

Registered number: OC303230

**threesixty services LLP**

**Annual Financial Statements  
For the year ended 31 December 2019**



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## **Information**

### **Designated Members**

The members of the limited liability partnership who were in office during the year and up to the date of signing the financial statements were:

Standard Life Aberdeen plc

Standard Life Employee Services Limited

### **LLP registered number**

OC303230

### **Independent Auditors**

KPMG

Chartered Accountants and Statutory Auditors

Saltire Court

20 Castle Terrace

Edinburgh

EH1 2EG

### **Registered Office**

2<sup>nd</sup> Floor, The Royals

353 Altrincham Road

Sharston

Manchester

M22 4BJ

### **Bankers**

Royal Bank of Scotland plc

Drummond House

1 Redheugh Avenue

Edinburgh

EH12 9JN

### **Members' Report for the year ended 31 December 2019**

The members present their annual report together with the audited financial statements of threesixty services LLP ("the LLP" or "threesixty") for the year ended 31 December 2019.

#### **Introduction**

threesixty provides support services to wealth managers in the financial intermediary sector. The core proposition focuses on regulatory and technical advice, product and fund research/reviews and training in all areas. Services continue to be developed and targeted to support wider aspects of business management faced by business owners and their teams as their requirements evolve.

#### **Business review**

The results for the year ended 31 December 2019 have demonstrated steady growth in revenue with an increase in turnover of 5% derived from new client contracts and additional services being purchased by existing clients. We have continued to hold our fees at the same level without any annual increase for several years. Costs have increased by 8% which has resulted in a small reduction in profit reflecting planned investment in our team and infrastructure which has continued in 2020. The business remains committed to a professional financial operating model charging for services rendered, negotiating competitive pricing with external businesses wherever possible for the benefit of our clients without taking any financial incentive or override from them. The LLP currently looks after just over 1,000 firms with approximately 9,000 advisers.

threesixty does not hold regulatory responsibilities or liabilities on behalf of its clients and as a result its risk profile remains low.

#### **Employee involvement**

The LLP is committed to an equal opportunities policy. The sole criterion for selection or promotion is the suitability of any applicant for the job regardless of ethnic origin, religion, religious belief, sex, sexual orientation, marital status or disablement. The LLP will continue to employ, arrange for retraining, or retire on disability pension, any member of staff who becomes disabled, as may be appropriate. The LLP communicates with its employees on a regular basis, with an emphasis on listening and responding to staff aspirations and development needs through regular meetings, formal appraisals, development plans and staff intranet.

#### **Going concern**

In assessing whether the LLP is a going concern the members have considered the LLP's net assets and current results, the liquidity of the LLP's assets and forecasted cash flows. The LLP also took into account recent market developments and the uncertainty caused by COVID-19 with impact on income considered. The management of the LLP are satisfied that its strong cash position means that the LLP has adequate resources to continue in operational existence for the foreseeable future (being 12 months from the date of this report). Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **Statement of members' responsibilities in respect of the Members' Report and the financial statements**

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 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 LLP and of its profit or loss 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 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;

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### Members' report (*continued*)

- assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

#### **Risk management objectives and policies**

The LLP assesses, monitors and manages the business's exposure to risk through a defined framework which groups the principal risks to the business and approach to management as follows:

##### **Strategic risk**

Those risks which threaten achievement of the strategy through failing to meet client expectations and implementation or response to changing circumstances are regularly monitored by the executive team.

##### **Financial risk**

The risk that the LLP has insufficient financial resources to meet its ongoing commitments is managed through management of income and costs and maintaining sufficient cash to meet costs for a significant period of time where income may be impacted. The management have in particular reviewed the commercial impact that Brexit and COVID-19 have on the LLP and concluded that there is limited commercial exposure. Ongoing turbulence for the stockmarket may generate a significant downturn the LLP's clients could reduce their level of engagement with the LLP in turn reducing turnover and profit. The LLP continues to manage the impact of COVID-19 utilising business continuity and resilience processes and has maintained sufficient cash to manage the impact on income.

##### **Conduct risk**

The risk of poor conduct through our behaviours, strategies, decisions and actions fails to meet staff and client expectations is governed by a Code of Conduct applicable to all of our people with mandatory training modules embedding a strong conduct culture.

##### **Regulatory risk**

The risk of regulatory sanction, financial consequences or reputational damage as a result of failing to comply with changes in applicable law, contractual requirements or regulations is reviewed by members of the management team with clearly defined roles and support from external consultants.

