

THE FUTURE IS HERE

True Potential LLP Annual Report 2014



TABLE OF CONTENTS

- 03 Message from the Chairman
- 06 Group overview
- 09 Our Board of Directors
- 15 2014 in numbers
- 21 A big year for innovation
- 33 Developing careers
- 34 Corporate responsibility
- 35 Financial Report
- 46 Notes to the financial statements
for the year ended 31 Dec 2014



**“THE BEST WAY
TO PREDICT THE
FUTURE IS
TO CREATE IT”**

Abraham Lincoln

MESSAGE FROM THE CHAIRMAN



In all my years at True Potential, this has been one of the easiest Chairman's messages to write. The results really do speak for themselves. We firmly believe that what we offer advisers and clients is a revolutionary way to manage money.

2014 was an excellent year for the group. Our turnover grew significantly from £27.5 million to £44.4 million (+61%), but importantly, profits have dramatically increased from £5.3 million to £10.5 million (+98%). This is a direct result of our business model and strategy of building large-scale distribution capacity with the goal of helping True Potential gather assets on our own Wealth Platform.

Building on the success of previous years, we were one of only 67 UK companies to feature in the Deloitte Technology Fast 500 EMEA, a ranking of the fastest-growing companies in Europe, the Middle East and Asia. We also made the Deloitte UK Technology Fast 50 for the first time. Both awards are recognition of our financial results and exceptional growth in 2014.

What's made these results possible is the fact that we are focused on the future of our clients and our business.

From the technology we use to our investment philosophy, when it comes to our investors, we put their personal financial goals at the centre of everything we do.

The close contact we have with financial advisers through our Wealth Platform allows us to know what they need to grow their business. This insight helps shape the overall direction of our proposition and ensures that we build products and services that are simple, effective and most importantly, provide value to clients. And, when it comes to our investors, our philosophy puts their personal financial goals at the centre of everything we do. From the technology we use, to our investment philosophy, empowering clients to reach their goals is paramount.

At True Potential, we know that technology holds the key to delivering modern wealth management to today's modern clients. In 2014, we launched our world-first impulseSave® technology that allows our clients to top-up their investments on-the-go from as little as £1. Already, we've seen that almost 40% of impulseSave® top-ups are under £10, showing that technology has the power to change habits and turn spenders into savers. With a cultural shift in the UK to self-reliance when it comes to saving for retirement, it's technology like impulseSave® that can make the difference to people's futures.

I've long believed that real success requires an element of good fortune and luck to go alongside all the hard work. In 2014, the Chancellor announced the biggest changes to personal pensions I've seen in my lifetime. Thanks to our innovative and award-winning technology, we're perfectly placed to take full advantage of the changes.

With our own pension, ISA, Wealth Platform, distribution network and in-house technology, we have the capability to react at speed to market changes and develop truly unique offerings for advisers and clients.

At True Potential, we are helping to create a better future for all our clients. In the next few months, we'll be launching a series of new products and investment funds, which we believe will continue to support our mission of revolutionising wealth management in the UK and bringing the best solutions to clients first.



David Harrison
Managing Partner, True Potential LLP

STRUCTURED FOR TODAY AND TOMORROW

We are leaders, not followers and we believe modern times call for a modern approach. By harnessing the power of technology, we can provide simple, effective and unique solutions that are built for the future and that of our clients.



True Potential LLP is structured to produce results today and for the future.

The group brings together the expertise of four distinct companies, 100% owned by True Potential, each offering products and services to complement the others.

True Potential has been recognised by Deloitte as one of the 50 fastest growing technology companies in the UK and one of the 500 fastest growing in Europe, the Middle East and Asia.

Serving financial advisers, private investors and businesses alike, the group is well positioned to meet the changing needs of all clients with simple, effective and unique solutions.

GROUP OVERVIEW

Here's an overview of the businesses and their key features:



True Potential Investments LLP

- FCA-regulated platform operator, investment manager, and pension operator and administrator
- Owns the True Potential Wealth Platform
- The Wealth Platform's objective is to attract and hold investment funds from distribution sources within the True Potential Group
- Offers an exclusive range of strategy funds from our partners Goldman Sachs, SEI, Close Brothers, 7IM, Allianz, Schroders and Threadneedle
- Owns impulseSave®, a first-of-its kind top-up technology for investments
- Launched a new auto enrolment solution for employers in 2014
- Owns True Potential Investor direct-to-consumer investment platform

True Potential Wealth Management LLP & True Potential Associate Partners Ltd

- FCA-regulated advisory businesses
- Serves investment clients throughout the UK
- Aims to increase, control and focus sales onto the True Potential Wealth Platform
- True Potential Associate Partners works with financial advisers who retain their brand identity but fall under the regulatory control of True Potential Wealth Management
- There are over 440 financial advisers across the two businesses

True Potential Adviser Services LLP

- Established in 2007
- Provides back-office, IT and compliance services to IFA firms
- Offers convenient and modern technology to help IFAs do business from anywhere in the world
- Close to 20% of all UK Financial Advisers use our business support services
- Named 'Best Support Service' at the 2012, 2013 and 2014 Money Marketing Awards
- Clients are regulated in their own right and responsible for their own compliance





OUR BOARD OF DIRECTORS



DAVID HARRISON

Managing Partner
True Potential LLP

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

In 2007, David became Managing Partner of Newcastle-based financial services group True Potential LLP, which had a turnover of £44.4 million in 2014 and currently employs 137 staff and Partners.

