

# Self Directed Investments Limited

Annual report and financial statements

Registered number 08081015

For the 15 month period ended 31 December 2017



## Contents Page

Strategic report	2
Directors' report	6
Independent Auditors' report to the members of Self Directed Investments Limited	9
Profit and loss account	11
Balance sheet	12
Statement of changes in equity	13
Notes to the financial statements	14

## Strategic Report

The directors present their Strategic Report on Self Directed Investments Limited (the "Company") for the period commenced 1 October 2016 and ended 31 December 2017, in accordance with section 414A of the Companies Act 2006.

### Business review and future developments

The Company provides an online investment advice process. In addition to the digital advice mechanisms, the Company also provides online and telephone based support recognising the requirement for personal support and validation through the advice process.

The directors are committed to the vision of the future opportunities for the Company. Whilst progression of Self Directed Investments Limited (SDIL) has somewhat taken a back seat during and post-acquisition, the technology and infrastructure that SDIL continues to develop will give it access to a huge market in the online investment space. With the backing of Parmenion Capital Partners LLP and Aberdeen Investment Management Plc, SDIL has the financial resources available to allow it to grow its business and become profitable.

With multiple growth strategies available to it, a sector that is expected to experience rapid growth and the support of an ultimate parent committed to expanding in the digital wealth management, the future development opportunities are strong.

### Key performance indicators

The Company tracks turnover and AUM as key performance indicators. Turnover amounted to £5,467 for the 15 month period ended 31 December 2017 (18 months ended 30 September 16: £2,997). AUM at 31 December 2017 amounted to £793,828 (30 September 2016: £550,253)

The Company made a loss on ordinary activities before taxation in the period of £(84,433) (2016: £(266,065)).

### Principal risks and uncertainties

The Company exposed to a range of significant risks and operates under the Standard Life Aberdeen Group risk management framework. The oversight and implementation of risk strategy for the Company and the Group is managed at an executive level through the risk management committee, together with the risk, compliance, legal and internal audit departments. The board of the Company meets regularly and considers the risks facing the Company and controls required to manage these risks, as well as the output from the aforementioned governance committees held at an executive level.

The principal risks relating to the company are:

#### *Investment process*

There is the risk that portfolios will not meet their investment objectives or that there is a failure to deliver consistent and above average performance due to market movements or investment decisions. The interaction of investment process, the retention of key investment personnel and investment performance are important factors for the growth and retention of assets under management. Poor investment performance could lead to the loss of clients and may cause assets under management, revenue and earnings to decline.

Each investment area is developed, ensuring each desk has a disciplined investment process, centred on team based decision making and original research. Investment decisions are based on the long term, which may occasionally lead to periods of underperformance. This is mitigated by ensuring clients and investment consultants fully understand investment philosophies and by openly discussing performance drivers, supported by relevant analysis of the performance components. The market risk team reviews and challenges investment risks across all asset classes, independently of fund managers. Where necessary, inflows may be moderated to some products to avoid any risk of dilution in the quality of the portfolios.

## Strategic Report

### Principal risks and uncertainties *(continued)*

#### *Investment mandate*

This is the risk of intentional or unintentional errors (including exceeding client exposure limits or mandated risk levels) leading to compensation for breach of investment mandates.

Client and investment mandate restrictions are automated as much as possible to reduce areas where judgement or manual intervention is required. Timely and accurate monitoring of restrictions is facilitated through the compliance monitoring system. If an investment breach is identified, the factors leading to the breach are promptly analysed and the position corrected. There is segregation of duties between all conflicting roles and there are also overarching controls in various committees, as well as an independent review of portfolio data by the market risk team.

#### *Product*

Product risk arises from poor product design or complexity, resulting in the misleading or misrepresentation of products to clients. It can also arise when products no longer meet the clients' objectives or requirements. The product division provides a clear, identifiable focus on product governance and post fund launch activities.

There is a centralised product development team which oversees the assessment and launch of all new products. There is a Group-wide approach covering all asset classes as well as product and competitor reviews. New fund proposals and strategies are evaluated and approved by the Product Development Committee, which considers the risks, potential investor profiles and distribution channels to ensure suitability and commercial viability. Product analysis is conducted to confirm products are performing as expected and meeting the needs of clients.

#### *Distribution and client management*

Client relationships are fundamental to the Company's business and retention of assets under management. The main source of business originates through two channels of distribution: directly from institutions and indirectly through investment intermediaries. There is therefore the risk of misleading clients or misrepresenting products to clients which could create regulatory censure as well as loss of clients. Poor management of client or distributor relationships is also a risk. Client needs and expectations continue to evolve and change in profile, and there is a risk of failure to customise and tailor service models to suit their specific requirements.