##### **Operational risk**

The risk that people, processes, systems or external events impede our ability to meet our strategic objectives is controlled through an ongoing programme of investment and improvements, controls to mitigate fraud and financial crime and process monitoring.

##### **Coronavirus (COVID-19)**

The LLP has implemented business continuity and resilience plans to ensure it can continue to operate effectively during the limitations placed on it by government restrictions and these continue to be monitored

**Members' report (*continued*)**

**Designated members**

The members of the partnership who were in office during the year and up to the date of signing the financial statements were Standard Life Aberdeen plc and Standard Life Employee Services Limited.

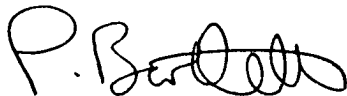
**Disclosure of information to auditors**

So far as the members are aware, there is no relevant audit information of which the LLP's auditors are unaware. Additionally the members have taken all relevant steps that they ought to have taken as members in order to make themselves aware of all relevant audit information and to establish that the LLP's auditors are aware of that information.

**Auditor**

Pursuant to Section 487 of the Companies Act 2006 the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the members on 20 November 2020 and signed on their behalf, by:

A handwritten signature in black ink, appearing to read 'P. Bartlett', with a stylized flourish at the end.

Patrick Bartlett

On behalf of the designated member: Standard Life Employee Services Limited

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THREESIXTY

## SERVICES LLP

### Opinion

We have audited the financial statements of threesixty services LLP ("the LLP") for the year ended 31 December 2019 which comprise the Income Statement, Statement of Financial Position and related notes, including the accounting policies on pages 10 to 15.

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the LLP as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the LLP in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The members have prepared the financial statements on the going concern basis as they do not intend to liquidate the LLP or to cease its operations, and as they have concluded that the LLP's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the members' conclusions, we considered the inherent risks to the LLP's business model and analysed how those risks might affect the LLP's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the LLP will continue in operation.

### Other information

The members are responsible for the other information, which comprises the members' report. 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 conclusion thereon. Our responsibility is to read the other information and, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

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### **Members' responsibilities**

As explained more fully in their statement set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the LLP'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 they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Eilidh McGowan (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor

### **Chartered Accountants**

Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

20 November 2020



**Income statement**  
**For the year ended 31 December 2019**

	2019 £	2018 <sup>1</sup> £
<b>Income</b>		
Revenue from contracts with clients	6,741,723	6,593,192
<b>Total income</b>	<b>6,741,723</b>	<b>6,593,192</b>
<b>Expenses</b>		
Cost of sales	4,855,186	4,556,186
Administrative expenses	951,895	874,228
<b>Profit for the financial year before members' remuneration</b>	<b>934,642</b>	<b>1,162,778</b>
Members' remuneration charged as an expense	(934,642)	(1,162,778)
<b>Profit for the year</b>	<b>-</b>	<b>-</b>

The notes and accounting policies on pages 10 to 22 form an integral part of these financial statements.

The profit and loss account has been prepared on the basis that all results are derived from continuing operations.

There is no material difference between the result for the financial year available for discretionary division among members stated above and their historical costs equivalents

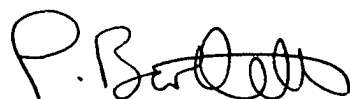
<sup>1</sup> The LLP has initially applied IFRS 16 at 1 January 2019. Under the transition methods chosen, comparative information is not restated. Refer to the basis of preparation.

**Statement of financial position**  
**For the year ended 31 December 2019**

	Notes	2019 £	2018 <sup>1</sup> £
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	7	434,131	68,244
Property, plant and equipment	8	577,464	267,803
<b>Current assets</b>			
Trade and other receivables	9	653,563	861,131
Cash and cash equivalents	10	6,849,538	6,021,080
<b>Total assets</b>		<b>8,514,696</b>	<b>7,218,258</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	1,428,558	1,487,152
<b>Non current liabilities</b>			
Other payables	14	790,469	337,508
<b>Total liabilities</b>		<b>2,219,027</b>	<b>1,824,660</b>
<b>Net assets attributable to members</b>		<b>6,295,669</b>	<b>5,393,598</b>
<b>Represented by:</b>			
<b>Amounts due to members</b>	11	<b>6,295,669</b>	<b>5,393,598</b>
<b>Total members' interests:</b>			
<b>Amounts due to members</b>		<b>6,295,669</b>	<b>5,393,598</b>

The notes and accounting policies on pages 10 to 22 form part of these financial statements.