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

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

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

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



DANIEL HARRISON

Senior Partner
True Potential LLP

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

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

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

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

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

OUR BOARD OF DIRECTORS



NEIL JOHNSON

Senior Partner
True Potential LLP

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

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

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

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

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

Neil is a fellow of The Institute of Chartered Accountants in England and Wales (ICAEW).



MARK HENDERSON

Senior Partner
True Potential LLP

Mark began his financial services career in private banking with Lloyds, covering investment management and executor and trustee work in the north of England and Scotland. He then moved to Merrill Lynch's International Private Client Division before joining Positive Solutions where he held the position of Director of Wealth Management.

Mark is one of the founding partners of True Potential LLP, initially heading up provider relations. In this role, he was responsible for gaining industry-wide agreements that enabled the firm to develop technology for evaluations, electronic payments and commission statements.

Instrumental in building the True Potential Wealth Platform, Mark is responsible for enhancing the platform's product range which now covers ISAs, GIAs, Pensions and Investment Bonds (both onshore and offshore).

He has also been the key driver in the development of the True Potential strategy fund range, and the continued evolution of the Wealth Platform's product and fund range, as well as its benefits for both advisers and clients.

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

Most recently, Mark has overseen True Potential Investments LLP's success in gaining investment management permissions. This will allow True Potential to create and retain greater control over a range of strategy funds. The funds will help to drive down charges and provide better value and choice to clients.

OUR BOARD OF DIRECTORS



EARL GLASGOW

Senior Partner
True Potential LLP

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

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

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

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

Expanding on the success of True Potential Adviser Services, Earl was instrumental in setting up a new distribution channel in 2012, True Potential Wealth Management. As a former Financial Adviser, he understands what it takes to be successful in today's market. As Managing Partner, Earl's vision and drive to incorporate technology into the sales process, grew the business to over 425 Wealth Management Partners in less than 2 years.

Earl is also an Associate of the Personal Finance Society.



GEORGE PEEBLES

Non-Executive Partner
True Potential LLP

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

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

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



MIKE EDWARDS

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

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

His expertise is in Sales, Marketing and Advisory Management.

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



2014 IN NUMBERS



TRUE POTENTIAL GROUP KEY ACHIEVEMENTS FOR 2014

The True Potential Group achieved a profit of £10.5m, up from £5.3m in 2013

+98%

- We have seen over 37,000 people register for our "True Potential Centre for the Public Understanding of Finance" 'Managing my Money' course, in partnership with the Open University Business School
- One of 74 firms, only 4 UK-based, to have been chosen to demonstrate at Finovate Fall 2014 in New York City



We support over 1.4m client sites

The True Potential Group achieved a turnover of £44.4 million, an increase of 61%.

£44M

MAJOR AWARDS FOR THE GROUP

Deloitte.
Technology Fast50
EMEA 2014

Deloitte.
Technology Fast500
EMEA 2014 Winner



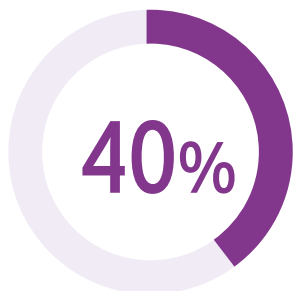
TRUE POTENTIAL INVESTMENTS KEY ACHIEVEMENTS FOR 2014

impulseSave® launched in March 2014 to advised clients

impulseSave®

£7M

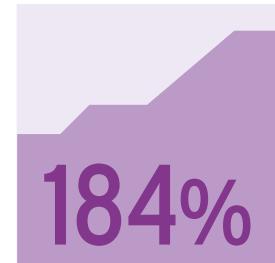
Almost £7 million new money invested in the first 9 months alone



are repeat impulseSavers, showing that technology can change behaviour



of transactions (over 1/3) have been £10 or under



Profits increased from £1.9 million in 2013 to £5.4 million



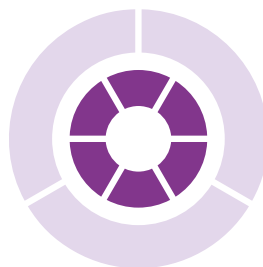
£3 billion AUM, marking the first year we've added in excess of £1 billion



50,000 private clients currently using the True Potential Wealth Platform



Gained investment management permissions, allowing us to launch our own funds



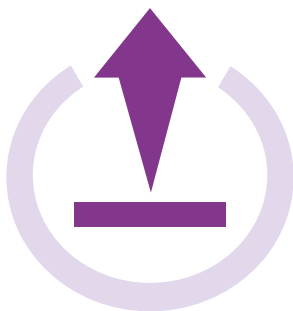
Launched True Potential's Wealth Platform to the public for the first time with "True Potential Investor" and launched Auto Enrolment solution to the corporate market



Administration of TPI Pension brought in-house in May 2014

TRUE POTENTIAL WEALTH MANAGEMENT KEY ACHIEVEMENTS FOR 2014

POSITIVE PERCENTAGES



Launched New Sales Process to 440 advisers and 35 Head Office staff along with Partner Toolkit and True View client eNewsletters to support advisers activities



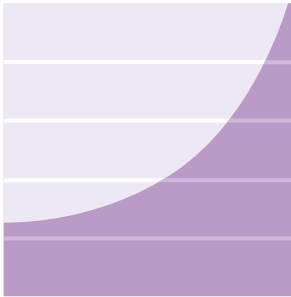
Clients logged into personal websites 267,000 times