The Board views meeting customers' needs and expectations as integral to the Company's corporate culture. Client relations teams keep in regular contact with clients to ensure their needs are addressed and there are product specialists in distribution teams for key capabilities including property, money market solutions, alternatives and quantitative strategies. The Standard Life Aberdeen Group's global network of offices allows local and the leading private banks and wealth managers to be serviced appropriately. In addition there are a number of committees focused on reviewing business conduct from a customer perspective, including the conduct committee, investor protection committee, pricing committee and conflicts of interest committee.

#### *External service providers*

The Company relies on a number of third party relationships and services to carry out business functions. The risk arises from the inability to effectively carry out robust evaluations of third parties prior to engaging in dealings, as well as having poor ongoing oversight.

The Company uses a small number of strategic suppliers. This ensures a degree of competition, whilst ensuring the Company has significant influence and leverage. However, it also exposes the Company to concentration risk and dependence on strategic providers. Operations teams oversee these third party administrators and monitor agreed service levels through a suite of key indicators, focusing on significant aspects such as service quality and risks. Contingency plans in the event of the withdrawal or failure of a strategic supplier are reviewed by the Board. The Standard Life Aberdeen Group also regularly review the business recovery infrastructure and strategy of these suppliers. This includes visits by senior executives to strategic suppliers during the year and on-going monitoring and review by control oversight functions.

## Strategic Report

### Principal risks and uncertainties *(continued)*

#### *Brand and marketing*

Digital developments are transforming interactions with clients. There is a risk of reputation damage if the pace with how an increasing number of clients and stakeholders want, and expect, to interact with us is not met, and if brand or marketing activities are inconsistent with the Standard Life Aberdeen Group's culture or operations.

A dedicated marketing team oversees all social media communications, to ensure regulatory compliance, and to develop the digital offering to help communication with client audiences in an engaging way. Reputational change is tracked through a specialist company who analyse industry, media and social commentary to help understand what influences reputation and comparison with peers. The compliance team works closely with the business to check marketing materials are consistent with products and capabilities.

#### *Loss of key investment personnel*

Retaining, developing and investing in talent is fundamental to the Company's stability and long term success. The Company's reputation and client retention could be damaged through significant changes in investment personnel. Failure to prevent the departure of qualified employees dedicated to oversee and implement current and future regulatory standards and initiatives could also negatively impact on the Company's operations.

The Company does not have star fund managers; instead there are teams with complementary skillsets who discuss investment decisions and take collective responsibility. This team based approach seeks to avoid reliance on any one individual. There is a strong development programme for fund managers that seeks to encourage performance and loyalty through appropriate remuneration and benefits packages, which includes a significant deferred element. Appraisals and remuneration are designed to develop, attract, motivate and retain staff. Succession plans are in place to ensure there is cover for key roles, and these are formally reviewed and updated annually. This strategy is disseminated through all levels of the organisation, so each business area can engage with the Company's ambitions of growth.

#### *Technology and information security*

The Company's technological infrastructure is critical to the operation and the delivery of products and services to clients. Technology and information security risk relates to the risks that technology systems are inadequate or that they fail to adapt to changing requirements. It also covers cyber related risks where the Company is exposed to financial loss or damage to reputation as a result of failure of information technology systems; a flaw or weakness in hardware, software or process that exposes a system to compromise by third parties; and, that data is held insecurely or breached. Technology and data innovation are also transforming many aspects of the investment process. There is a risk that systems and platforms do not have the flexibility to support a more diverse client base and the Company fails to utilise data to gain a competitive advantage.

The Information Security and Business Continuity Committee provides the overall strategic direction, framework and policies for technology and information security, with a particular focus this year on cyber-crime prevention. This is supported by the global cyber security programme which is focussed on the protection of the confidentiality and integrity of information assets. External global capacity is employed to support the management and protection of networks, critical internal assets and data. This includes an incident response service in real time as they occur to identify and thwart potential malicious activity. A periodic risk assurance review of information security and cyber risk framework is undertaken by a professional service firm, to benchmark against peers.

#### *Business continuity*

The Company has an obligation to ensure the business can operate at all times. There is a risk that potential impacts and threats to the Company are not identified, and build the resilience and capability required to ensure an effective response that safeguards the interests of key stakeholders, reputation, brand and value creating activities.

## Strategic Report

### Principal risks and uncertainties *(continued)*

Business continuity management policies and recovery plans have been established, which define the standards and requirements for business continuity, pandemic preparedness, crisis management and recovery. Plans are regularly tested. Off-site backup facilities are in place for the principal office. The wide network of offices globally also provides resilience and security that key operations can be moved and/or managed from one location to another at short notice if necessary.

### *Legal and regulatory*

The Company operates in a complex and dynamic regulatory environment. Risks arise from legal and regulatory obligations and the failure to correctly interpret law or changes in the law which may materially and adversely impact the Company. The Company may also be subject to regulatory sanctions or loss of reputation from failure to comply with regulations. Conduct and culture, and managing or avoiding conflicts of interest, are also key themes.