The financial statements were approved and authorised for issue by the members and were signed on their behalf by



Patrick Bartlett

On behalf of the designated member: Standard Life Employee Services Limited  
20 November 2020

<sup>1</sup> The LLP has initially applied IFRS16 at 1 January 2019. Under the transition methods chosen, comparative information is not restated. Refer to basis of preparation.

### Accounting policies

#### Basis of preparation

The LLP meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS100) issued by the Financial Reporting Council (FRC). Accordingly, in the year ended 31 December 2019 the LLP has continued to adopt Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) as issued by the Financial Reporting Council (FRC) and in the prior year transitioned from reporting under International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as endorsed by the European Union (EU) to FRS 101 incorporating parts of the Companies Act 2006 applicable to limited liability partnerships ('LLPs') reporting under IFRS. Accordingly, these financial statements were prepared in accordance with FRS 101 incorporating the Amendments to FRS 101 issued by the FRC up to March 2018. This transition to FRS 101 had no impact on measurement or recognition in the financial statements. The financial statements have been prepared on a going concern basis and under the historical cost convention.

As permitted by FRS 101, the LLP has taken advantage of the following disclosure exemptions available under that standard:

- A cash flow statement and related notes;
- Revenue from contracts with clients;
- Capital management;
- Key management emoluments;
- Effect of IFRSs issued but not effective; and
- Related party transactions with our parent company and other subsidiaries.

#### (a) New standards, interpretations and amendments to existing standards that have been applied by the LLP

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the LLP's annual accounting.

##### IFRS 16 Leases

On 1 January 2019 the LLP adopted IFRS 16 Leases. IFRS 16 replaces IAS 17 Leases and introduces a new single accounting approach for lessees for all leases (with limited exceptions). As a result there is no longer a distinction between operating leases and finance leases, and lessees will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The accounting for leases by lessors remains largely unchanged. However, a number of the LLP's leases which were operating leases under IAS 17 now qualify as finance leases under IFRS 16.

##### Transition

The LLP has applied the cumulative catch up approach to IFRS 16 and therefore comparatives have not been restated. On transition to IFRS 16, the LLP recognised right-of-use assets and lease liabilities. Right-of-use assets for property have been calculated as if IFRS 16 has always been applied, recognising the difference between the assets and liabilities in retained earnings. For non-property leases, the right-of-use assets initially recognised was equal to the lease liability calculated with no impact on retained earnings.

## Accounting policies (*continued*)

### Practical expedients

The LLP has used the following practical expedients permitted under IFRS 16:

- To apply the new standard solely to leases previously identified in accordance with IAS 17 and IFRIC 4 *Determining whether an Arrangement Contains a Lease*;
- To not recognise leases with a low value or short-term leases including those whose term ends within 12 months at 1 January 2019;
- To apply a single discount rate to leases with similar characteristics.

### Impact of transition

The impact on opening retained earnings at 1 January 2019 is summarised below:

	1 January 2019 £
<b>Recognised under IFRS 16</b>	
Right-of-use assets (within property, plant and equipment)	
Property	376,356
Equipment	6,717
Lease liabilities (within Other financial liabilities and Non current liabilities)	(527,507)
<b>Derecognised on application of IFRS 16</b>	
Prepayment for leases (within Receivables and other financial assets)	(10,282)
Accruals for lease incentives (within Other financial liabilities)	122,145
<b>Decrease in opening retained earnings</b>	<b>(32,571)</b>

When measuring lease liabilities for leases previously classified as operating leases, the LLP used discount rates determined on a portfolio basis depending on the geographic location and term of the lease. The weighted average rate used at initial application was 2.5%. The lease commitments for operating leases as previously disclosed in the LLP's Annual report and accounts for the year ended 31 December 2018 is reconciled to the lease liabilities at 1 January 2019 below:

	1 January 2019 £
Operating lease commitments at 31 December 2018 as disclosed in the LLP's Annual report and accounts for the year ended 31 December 2018	468,423
Discounted value of operating lease commitments at 31 December 2018	
Other	59,084
<b>Lease liabilities recognised at 1 January 2019</b>	<b>527,507</b>

### Disclosure

IFRS 16 introduces new disclosure requirements for lessees and lessors which are provided in Note 13. The objective of the disclosures is for lessees and lessors to disclose information in the notes that, together with the information provided in the income statement and statement of financial position, gives a basis for users of financial statements to assess the effect that leases have on the financial position and financial performance flows. These disclosures for lessees include:

- Movements in the right-of-use assets
- A maturity analysis for the related lease liabilities
- Interest on lease liabilities

## Accounting policies (*continued*)

### Interpretations and amendments to other standards

There are no other new standards, interpretations and amendments to existing standards that have been published that are expected to have a significant impact on the financial statements of the LLP.