Provided services to 152,000 clients and over 435,000 policies

TRUE POTENTIAL ADVISER SERVICES KEY ACHIEVEMENTS FOR 2014

£4.4M



Profit increased from
£2.8 million in 2013
to £4.4 million



Worked with 700 Directly-
Authorised firms and 3,200+
individual advisors

£
67
BILLION

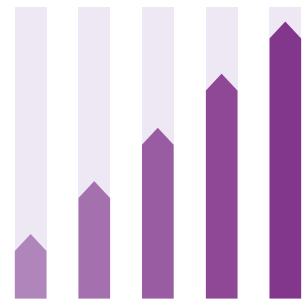
Combined, True Potential Adviser Services firms have £67 billion of assets
for which we provide valuations, asset allocation and performance analysis



Voted "Best Support Service" by
Money Marketing for three years
running (2012, 2013 & 2014)



Reconciled and processed
over 255,000 statements



Collected more than £201 million
of fees and commissions



A BIG YEAR FOR INNOVATION



A BIG YEAR FOR INNOVATION

Pioneering technology is at the core of our business



At True Potential, we work hard to deliver innovative technology and products that can change the way investors engage with their money. 2014 saw us launch a range of new services, all backed by our award-winning technology.

Our strong growth saw us named as one of only 67 UK companies in the Deloitte Technology Fast 500 EMEA for 2014, a ranking of the fastest-growing technology firms in Europe, the Middle East and Asia. This was the second year for True Potential to appear in this prestigious list, having secured a place in 2013. This year, we also featured in the Deloitte UK Technology Fast 50 for the first time.

With the UK recognised as one of the fastest-growing regions for Fintech investment, we are perfectly placed to take advantage of the growing demand for online access to financial services.

The UK consumer is increasingly using technology to help run their life. From buying groceries to organising a family calendar, mobile and tablet devices are central to everyone's daily routines. We bring that approach to wealth management, taking a uniquely modern view of how people should be able to purchase and access their investments.

With its dense population and highly connected network, the UK is at the forefront of internet adoption. Mobile devices and WiFi technology mean more and more people are connected at all times. Despite this, the financial services industry lags behind others when it comes to adapting to the modern world. Our commitment and investment in technology puts us in a unique position in the UK market, well ahead of other financial institutions that lag behind their customer's needs.

By basing ourselves in Newcastle upon Tyne, we also give ourselves room to create. With top graduates available from three world-class universities, there's no shortage of talent to draw from. Each year we hire highly-qualified local graduates into our Development Academy and other areas of the business.

Innovation is in our DNA, it keeps us ahead of the crowd and delivering the very best for our advisers and their clients. The world is constantly changing and we need to evolve at speed to stay at the front of the pack when it comes to producing the best in wealth management solutions. We've already seen this advantage with the introduction of impulseSave®. Since launching this world-first investment top-up technology, we've seen over £7 million of new money invested. By delivering services through modern technology, we have the power to change the way people manage their finances.

Over the next few pages, you'll see some of the leading innovations we developed and launched in 2014.

Innovation is in our DNA, it keeps us ahead of the crowd and delivering the very best for our advisers and their clients.

We're a company built on pushing technology to the limits and we needed a space within our offices that helped that type of work continue.

INNOVATION HUB

Where great ideas happen

With our continued mission to use technology to revolutionise the way wealth management is delivered in the UK, we've created a purpose-built space for our developers to work in.

Our Innovation Hub allows creativity to flourish and helps our developers build exciting new technologies at speed. We're a company built on pushing technology to the limits and we needed a space within our offices that helped that type of work continue. We didn't want it to feel like an office, so we built something different.

With a focus on light and space, the Innovation Hub has proved an excellent environment for our development team.

Using rotating whiteboards, developers can sketch out ideas and get immediate feedback as they plan projects and solve problems. Smart TVs provide areas for informal stand-up meetings, where teams can demonstrate and test new technology live.

With a soundproof media room, which doubles as a production studio, we have a space where ideas can flow all the way through development to going live. Our marketing team is also based in the Innovation Hub, keeping them close to technology and giving them the inside track on the future. It's a real-time working theatre.

To see the Innovation Hub and hear how it works for True Potential, scan the QR code.





It's a real-time working theatre.

impulseSave®

Changing the way the UK invests

In 2014, we launched our innovative impulseSave® technology. This unique feature allows anyone to add as little as £1 to their investments for the first time.

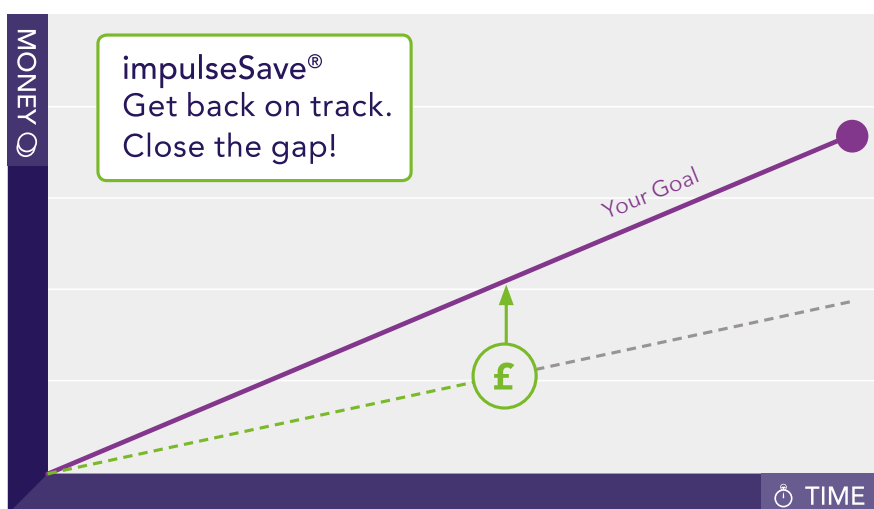
With impulseSave®, we made investing simple. By designing technology that felt instinctive to use, yet did something unique, we're making it accessible to all. By linking impulseSave® to our goal-first approach to investing, our clients can close any gaps to their goals that appear or add any spare cash to reach them faster.

