| Other reserves                                        |      | -          | 10,675,650 |
| <b>Total members' interests</b>                       |      | 17,328,117 | 12,540,804 |

The financial statements on pages 7 to 15 were approved by the board of members on 21<sup>st</sup> February 2018 and were signed on its behalf by:



David Harrison  
Designated member

# True Potential Adviser Services LLP

## Statement of changes in equity for the year ended 31 December 2017

|                                                                                      | Members' other interests |                |                   | Loans and other debts due to members less any amounts due from members in debtors |                   |
|--------------------------------------------------------------------------------------|--------------------------|----------------|-------------------|-----------------------------------------------------------------------------------|-------------------|
|                                                                                      | Members' capital         | Other reserves | Total             |                                                                                   | Total             |
|                                                                                      | £                        | £              | £                 | £                                                                                 | £                 |
| At 1 January 2017                                                                    | 1,865,154                | -              | 1,865,154         | 10,675,650                                                                        | 12,540,804        |
| Profit for the financial year available for discretionary distribution among members | -                        | 4,787,313      | 4,787,313         | -                                                                                 | 4,787,313         |
| Members' interests after profit for the year                                         | 1,865,154                | 4,787,313      | 6,652,467         | 10,675,650                                                                        | 17,328,117        |
| Divisions of profit                                                                  | -                        | (4,787,313)    | (4,787,313)       | 4,787,313                                                                         | -                 |
| Distribution of profit                                                               | -                        | -              | -                 | (15,462,963)                                                                      | (15,462,963)      |
| Members' capital contribution                                                        | 15,462,963               | -              | 15,462,963        | -                                                                                 | 15,462,963        |
| <b>Members' interests 31 December 2017</b>                                           | <b>17,328,117</b>        | <b>-</b>       | <b>17,328,117</b> | <b>-</b>                                                                          | <b>17,328,117</b> |

|                                                                                      | Members' other interests |                |                  | Loans and other debts due to members less any amounts due from members in debtors |                   |
|--------------------------------------------------------------------------------------|--------------------------|----------------|------------------|-----------------------------------------------------------------------------------|-------------------|
|                                                                                      | Members' capital         | Other reserves | Total            |                                                                                   | Total             |
|                                                                                      | £                        | £              | £                | £                                                                                 | £                 |
| At 1 January 2016                                                                    | 1,865,154                | -              | 1,865,154        | 6,618,680                                                                         | 8,483,834         |
| Profit for the financial year available for discretionary distribution among members | -                        | 4,056,970      | 4,056,970        | -                                                                                 | 4,056,970         |
| Members' interests after profit for the year                                         | 1,865,154                | 4,056,970      | 5,922,124        | 6,618,680                                                                         | 12,540,804        |
| Divisions of profit                                                                  | -                        | (4,056,970)    | (4,056,970)      | 4,056,970                                                                         | -                 |
| <b>Members' interests 31 December 2016</b>                                           | <b>1,865,154</b>         | <b>-</b>       | <b>1,865,154</b> | <b>10,675,650</b>                                                                 | <b>12,540,804</b> |

# **True Potential Adviser Services LLP**

## **Statement of accounting policies for the year ended 31 December 2017**

### **Statement of compliance**

True Potential Adviser Services LLP is a limited liability partnership incorporated in England. The Registered Office is Newburn House, Gateway West, Newburn Riverside, Newcastle upon Tyne, NE15 8NX.

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 entity. The principal accounting policies, which have been applied consistently throughout the year are set out below.

### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity 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 members.

The partnership has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows includes the partnership's cash flows;
- (i) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures; and
- (ii) from disclosing the partnership's key management personnel compensation, as required by FRS 102 paragraph 33.7.

### **Turnover**

Turnover represents fees earned in respect of work carried out in the year in the ordinary course of business. Turnover arises fully within the UK.

### **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 |

# **True Potential Adviser Services LLP**

## **Statement of accounting policies for the year ended 31 December 2017 (continued)**

### **Operating leases**

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

### **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. The LLP is not taxed as a corporate entity.

### **Members' profit shares and capital contributions**

All profits for the year are allocated to True Potential LLP as set out in the partnership deed. A Members' capital contribution has been made to re-invest the profits back into True Potential Adviser Services LLP. 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.