### (b) Critical accounting estimates and judgement in applying accounting policies

The preparation of financial statements requires management to exercise judgements in applying the accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses arising during the year. Judgements and sources of estimation uncertainty are continually evaluated and based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances.

The area where assumptions and sources of estimation uncertainty at the end of the reporting period have a risk of resulting in an adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Financial statement area	Critical accounting estimates or assumptions	Related accounting policies and notes
Long term investment plan (LTIP)	Estimated measurement of achieving KPIs by an accrual based on historic schemes already vested.	(I) and Note 15

The critical judgements and assumptions relating to LTIP are made on the same basis as in all previous years. There are no other significant judgements made by management in preparing the financial statements.

### (c) Going Concern

The LLP has made profits in the year and is well capitalised, with liquid cash resources which far exceed the level of creditors and ongoing financial commitments should income levels suffer. The LLP has considered the potential impact on income as a result of market downturns specifically as a result of the impact of COVID 19 and is satisfied that there is sufficient liquidity to meet its liabilities for at least 12 month from the date of approval of the financial statements.

Accordingly the financial statements are prepared on a going concern basis.

### (d) Revenue recognition

Revenue from contracts with clients is recognised by the LLP as performance obligations are satisfied and where it is highly probable that the revenue will be received. Disaggregation of the LLP's revenue is not applicable.

### (e) Expense recognition

Expenditure incurred by the LLP is recognised in the period to which it relates. Expenses relating to a period that have not been invoiced are recognised on an accruals basis, while invoices received and paid for expenses relating to future periods are recognised as prepayments.

### (f) Intangible assets

Intangible assets are recognised in the statement of financial position if it is probable that the relevant future economic benefits attributable to the asset will flow to the LLP and they can be measured reliably and are either identified as separable (i.e. capable of being separated from the entity and sold, transferred, rented, or exchanged) or they arise from contractual or other legal rights, regardless of whether those rights are transferable or separable.

## **Accounting policies (*continued*)**

The carrying amounts of intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, at least at each statement of financial position date. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount.

The LLP recognises as intangible assets software which has been developed internally and other purchased technology which is used in managing and executing our business. Costs to develop software internally are capitalised after the research phase and when it has been established that the project is technically feasible and the LLP has both the intention and ability to use the completed asset.

Intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation commences at the time from which an intangible asset is available for use. Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the intangible asset, of four years.

### **(g) Property, plant and equipment**

Computer equipment, furniture and fittings and tenants improvements are measured at historical cost less depreciation. Depreciation is charged to the income statement, within administrative expenses, on a straight-line basis, over their estimated useful lives of:

Computer equipment	3–10 years
Furniture and fittings	10 years
Tenants improvements	10 years

The residual values and useful lives of the assets are reviewed at each statement of financial position date and adjusted if appropriate.

### **(h) Financial assets**

Financial assets are classified at initial recognition based on whether their contractual cash flows are solely payments of principal and interest (SPPI) and the nature of the business model they are managed under. Where they do not meet the SPPI test, the financial assets are classified as fair value through profit or loss (FVTPL). The LLP has not elected to recognise any financial assets as fair value through other comprehensive income.

Financial assets are initially recognised at their fair value. The LLP's trade receivables and cash and cash equivalents are subsequently measured at amortised cost less impairment. Cash and cash equivalents include demand and term deposits and other short-term investments with less than three months to maturity from the date of acquisition. Trade receivables are amounts due from clients in respect of services performed in the ordinary course of business. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

Amortised cost is calculated using the effective interest method. An expected credit loss impairment model is applied to financial assets measured at amortised cost. Impairment losses representing the expected credit loss in the next 12 months are recognised unless there has been a significant increase in credit risk from initial recognition in which case lifetime expected losses are recognised.