In March 2014, we launched impulseSave® to our advised clients, who could already see how their investments were performing 24/7 via their personal client site. For the first time, they could take immediate action if they fell behind their goal. After a successful start, we then made impulseSave® available to the general public through our direct-to-consumer service, True Potential Investor.

impulseSave® is now available online and via our iOS and Android apps. True Potential Investor clients can also use impulseSave® on their Android Wear smartwatch.

The real validation of our big idea came when we saw how people use impulseSave®. Almost 40% of top-ups via impulseSave® are under £10, proving that technology can change the way people invest. Close to £7 million was added through impulseSave® in the first nine months, all money that otherwise might not have been invested.

Once our clients have used impulseSave®, they keep using it. Around 45% of clients who use impulseSave® become regular users. By removing complexity and using modern technology, we've shown that we can turn spenders into savers. Clients are engaged with their finances and financial advisers have an added value proposition unmatched by any other business.



impulseSave® ties into our goal-first approach to saving. We know that when people have a reason to save, they're more likely to reach their goal.



Daniel Harrison, Senior Partner, on stage at Finovate Fall 2014

impulseSave® at FinovateFall 2014 in NYC

In September 2014, we took impulseSave® to FinovateFall, a leading financial technology conference held in New York. We were one of only 70 firms to make it through the selection process. Senior Partner, Daniel Harrison had just seven minutes to demonstrate the technology live on stage, in front of an audience of industry leaders and the press.

Commenting on the presentation, Eric Mattson, Finovate CEO said: "It was great to have True Potential on board to demo its innovative technology for changing the way people save. Helping people to save money is a critical area for innovation in FinTech and True Potential's impulseSave® has exciting potential."

By removing complexity and using modern technology, we've shown that you can turn spenders into savers.

To learn more about how and why we made impulseSave®, scan the QR code.



TRUE POTENTIAL INVESTOR

An innovative online investment service



In March 2014, we launched our Wealth Platform technology to the general public with True Potential Investor. Designed to bridge the gap between advice and self-directed investments, True Potential Investor is an online investment service with a difference.

Built with our award-winning technology, including impulseSave®, True Potential Investor guides clients through the process of setting a financial goal and putting together an investment plan to reach it.

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

By offering a select range of funds from our partners Goldman Sachs, Allianz, Close Brothers, 7IM,

Schroders and SEI, we provide enough choice to clients without overwhelming them. When it comes to direct investing, we believe less is more and too many is plain confusing. What's more, True Potential Investor clients can invest in these world-class funds, usually reserved for ultra-high net worth investors, from just £50.

True Potential Investor clients can track progress against their goals 24/7 online, via our iOS and Android apps, as well as on their Android Wear smartwatch. They can also use the service to get a holistic view of their finances by linking up bank accounts, external investments, other assets and liabilities. With these features, as well as the ability to top-up with impulseSave®, True Potential Investor is an innovative online investment and financial planning service.

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

AUTO ENROLMENT ON AUTO PILOT

The Government's flagship auto enrolment programme is set to affect over 1 million small businesses over the next two years. With few companies prepared, we have again used our technology to build a unique solution to a growing problem.

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

The system is fully integrated with payroll providers, allowing employers and their accountants to manage auto enrolment without the need for costly and time-consuming middleware. It even deals with all statutory communications to employees. We like to call it 'auto enrolment on auto pilot.'

Employers using our solution offer their employees the full True Potential Investor service. Employees get access to funds priced below the government's charging cap as well as our exclusive range of strategy funds. They can manage their pension online and via our iOS and Android apps, as well as make impulseSave® top-ups.

With a huge market, a technology-based solution for employers and True Potential Investor for employees, our auto enrolment system is win-win-win.



Employee pays

Minimum 0.8% of qualifying earnings - rising to 4% by 2018



Employer pays

Minimum 1% of qualifying earnings - rising to 3% by 2018



The Government pays

0.2% of qualifying earnings - rising to 1% by 2018

By focusing on goals, both client and adviser are clear on what they need and the plan to reach it.

NEW FINANCIAL ADVISER SALES PROCESS

Engaging clients with their goals

In late 2014, we launched our New Sales Process (NSP) to our Wealth Management Partners. This puts a client's personal goal at the forefront of all advice they receive. By focusing on goals, both client and adviser are clear on what they need and the plan to reach it. After completing the process, clients are more likely to commit to a monthly investment or regularly top-up their accounts with impulseSave®.

As well as focusing on a primary goal, the new process also gives advisers the opportunity to conduct a full holistic analysis of their client's current situation. This helps both to get a full picture of a client's net worth and seek out new opportunities for growth and consolidation.

In an important part of the new process, advisers ask clients to digitally verify that they understand the scope of advice and all charges before they proceed. This ensures total transparency between adviser and client, which helps to build trust and long-term relationships.

This is already proving that a goals-first and digital approach to wealth management is an efficient way for advisers to run their business and effective in helping clients reach their full potential.