# True Potential Adviser Services LLP

## Notes to the financial statements for the year ended 31 December 2017

### 1 Operating profit

The operating profit is stated after charging:

|                                 | 2017    | 2016    |
|---------------------------------|---------|---------|
|                                 | £       | £       |
| Depreciation - owned assets     | 134,510 | 151,264 |
| Operating lease rentals – other | 5,892   | 2,048   |
| Auditors' remuneration          |         |         |
| - audit services                | 12,080  | 17,448  |
| - taxation services             | 3,750   | 3,575   |

There are no persons holding service contracts with the partnership. None of the management board received any remuneration from the partnership during the year, or in the previous year.

### 2 Interest receivable and similar income

|                          | 2017 | 2016 |
|--------------------------|------|------|
|                          | £    | £    |
| Bank interest receivable | -    | 4    |

### 3 Interest payable and similar charges

|                  | 2017 | 2016   |
|------------------|------|--------|
|                  | £    | £      |
| Interest payable | -    | 10,893 |

# True Potential Adviser Services LLP

## Notes to the financial statements for the year ended 31 December 2017 (continued)

### 4 Employee information

The average monthly number of employees during the year was as follows:

|                       | 2017<br>Number | 2016<br>Number |
|-----------------------|----------------|----------------|
| Administrative        | 37             | 49             |
|                       | 2017<br>£      | 2016<br>£      |
| <b>Staff costs</b>    |                |                |
| Wages and salaries    | 864,307        | 1,136,792      |
| Social security costs | 75,949         | 99,599         |
| Other pension costs   | 6,024          | 8,288          |
|                       | 946,280        | 1,244,679      |

### 5 Tangible assets

|                                 | Fixtures,<br>fittings and<br>equipment<br>£ | Short<br>leasehold<br>buildings<br>£ | Total<br>£       |
|---------------------------------|---------------------------------------------|--------------------------------------|------------------|
| <b>Cost</b>                     |                                             |                                      |                  |
| At 1 January 2017               | 1,756,381                                   | 76,806                               | 1,833,187        |
| Additions                       | 6,305                                       | -                                    | 6,305            |
| <b>At 31 December 2017</b>      | <b>1,762,686</b>                            | <b>76,806</b>                        | <b>1,839,492</b> |
| <b>Accumulated depreciation</b> |                                             |                                      |                  |
| At 1 January 2017               | 1,301,157                                   | 37,648                               | 1,338,805        |
| Charged during the year         | 124,899                                     | 9,611                                | 134,510          |
| <b>At 31 December 2017</b>      | <b>1,426,056</b>                            | <b>47,259</b>                        | <b>1,473,315</b> |
| <b>Net book amount</b>          |                                             |                                      |                  |
| <b>At 31 December 2017</b>      | <b>336,630</b>                              | <b>29,547</b>                        | <b>366,177</b>   |
| At 31 December 2016             | 455,224                                     | 39,158                               | 494,382          |

## True Potential Adviser Services LLP

### Notes to the financial statements for the year ended 31 December 2017 (continued)

#### 6 Debtors

|                                    | 2017       | 2016       |
|------------------------------------|------------|------------|
|                                    | £          | £          |
| Amounts owed by group undertakings | 17,265,840 | 12,100,969 |
| Other debtors                      | 58,061     | 160,910    |
| Prepayments and accrued income     | 35,369     | -          |
|                                    | 17,359,270 | 12,261,879 |

Amounts owed by group companies are unsecured, non-interest bearing and repayable on demand.

#### 7 Creditors: amounts falling due within one year

|                                | 2017    | 2016    |
|--------------------------------|---------|---------|
|                                | £       | £       |
| Trade creditors                | 120,857 | 78,631  |
| Taxation and social security   | 19,329  | 26,638  |
| Pension contributions          | 4,124   | 3,581   |
| Accruals and deferred income   | 380,476 | 267,978 |
| Prepayments and accrued income | -       | 1,266   |
|                                | 524,786 | 378,094 |

## **True Potential Adviser Services LLP**

### **Notes to the financial statements for the year ended 31 December 2017 (continued)**

#### **8 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 LLP, on the grounds that it is a wholly owned subsidiary of True Potential LLP, whose financial statements are publicly available. There were no other related party transactions in the year (2017: none).

#### **9 Ultimate controlling party**

The immediate parent undertaking is True Potential LLP. However, 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.