## **Accounting policies (*continued*)**

### **(i) Financial liabilities**

Financial liabilities including trade and other payables are recognised at cost, are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

### **(j) Defined contribution pension scheme**

The LLP operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the LLP in an independently administered fund. The amounts charged against profits represent the contributions payable to the scheme in respect of the accounting period.

### **(k) Leases**

On 1 January 2019, the LLP adopted IFRS 16 Leases. Refer Basis of preparation for details of the transition from the previous financial instruments standard, IAS 17 to IFRS 16.

As the LLP has not restated comparative information, the classification and measurement of financial assets at 31 December 2019 is in accordance with IFRS 16 while the classification and measurement of financial assets at 31 December 2018 is in accordance with IAS 17.

#### **Classification and measurement in accordance with IFRS 16**

Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception of a contract, the LLP assesses whether a contract is, or contains, a lease. However, as noted in the Basis of preparation, the LLP used the practical expedient permitted under IFRS 16 to apply the new standard at transition solely to leases previously identified in accordance with IAS 17 and IFRIC 4 *Determining whether an Arrangement Contains a Lease*.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses and are presented in property, plant and equipment (refer Note 8). The LLP does not revalue its right-of-use assets. This applies to all right-of-use assets. The cost comprises the amount of the initial measurement of the lease liability plus any initial direct costs and expected restoration costs not relating to wear and tear. Costs relating to wear and tear are expensed over the term of the lease. Depreciation is charged on right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The LLP assesses right-of-use assets for impairment when such indicators exist, and where required, reduces the value of the right-of-use asset accordingly.

The related lease liability (included in other financial liabilities – refer Note 13) is calculated as the present value of the future lease payments. The lease payments are discounted using the rate implicit within the lease where readily available or the LLP's incremental borrowing rate where the implicit rate is not readily available. Interest is calculated on the liability using the discount rate and is charged to the income statement under finance costs.

In determining the value of the right-of-use assets and lease liabilities, the LLP considers whether any leases contain lease extensions or termination options that the LLP is reasonably certain to exercise.

#### **Classification and measurement in accordance with IAS 17 in respect of prior periods**

Under IAS 17, a contract was or contained a lease based on the assessment of whether fulfilment of the arrangement was dependent on the use of a specific asset or assets; and the arrangement had conveyed a right to use the asset.

All the LLP's leases as lessee were classified as operating leases under IAS 17. Operating lease rentals were recognised in the consolidated income statement on a straight line over the term of the lease. Lease incentives received such as rent free periods were recognised as an integral part of the operating lease rental expense and were spread over the term of the lease.

**Accounting policies (*continued*)**

**(l) Provisions and contingent liabilities**

Provisions are obligations of the LLP which are of uncertain timing or amount. They are recognised when the LLP has a present obligation as a result of a past event, it is probable that an expense will be incurred in settling the obligation and a reliable estimate of the amount can be made.

The LLP does not carry any contingent liabilities.

**(m) Members' remuneration**

The LLP agreement provides that any net profit is to be paid to members at least once in the financial year after preparation of the financial statements of the LLP. All profits or losses shall be allocated to or borne by the members in the same proportions as their equity share.

**(n) Long term incentive plan ('LTIP')**

The cost of the LTIP is spread over the performance period with a liability being recognised at each balance sheet date. The LLP recognises a provision where contractually obliged or where past practice has created a constructive obligation. The liability is measured as the estimated present value based on historic actuals and is re-measured at each balance sheet. See note 15 for additional information.



## Notes to the financial statements

### 1. Revenue from contracts with clients

	2019 £	2018 £
Revenue due in the year from contracts with clients	6,741,723	6,593,192
<b>Total revenue from contracts with clients</b>	<b>6,741,723</b>	<b>6,593,192</b>

### 2. Operating profit

	Notes	2019 £	2018 <sup>1</sup> £
Operating lease rentals – see note 13	13	9,181	101,951
Auditors' remuneration	5	39,050	45,650
Depreciation of property, plant and equipment	8	118,694	55,010
Amortisation of intangible assets	7	35,195	48,446

### 3. Staff costs and other employee related costs

	2019 £	2018 £
<b>Aggregate remuneration payable in respect of employees:</b>		
Wages and salaries	3,587,261	3,411,770
Social security costs	451,577	449,921
Pension costs	407,994	322,579
<b>Total staff costs and other employee related costs</b>	<b>4,446,832</b>	<b>4,184,270</b>

	2019	2018
<b>The average number of staff employed by the LLP during the year:</b>		
<b>Total average number of staff employed</b>	<b>69</b>	<b>67</b>

### 4. Information in relation to members

	2019	2018
The average number of members during the year	2	2
The amount of profit attributable to the member with the largest entitlement was	£934,642	£1,162,778

<sup>1</sup> The LLP has initially applied IFRS16 at 1 January 2019. Under the transition methods chosen, comparative information is not restated. Refer Basis of preparation.