DEVELOPING CAREERS AT TRUE POTENTIAL

A place to learn and grow

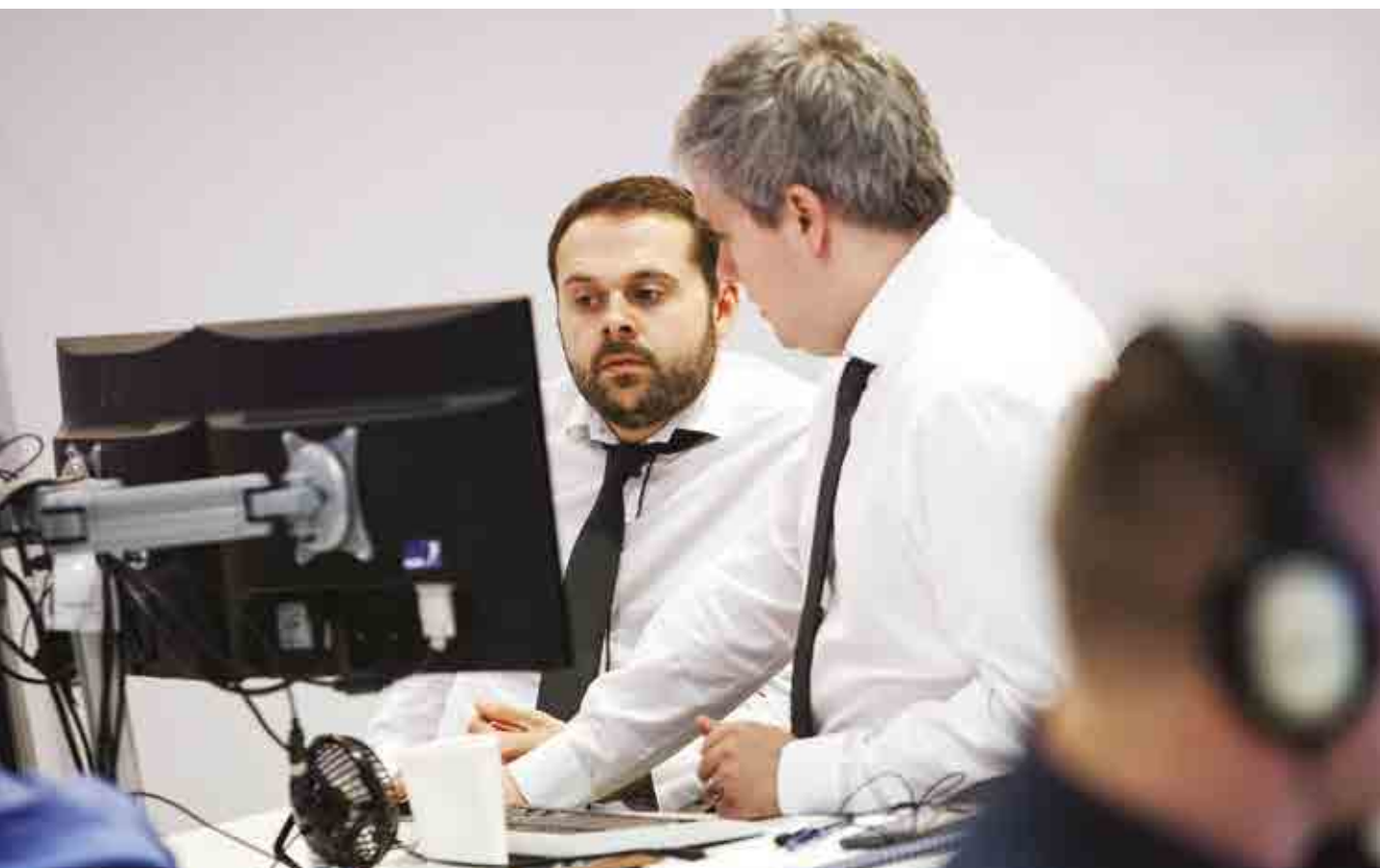
At True Potential, we know our staff and partners are our greatest assets. From the developers building our award-winning technology to the staff delivering award-winning service to financial advisers, we're a Group that prides ourselves on recruiting and rewarding the best.

As of 31 December 2014, we employed 137 staff across the Group. Several of these began as apprentices, a scheme we have run for over three years and which took on seven new apprentices in 2014. We're looking to offer more apprenticeships in 2015, developing staff on-the-job. Four of our apprentices have gone on to full-time employment at True Potential LLP.

Last year, we also launched our Development Academy, where we help graduates become the next generation of financial technology talent. We added four developers in 2014 and have already started working with three new graduates in 2015.

At True Potential, every single member of staff can become a partner in the organisation and share in the success of the companies. As of 31 December 2014, we had 47 partners in the business.

We're committed to our people as well as technology and, with our staff growing year-on-year, we're ready for tomorrow, today.



We believe that financial education is one of the key ways to solve the UK's savings crisis.

CORPORATE RESPONSIBILITY

Creating a better future for all

In 2014, True Potential LLP continued to support campaigns and initiatives designed to help today's savers achieve the future they want.

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

Conducted quarterly, the research shows that Britons are not saving enough. Millions will face poverty once they stop working, with the State Pension under increasing pressure. With each survey, which questions over 2,000 UK residents aged 18 to 65, we are building a clearer picture of the state of the British public's finances. With this data, we are armed with the information we need to campaign to change the way people save.

True Potential has also partnered with the Open University to launch the True Potential Centre for the Public Understanding of Finance, a pioneering Centre of Excellence for research in the development of personal financial capabilities. Over five years, we are providing £1.4 million in funding to support the Centre's work.

The Centre's aim is to improve public understanding of personal finance through research and the delivery of free online courses providing individuals with the tools to make sound financial decisions. The first of three free courses, 'Managing My Money' which launched in May 2014 has already had over 37,000 registrations.