The management of legal and regulatory risk is the responsibility of the senior management of all functions, supported by the in-house legal and compliance teams. The legal and compliance teams track legal and regulatory developments to ensure the Company is prepared for changes. In addition to developing policies, delivering training and performing monitoring checks, they provide advice to other divisions to ensure compliance with legal and regulatory requirements. They also work with project groups to implement key regulatory changes. The three lines of defence model clarifies essential roles and duties to ensure effective communication of risk management and control. There is an open and constructive relationship with regulators and participation in industry forums and associations so that information is shared regarding possible legal and regulatory changes.

### *Capital management*

Capital serves as a buffer to absorb unexpected losses on a going concern basis as well as to fund the ongoing activities of the Company. The Company formally monitors its capital position through quarterly reporting to the Board.

### *Credit risk*

The Company's exposure to credit risk arises primarily from counterparty exposure in the form of exposures to other group companies and deposits placed with banks.

The value of deposits held with counterparties is managed against limits set in the Standard Life Aberdeen Group's treasury policy. The treasury function is supported by the front office credit team, as well as the market risk function that perform internal credit reviews. Exposures to other Standard Life Aberdeen Group companies are monitored on a regular basis with regular settlements made between counterparties.

### *Liquidity Risk*

The Company aims to have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's cash position, available facilities and forecast cash flows is monitored by the Standard Life Aberdeen Group's treasury function and access to appropriate liquidity is made available where necessary.

On behalf of the Board



**M Jennings**

Director  
24 September 2018

## Directors' Report

The directors present their annual report and the audited financial statements for the 15 month period commenced 1 October 2016 and ended 31 December 2017.

Self Directed Investments Limited ("the Company") qualifies as a small company in accordance with Sections 381-382 of the Companies Act 2006 (the "Act") and the Directors' Report has therefore been prepared taking into consideration the provisions of Part 15 of the Act.

The Company provides an online investment advice process supported by online and telephone based support.

On 11 January 2016, Aberdeen Asset Management PLC and Aberdeen Investments Limited acquired and became the only designated members of the LLP. The Company is therefore part of Aberdeen Asset Management PLC ("Standard Life Aberdeen PLC" or, together with its subsidiaries, "the Aberdeen Group"). On 14 August 2017 Aberdeen Asset Management PLC and Standard Life PLC merged and the merged entity Standard Life Aberdeen PLC is now the ultimate parent.

On the 30 August 2017 the accounting period end date was extended to 31 December to fall into line with the new group reporting calendar. Therefore current period results reflect a 15-month period whereas comparatives reflect an 18 month period.

These financial statements have been prepared in accordance with FRS101 reduced disclosure framework.

### Dividends

No dividends have been paid or recommended in the period (2016: £nil).

### Directors

The directors who held office during the period and to the date of this report were as follows:

J M Cook	(resigned 3 September 2018)
R Hudson	(appointed 12 January 2017)
D Tanner	(resigned 12 January 2017)
M Jennings	
E Thomas	(appointed 3 September 2018)

All the directors benefited from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

### Employees

The Company recognises that employee involvement is key to the future success of the business and looks to recruit, develop and retain talented and motivated employees who make clear thinking, diverse views and mutual support the basis for excellence. The practice of keeping employees informed on all matters affecting them (via email and the Company's intranet) and internally circulating all publicly announced documents to all employees continues. The Company is also committed to following good practice in employment matters, recognising the part this plays in attracting and retaining staff. The Company promotes the importance of high ethical standards to all employees and staff have the opportunity to voice any concerns they may have, either directly with management or on a confidential basis via the whistleblowing process.

### Equal opportunities

The Company is part of Standard Life Aberdeen Plc, a global group with customers spanning a multitude of countries, cultures and professions, and we view diversity as a valuable business asset. By having a workforce that reflects the communities where we work, we gain an important competitive advantage. We do not tolerate harassment or bullying. Details of the Group's equal opportunities policy are available on the corporate responsibility ('CR') section of the website. The Company gives full and fair consideration to applications for employment from disabled persons. If employees become disabled, we provide continuing employment wherever possible and subject to local laws and regulations. For the purposes of training and career development, all employees are treated equally.

## **Directors Report (continued)**

### **Health and safety**

The Company has in place a health and safety policy which can be accessed by all staff via an internal database. The aim is to provide both staff and visitors with a safe and healthy working environment. The Company is committed to adhering to the high standards of health and safety set out by its policies and procedures and to providing training as necessary.

### **Post balance sheet events**

There have been no significant events affecting the Company since the period end.

### **Statement of disclosure of information to auditor**

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Independent Auditors**

The auditors, KPMG LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.