## Notes to the financial statements (*continued*)

### 5. Auditors' remuneration

Auditors' remuneration amounted to £39,050 (2018: £45,650) in respect of the audit of the LLP's financial statements. Auditors' remuneration for services other than the statutory audit of the LLP are not disclosed in the LLP's financial statements since the consolidated financial statements of Standard Life Aberdeen plc, the LLP's ultimate controlling party, are required to disclose fees in respect of non-audit services on a consolidated basis.

### 6. Taxation

Income tax payable on the LLP's profits is solely the liability of the individual members and consequently is not dealt with in these financial statements. The LLP is not taxed as a corporate entity.

### 7. Intangible assets

	Software
	£
<b>Cost</b>	
<b>At 1 January 2018</b>	<b>266,532</b>
Additions	68,355
Disposals	(-)
<b>At 31 December 2018</b>	<b>334,887</b>
Additions	401,082
Disposals	(-)
<b>At 31 December 2019</b>	<b>735,969</b>
<b>Accumulated amortisation</b>	
<b>At 1 January 2018</b>	<b>(218,197)</b>
Disposals	-
Amortisation charge for the year	(48,446)
Impairment write off	(-)
<b>At 31 December 2018</b>	<b>(266,643)</b>
Disposals and adjustments	-
Amortisation charge for the year	(35,195)
<b>At 31 December 2019</b>	<b>(301,838)</b>
<b>Net book value</b>	
<b>At 1 January 2018</b>	<b>48,335</b>
<b>At 31 December 2018</b>	<b>68,244</b>
<b>At 31 December 2019</b>	<b>434,131</b>

# Notes to the financial statements (continued)

## 8. Property, plant and equipment

	Non- Lease Property	Right of use assets - property	Fixtures and Fittings	Equipment	Right of use - equipment	Total
	£	£	£	£	£	£
<b>Cost</b>						
<b>At 1 January 2018</b>	<b>97,986</b>	<b>-</b>	<b>187,266</b>	<b>179,690</b>	<b>-</b>	<b>464,942</b>
Additions	-	-	5,690	21,433	-	27,123
Disposals	-	-	-	(28,870)	-	(28,870)
<b>At 31 December 2018</b>	<b>97,986</b>		<b>192,956</b>	<b>172,253</b>		<b>463,195</b>
Right-of-use assets recognised in implementat of IFRS16 <sup>1</sup>	-	579,010	-	-	6,717	585,727
<b>At 1 January 2019</b>						
Additions	-	-	-	6,368	38,914	45,282
Disposals	-	-	-	(6,968)	-	(6,968)
<b>At 31 December 2019</b>	<b>97,986</b>	<b>579,010</b>	<b>192,956</b>	<b>171,653</b>	<b>45,631</b>	<b>1,087,236</b>
<b>Accumulated depreciation</b>						
<b>At 1 January 2018</b>	<b>(23,902)</b>	<b>-</b>	<b>(44,115)</b>	<b>(100,755)</b>	<b>-</b>	<b>(168,772)</b>
Depreciation charge for the year	(9,780)	-	(19,030)	(26,200)	-	(55,010)
Depreciation charge on disposals	-	-	-	28,390	-	28,390
<b>At 31 December 2018</b>	<b>(33,682)</b>	<b>-</b>	<b>(63,145)</b>	<b>(98,565)</b>	<b>-</b>	<b>(195,392)</b>
Right-of-use assets recognise implementation of IFRS16 <sup>1</sup>	-	(202,654)	-	-	-	(202,654)
<b>At 1 January 2019</b>						
Depreciation charge for the year	(9,780)	(57,901)	(19,308)	(20,745)	(10,960)	(118,694)
Depreciation charge on disposals	-	-	-	6,968	-	6,968
<b>At 31 December 2019</b>	<b>(43,462)</b>	<b>(260,555)</b>	<b>(82,453)</b>	<b>(112,342)</b>	<b>(10,960)</b>	<b>(509,772)</b>
<b>Net book amount</b>						
<b>At 1 January 2018</b>	<b>74,084</b>	<b>-</b>	<b>143,151</b>	<b>78,935</b>	<b>-</b>	<b>296,170</b>
<b>At 31 December 2018</b>	<b>64,304</b>	<b>-</b>	<b>129,811</b>	<b>73,688</b>	<b>-</b>	<b>267,803</b>
<b>At 1 January 2019</b>	<b>64,304</b>	<b>376,356</b>	<b>129,811</b>	<b>73,688</b>	<b>6,717</b>	<b>650,876</b>
<b>At 31 December 2019</b>	<b>54,524</b>	<b>318,455</b>	<b>110,503</b>	<b>59,311</b>	<b>34,671</b>	<b>577,464</b>