Most recently, we partnered with Moneywise to sponsor the first edition of their Money Manual. The guide offers unbiased, jargon-free advice that will help readers at every stage of life: from opening a savings account to buying a home, protecting the family and preparing for retirement.

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

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



REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Registered number OC380771

TABLE OF CONTENTS

| | |
|----|---|
| 36 | Members and advisers for the year ended 31 December 2014 |
| 37 | Members' report for the year ended 31 December 2014 |
| 38 | Independent auditors' report to the members of True Potential LLP |
| 39 | Independent auditors' report to the members of True Potential LLP (continued) |
| 40 | Consolidated profit and loss account for the year ended 31 December 2014 |
| 41 | Consolidated balance sheet as at 31 December 2014 |
| 42 | Partnership balance sheet as at 31 December 2014 |
| 43 | Consolidated statement of cash flows for the year ended 31 December 2014 |
| 45 | Statement of accounting policies |
| 46 | Notes to the financial statements for the year ended 31 December 2014 |

MEMBERS AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2014

Managing board members

David Harrison (Managing Partner)
Neil Johnson
Mark Henderson
Daniel Harrison
Earl Glasgow
Mike Edwards (Non-executive)
George Peebles (Non-executive)

Registered office

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

Bankers

The Royal Bank of Scotland plc
1 Trinity Gardens
2nd Floor Broadchare
Newcastle upon Tyne
NE1 2HF

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Registered number OC380771

Members' report for the year ended 31 December 2014

The members present their report and the audited consolidated financial statements for the year ended 31 December 2014.

Designated members

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

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

Policy on members' drawings

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

Members' profit shares

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

Members' responsibilities statement

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

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the group and parent partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to limited liability partnerships the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the partnership and of the profit or loss of the partnership and group for that period. In preparing these financial statements, the members are required to:

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the partnership and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

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

Independent auditors

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

On behalf of the members



David Harrison
Designated member



Neil Johnson
Designated member

True Potential LLP, 23 February 2015

Independent auditor's report to the members of True Potential LLP

Report on the financial statements

Our opinion

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

- give a true and fair view of the state of the group's and of the limited liability partnership's affairs as at 31 December 2014 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

What we have audited

True Potential LLP's financial statements comprise:

- the consolidated and partnership balance sheets as at 31 December 2014;
- the consolidated profit and loss account for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the statement of accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Members' Responsibilities Statement set out on page 37, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Registered number OC380771

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

Responsibilities for the financial statements and the audit (continued)

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.

What an audit of financial statements involves

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

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

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

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

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



Bill MacLeod (Senior Statutory Auditor)

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

23 February 2015

- (a) The maintenance and integrity of the True Potential LLP website is the responsibility of the members; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated profit and loss account for the year ended 31 December 2014

| | Note | 2014 £'000 | 2013 £'000 |
|--|------|-----------------|---------------|
| Turnover | 1 | 44,424 | 27,526 |
| Cost of sales | | (25,330) | (14,502) |
| Gross profit | | 19,094 | 13,024 |
| Administrative expenses | | (8,542) | (7,720) |
| Operating profit | 3 | 10,552 | 5,304 |
| Loss on disposal of fixed assets | | - | (2) |
| Interest receivable and similar income | 4 | 3 | 1 |
| Interest payable and similar charges | 5 | (11) | (50) |
| Profit for the financial year before members' remuneration and profit shares available for discretionary division among members | 12 | 10,544 | 5,253 |

All operations are continuing.

The partnership has no recognised gains and losses other than the profit shown above and therefore no separate statement of total recognised gains and losses has been presented.

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

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Registered number OC380771

Consolidated balance sheet as at 31 December 2014

| | Note | 2014 £'000 | 2013 £'000 |
|---|------|----------------|----------------|
| Fixed assets | | | |
| Goodwill | | 120 | - |
| Intangible assets | 7 | 12 | 23 |
| Tangible assets | 8 | 1,129 | 1,018 |
| | | 1,261 | 1,041 |
| Current assets | | | |
| Debtors | 10 | 3,492 | 2,185 |
| Cash at bank and in hand | | 4,104 | 573 |
| Creditors: amounts falling due within one year | 11 | (2,045) | (2,470) |
| Net current assets | | 5,552 | 288 |
| Net assets attributable to members | | 6,813 | 1,329 |
| Members' other interests | | | |
| Members' capital | 12 | 447 | 2,000 |
| Other reserves | 12 | 6,366 | (671) |
| Total members' interests | 12 | 6,813 | 1,329 |

These financial statements on pages 40 to 53 were approved by the board of members on 23 February 2015 and are signed on their behalf by:



David Harrison
Designated member

23 February 2015



Neil Johnson
Designated member

Partnership balance sheet as at 31 December 2014

| | Note | 2014 £'000 | 2013 £'000 |
|---|------|----------------|---------------|
| Fixed assets | | | |
| Tangible Assets | 8 | 316 | - |
| Investment in subsidiary undertakings | 9 | 2,484 | 2,265 |
| | | 2,800 | 2,265 |
| Current assets | | | |
| Debtors | 10 | 1,076 | 106 |
| Creditors: amounts falling due within one year | 11 | (7,790) | (808) |
| Net current liabilities | | (6,714) | (702) |
| Total assets less current liabilities | | (3,914) | 1,563 |
| Net (liabilities) / assets attributable to members | | (3,914) | 1,563 |
| Members' other interests | | | |
| Members' capital | 12 | 447 | 2,000 |
| Other reserves | 12 | (4,361) | (437) |
| Total members' interests | 12 | (3,914) | 1,563 |

These financial statements on pages 40 to 53 were approved by the board of members on 23 February 2015 and are signed on their behalf by:



David Harrison
Designated member



Neil Johnson
Designated member

23 February 2015

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Registered number OC380771

Consolidated statement of cash flows for the year ended 31 December 2014

| | Note | 2014 £'000 | 2013 £'000 |
|--|------|----------------|---------------|
| Net cash inflow from operating activities | 13 | 9,058 | 6,182 |
| Returns on investments and servicing of finance | | | |
| Interest received | | 3 | 1 |
| Interest paid | | (11) | (50) |
| Net cash outflow from returns on investments and servicing of finance | | (8) | (49) |
| Capital expenditure and financial investment | | | |
| Purchase of tangible fixed assets | | (350) | (116) |
| Disposal of tangible fixed assets | | - | 76 |
| Net cash from acquisition of subsidiary | | (109) | - |
| Net cash outflow from capital expenditure and financial investment | | (459) | (40) |
| Transactions with members and former members | | | |
| Payments to members | | (3,507) | (2,986) |
| Capital withdrawals by members | | (1,553) | (80) |
| Cash flows from financing activities | | | |
| Decrease in borrowings | | - | (3,376) |
| Net cash outflow from financing | | (5,060) | (6,442) |
| Movement in net cash in the year | | 3,531 | (349) |

Reconciliation of net cash flow to movement in net funds

| | | 2014 | 2013 |
|---|------|--------------|-------|
| | Note | £'000 | £'000 |
| Movement in net cash in the year | | 3,531 | (349) |
| Net cash at 1 January | | 573 | 922 |
| Net cash at 31 December | 14 | 4,104 | 573 |

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Registered number OC380771

Statement of accounting policies

Basis of accounting

The group 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 Statement of Recommended Practice "Accounting by Limited Liability Partnerships" and applicable accounting standards in the United Kingdom. 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 2014. 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 partnerships within the group.

Turnover

Turnover represents fees earned in respect of work carried out in the year in the ordinary course of business. Turnover is recognised on receipt and 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 |

Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less accumulated amortisation. Cost includes the original purchase price of the asset.

Amortisation is provided at rates calculated to write off the cost of intangible fixed assets less estimated realisable value by annual instalments over their expected useful lives. The rates applicable on a straight line basis are as follows:

| | |
|-----------------|-----|
| Formation costs | 20% |
|-----------------|-----|

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. No partnership within the group is taxed as a corporate entity.

Notes to the financial statements for the year ended 31 December 2014

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:

| | 2014 | 2013 |
|-------------------------------|--------|--------|
| | Number | Number |
| Management and administration | 139 | 114 |

| Staff costs | £'000 | £'000 |
|-----------------------|--------------|--------------|
| Wages and salaries | 3,718 | 1,781 |
| Social security costs | 361 | 260 |
| Other pension costs | 7 | - |
| | 4,086 | 2,041 |

3. Operating profit

This is stated after charging:

| | 2014 | 2013 |
|--|-------|-------|
| | £'000 | £'000 |
| Depreciation of owned fixed assets | 238 | 282 |
| Amortisation of intangible assets | 11 | 11 |
| Auditors' remuneration - audit of group financial statements | 31 | 21 |
| - non-audit - taxation services | 9 | 10 |
| Operating lease rentals - land and buildings | 634 | 467 |

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Registered number OC380771

Notes to the financial statements for the year ended 31 December 2014

| 4. Interest receivable and similar income | 2014 | 2013 |
|---|-------|-------|
| | £'000 | £'000 |
| Bank interest receivable | 3 | 1 |

| 5. Interest payable and similar charges | 2014 | 2013 |
|---|-------|-------|
| | £'000 | £'000 |
| Interest payable on borrowings | 11 | 50 |

6. Profit and loss account

As permitted by Section 408 of the Companies Act 2006, the parent partnership's profit and loss account has not been included in these financial statements. The parent partnership's loss for the financial year was £416,943 (2013: Profit of £346,000).

7. Intangible assets

| Group | Goodwill | Other intangibles | Total |
|---------------------------------|------------|-------------------|------------|
| | £'000 | £'000 | £'000 |
| Cost | | | |
| At 1 January 2014 | - | 53 | 53 |
| Additions | 120 | - | 120 |
| At 31 December 2014 | 120 | 53 | 173 |
| Accumulated amortisation | | | |
| At 1 January 2014 | - | 30 | 30 |
| Charge for the year | - | 11 | 11 |
| At 31 December 2014 | - | 41 | 41 |
| Net book value | | | |
| At 31 December 2014 | 120 | 12 | 132 |
| At 31 December 2013 | - | - | 23 |

8. Tangible assets

| Group | Fixtures, fittings and equipment | Short leasehold buildings | Total |
|----------------------------|-------------------------------------|------------------------------|--------------|
| | £'000 | £'000 | £'000 |
| Cost | | | |
| At 1 January 2014 | 1,734 | 77 | 1,811 |
| Additions | 349 | - | 349 |
| At 31 December 2014 | 2,083 | 77 | 2,160 |
| Depreciation | | | |
| At 1 January 2014 | 765 | 28 | 793 |
| Charged during the year | 228 | 10 | 238 |
| At 31 December 2014 | 993 | 38 | 1,031 |
| Net book value | | | |
| At 31 December 2014 | 1,090 | 39 | 1,129 |
| At 31 December 2013 | 969 | 49 | 1,018 |