Further details on the leases under which the LLP's right-of-use assets are recognised are provided under Notes 12, 13 and 14.

<sup>1</sup> The LLP has initially applied IFRS16 at 1 January 2019. Under the transition methods chosen, comparative information is not restated and the cumulative effect of initially applying these standard is recognised in retained earnings at the date of initial application. Refer Basis of preparation.

## Notes to the financial statements (*continued*)

### 9. Receivables and other financial assets

	2019 £	2018 £
Trade receivables	171,819	236,668
Prepayments and accrued income	480,725	616,920
Receivables due from related parties	0	7,500
Other	1,019	43
<b>Total receivables and other financial assets</b>	<b>653,563</b>	<b>861,131</b>

All receivables fall due within one year.

Trade and other receivables are non-interest bearing and are generally on 30-90 days terms and are shown net of a provision for impairment. During the year the LLP experienced bad debts totalling £550 included in administrative expenses and as such does not recognise any significant credit risk at the year end.

As at 31 December 2019, the analysis of trade receivables that were past due but not impaired is as follows:

	Total due not impaired	<30 days	30-60 days	60-90 days	90-120 days
	£	£	£	£	£
<b>2019</b>	<b>171,819</b>	<b>81,673</b>	<b>63,630</b>	<b>18,077</b>	<b>8,439</b>
<b>2018</b>	<b>236,668</b>	<b>50,300</b>	<b>70,554</b>	<b>65,291</b>	<b>50,523</b>

### 10. Cash and cash equivalents

Cash and cash equivalents of £6,849,538 (2018: £6,021,080) comprises cash held at bank and petty cash balance.

### 11. Amounts due to members

The movement in the members account during the year was:

	2019 £	2018 £
At 1 January	5,393,598	4,230,820
Prior year adjustment for IFRS16	(32,571)	-
Members remuneration charged as an expense	934,642	1,162,778
<b>At 31 December</b>	<b>6,295,669</b>	<b>5,393,598</b>

## Notes to the financial statements (*continued*)

### 12. Current liabilities

	2019 £	2018 <sup>1</sup> £
Trade payables	86,386	98,960
Taxation and social security	126,491	106,341
Accruals	583,578	808,389
Lease liabilities	76,274	-
Other payables	555,829	473,462
<b>Total current liabilities</b>	<b>1,428,558</b>	<b>1,487,152</b>

The amount of lease liabilities expected to be settled after more than 12 months is £449,640 (2018: £-) as shown in Note 14.

### 13. Leases

The LLP leases an office and equipment used to carry out its business. Leases are generally for fixed periods but may be subject to extensions or early termination clauses. The range of terms for current leases ranges is 1.5 years to 5.5 years.

The LLP has recognised the following assets and liabilities in relation to these leases:

	2019 £
<b>Right-of-use assets:</b>	
Property	318,455
Equipment	34,671
<b>Total right-of-use assets</b>	<b>353,126</b>
<b>Lease liabilities</b>	<b>525,914</b>

The following table provides analysis of the maturity analysis of the contractual undiscounted cash flows for the lease liabilities:

	Property	Equipment	2019 £
Less than one year	72,643	16,705	89,348
One to two years	103,491	14,365	117,856
Two to three years	103,491	1,658	105,149
Three to four years	103,491	-	103,491
Four to five years	103,491	-	103,491
Five to ten years	49,903	-	49,903
<b>Total undiscounted lease liabilities</b>	<b>536,510</b>	<b>32,728</b>	<b>569,238</b>

Details of the movements in the Company's right-of-use assets including additions and depreciation are included in Note 8 above.

The interest on lease liabilities for the year ended 31 December 2019 was £13,630.

<sup>1</sup> The LLP has initially applied IFRS16 at 1 January 2019. Under the transition methods chosen, comparative information is not restated. Refer Basis of preparation.

## Notes to the financial statements (*continued*)

The LLP does not recognise right-of-use assets and lease liabilities for short term leases and leases where the underlying asset is of low value. The expense for these leases for the year ended 31 December 2019 was £9,181. The LLP lease commitment for short term leases was £9,134 at 31 December 2019.

Prior to the implementation of IFRS 16, the LLP accounted for all leases as operating leases and recorded operating lease rental expense for all its leases of £71,195 for the year ended 31 December 2018. Refer to Basis of preparation for the reconciliation of this lease commitment on a discounted basis to the opening lease liabilities on implementation of IFRS 16 as at 1 January 2019.

Rentals payable under operating leases, which are leases where the lessor retains a significant proportion of the risks and rewards of the underlying asset, are charged in the statement of comprehensive income on a straight line basis over the expected lease term. Lease incentives are recognised on a straight line basis over the lease term as a reduction of the rental expense.

### 14. Non-current liabilities

	2019	2018
	£	£
Lease liabilities	449,640	-
Other payables	340,829	337,508
<b>Total non-current liabilities</b>	<b>790,469</b>	<b>337,508</b>

Other payables represents the amounts payable in 2021 and 2022 for the LTIP performance scheme 1st January 2018 to 31st December 2020 and 1st January 2019 to 31st December 2021. The liability is measured as the estimated value of expected future cash flows and is re-measured at each statement of financial position date.

### 15. LTIP

The performance period and payment due for the active long term incentive plans in place are as follows (see notes 12 and 14 for additional details):

	2017	2018	2019
Payment due date	April 2020	April 2021	April 2022
	1.1.2017 to	1.1.2018 to	1.1.2019 to
Performance period	31.12.2019	31.12.2020	31.12.2021

#### Reconciliation of the movement in the liability:

	2019
	£
Liability at 31 December 2018	663,515
Movement	12,329
<b>Outstanding at 31 December 2019</b>	<b>675,844</b>

The estimated liability at 31 December 2019 reflects the stretched targets introduced in schemes commencing in 2017, 2018 and 2019. The liability is recognised within other payables, notes 12 and 14 and is split between current £335,015 and non-current £340,829.

## **Notes to the financial statements (*continued*)**

### **16. Related party transactions**

#### **(a) Parent and ultimate controlling party**

The LLP's parent and ultimate controlling party is Standard Life Aberdeen plc, a company incorporated in Scotland, which owns 100% of the LLP. Copies of the Annual Report and Accounts of the ultimate controlling party can be obtained at [www.standardlifeaberdeen.com](http://www.standardlifeaberdeen.com).

#### **(b) Transactions with and balances from/to related parties**

The LLP has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with the LLP's parent company and fellow wholly owned subsidiaries in the Group. During the year the LLP made sales of £788 to CHD Tax Consultancy LLP (2018: £846) and the balance outstanding at the year end was £0 (2018:£199). A member of the threesixty management team is a member in CHD Tax Consultancy LLP.

#### **(c) Transactions between key management and the Group**

Certain members of key management personnel hold investments in investment products which are managed by the Group. None of the amounts concerned are material in the context of funds managed by the Group. All transactions between key management and their close family members and the Group during the year are on terms which are equivalent to members of the public.

### **17. Provisions and contingent liabilities**

Under the LLP's property contract there is an obligation to restore premises to its original condition at the end of the lease term. The lease commenced on 25th June 2015 at which point the offices were fully refurbished. A dilapidation provision to be spread over the remaining term of the lease has been included in Other Payables, note 12, in the financial statements at a rate of £4,235 per year. The total provision at 31 December 2019 stood at £12,705. The LLP does not have any pending or threatened legal proceedings to disclose as a contingent liability.

### **18. Events after the balance sheet date**

In early 2020, the existence of a new coronavirus, now known as COVID-19, was confirmed and since this time has spread across the world. COVID-19 has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The LLP considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is not practicable at this time to determine the impact of COVID-19 on the LLP or to provide a quantitative estimate of this impact.