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Registered number OC380771

Notes to the financial statements for the year ended 31 December 2014

8. Tangible assets (continued)

| Partnership | Fixtures, fittings and equipment | Total |
|----------------------------|-------------------------------------|------------|
| | £'000 | £'000 |
| Cost | | |
| At 1 January 2014 | - | - |
| Additions | 335 | 335 |
| At 31 December 2014 | 335 | 335 |
| Depreciation | | |
| At 1 January 2014 | - | - |
| Charged during the year | 19 | 19 |
| At 31 December 2014 | 19 | 19 |
| Net book value | | |
| At 31 December 2014 | 316 | 316 |
| At 31 December 2013 | - | - |

9. Investment

| Partnership | Subsidiary undertakings |
|--------------------------------|-------------------------|
| | £'000 |
| Cost and net book value | |
| At 1 January 2014 | 2,265 |
| Additions | 219 |
| 31 December 2014 | 2,484 |

In the year, the partnership acquired the share capital of Graham Dacre Financial Services Limited (the name of which was subsequently changed to True Potential Associate Partners Limited) for a purchase price of £219,000. The net assets of the entity acquired were £99,000 resulting in goodwill in the consolidated balance sheet of £120,000.

9. Investment (continued)

Details of investments held by the partnership are as follows:

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

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

10. Debtors

| | Group | | Partnership | |
|--------------------------------|--------------|-------|--------------|-------|
| | 2014 | 2013 | 2014 | 2013 |
| | £'000 | £'000 | £'000 | £'000 |
| Other debtors | 2,655 | 1,734 | 740 | - |
| Prepayments and accrued income | 837 | 451 | 336 | 106 |
| | 3,492 | 2,185 | 1,076 | 106 |

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Registered number OC380771

Notes to the financial statements for the year ended 31 December 2014

11. Creditors: amounts falling due within one year

| | Group | | Partnership | |
|-----------------------------------|--------------|--------------|--------------|------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade creditors | 217 | 149 | 5 | - |
| Amounts due to group undertakings | - | - | 7,678 | 808 |
| Taxation and social security | 99 | 84 | - | - |
| Pension Contributions | 6 | - | - | - |
| Other creditors | 670 | 692 | - | - |
| Accruals and deferred income | 1,053 | 1,545 | - | - |
| Overdraft | - | - | 107 | - |
| | 2,045 | 2,470 | 7,790 | 808 |

12. Total members' interests

| Group | Members' other interests | | | Loans and other debts due to members less any amounts due from members in debtors | Total |
|--|--------------------------|----------------|------------|---|--------------|
| | Members' capital | Other reserves | Total | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 January 2014 | 2,000 | - | 2,000 | (671) | 1,329 |
| Profit for the financial year available for discretionary distribution among members | - | 10,544 | 10,544 | - | 10,544 |
| Members' interests after profit for the year | 2,000 | 10,544 | 12,544 | (671) | 11,873 |
| Members' interests-capital withdrawn | (1,553) | - | (1,533) | - | (1,553) |
| Divisions of profit | - | (10,544) | (10,544) | 10,544 | - |
| Drawings | - | - | - | (3,507) | (3,507) |
| Members' interests 31 December 2014 | 447 | - | 447 | 6,366 | 6,813 |

| 12. Total members' interests (continued) | Members' other interests | | | Loans and other debts due to members less any amounts due from members in debtors | Total | |
|--|--------------------------|------------------|----------------|---|----------------|----------------|
| | Partnership | Members' capital | Other reserves | | | Total |
| | | £'000 | £'000 | | | £'000 |
| At 1 January 2014 | | 2,000 | - | 2,000 | (437) | 1,563 |
| Loss for the financial year available for discretionary distribution among members | | - | (417) | (417) | - | (417) |
| Members' interests after loss for the year | | 2,000 | (417) | 1,583 | (437) | 1,146 |
| Members' interests-capital withdrawn | | (1,553) | - | (1,553) | - | (1,553) |
| Divisions of loss | | - | 417 | 417 | (417) | - |
| Drawings | | - | - | - | (3,507) | (3,507) |
| Members' interests 31 December 2014 | | 447 | - | 447 | (4,361) | (3,914) |

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

The amount in respect of the highest paid member in the year ended 31 December 2014 is £225,817 (2013: £310,000).

13. Notes to the statement of cash flows

Reconciliation of operating profit to net cash inflow from operating activities

| | 2014 | 2013 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Operating profit | 10,552 | 5,304 |
| Depreciation | 238 | 282 |
| Amortisation of intangibles | 11 | 11 |
| Loss on disposal of fixed assets | - | (2) |
| (Increase) in debtors | (1,308) | (716) |
| (Decrease) / Increase in creditors | (435) | 1,303 |
| Net cash inflow from operating activities | 9,058 | 6,182 |

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Registered number OC380771

Notes to the financial statements for the year ended 31 December 2014

14. Analysis of net funds

Analysis of changes in net funds

| | At 1 January 2014 | Cash Flow | At 1 December 2014 |
|--------------------------|-------------------|-----------|--------------------|
| | £'000 | £'000 | £'000 |
| Cash at bank and in hand | 573 | 3,531 | 4,104 |
| Net funds | 573 | 3,531 | 4,104 |

15. Operating lease commitments

At 31 December the group had annual commitments under non-cancellable operating leases expiring as follows:

| | Land and buildings | | Other | |
|--------------------------|--------------------|-------|-------|-------|
| | 2014 | 2013 | 2014 | 2013 |
| | £'000 | £'000 | £'000 | £'000 |
| Within one year | - | - | 80 | 29 |
| Within two to five years | - | - | 156 | 248 |
| After five years | 439 | 315 | - | - |

16. Related party transactions

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

17. Ultimate controlling party

The ultimate controlling party is the Managing Board of members, as listed on page 36.





True Potential LLP

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

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