## Directors Report (continued)

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they 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 company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company'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 company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



**M Jennings**  
Director

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELF DIRECTED INVESTMENTS LIMITED**

### **Opinion**

We have audited the financial statements of Self Directed Investments Limited ("the company") for the period ended 31 December 2017 which comprise the Profit and loss account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the period 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.

### **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 company 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**

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 8, the directors 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 company'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 company 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*A Simpson*

**Alexander Simpson (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

*26 September 2018.*

## Profit and loss account

For the 15 month period ended 31 December 2017

	Note	15 month period ended 31 December 2017 £	18 month period ended 30 September 2016 £
<b>Turnover</b>	3	5,467	2,997
<b>Gross profit</b>		<u>5,467</u>	<u>2,997</u>
Administrative expenses	4	(89,900)	(269,062)
<b>Loss on ordinary activities before taxation</b>		<u>(84,433)</u>	<u>(266,065)</u>
Tax on loss on ordinary activities	6	16,095	-
<b>Loss for the financial period/year</b>		<u>(68,338)</u>	<u>(266,065)</u>

Turnover and operating profit arise from continuing operations in the UK.

There is no other comprehensive income other than the loss for the financial period. Accordingly, no statement of comprehensive income has been presented.

The notes on pages 14 to 21 form part of these financial statements.

## Balance sheet

As at 31 December 2017

	Note	As at 31 December 2017 £	As at 30 September 2016 £
<b>Fixed assets</b>			
Intangible assets	7	16,122	27,365
Tangible assets	8	-	877
		<u>16,122</u>	<u>28,242</u>
<b>Current assets</b>			
Debtors	9	29,085	15,328
	10		
Cash and cash equivalents		101,814	126,886
		<u>130,899</u>	<u>142,214</u>
<b>Creditors: amounts falling due within one year</b>	10	(53,678)	(8,775)
<b>Net current assets</b>		<u>77,221</u>	<u>133,439</u>
<b>Total assets less current liabilities</b>		<u>93,343</u>	<u>161,681</u>
<b>Net assets</b>		<u>93,343</u>	<u>161,681</u>
<b>Capital and reserves</b>			
Called up share capital	11	775,000	775,000
Profit and loss account		(681,657)	(613,319)
<b>Total shareholders' funds</b>		<u>93,343</u>	<u>161,681</u>

The notes on pages 14 to 21 form part of these financial statements.

The financial statements on pages 11 to 21 were approved by the Board of Directors on 24 September 2018 and signed on its behalf by:

  
M Jennings  
Director

**Statement of changes in equity**  
*For the period ended 31 December 2017*

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total shareholder funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance as at 31 March 2015</b>	<u>435,000</u>	<u>(347,254)</u>	<u>87,746</u>
Loss for the financial period	-	(266,065)	(266,065)
Shares issued	340,000	-	340,000
<b>Balance as at 30 September 2016</b>	<u>775,000</u>	<u>(613,319)</u>	<u>161,681</u>
Loss for the financial period	-	(68,338)	(68,338)
<b>Balance as at 31 December 2017</b>	<u>775,000</u>	<u>(681,657)</u>	<u>93,343</u>

The notes on pages 14 to 21 form part of these financial statements.

## Notes to the financial statements

### 1. General information

The Company is a private company limited by share capital and incorporated and domiciled in the United Kingdom. The address of the registered office is:

2 College Square  
Anchor Road  
Bristol  
BS1 5UE

The Company's business activities, together with expected future developments and key risks facing the Company are detailed in the Strategic Report.

These financial statements were authorised for issue by the board of directors on 24 September 2018.

### 2. Accounting policies

The following accounting policies have been applied consistently to all periods presented when dealing with items which are considered material in relation to the Company's financial statements.

#### *Basis of preparation*

The Company meets the definition of a qualifying entity under Application of Financial Reporting Requirements 100 as issued by the Financial Reporting Council. Accordingly, the financial statements for the period ended 31 December 2017 have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure ("FRS 101") as issued by the Financial Reporting Council.

Application of FRS 101, in conjunction with the equivalent disclosures being available in the group financial statements of Standard Life Aberdeen PLC, has allowed the Company to take advantage of various disclosure exemptions. These include presentation of a cash-flow statement, standards not yet effective, financial instruments, key management compensation and transactions with group companies.

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006 as applicable to companies using FRS101.

#### *Going concern*

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' report.

As the Company holds net current liabilities at 31 December 2017, it is reliant on the support of the ultimate parent company, Standard Life Aberdeen PLC, to meet its liabilities as they fall due within the next 12 months. The Directors have received a letter of support from the Directors of Standard Life Aberdeen PLC to provide such support.

The Directors, having assessed the responses of the Directors of the Company's parent Standard Life Aberdeen PLC, to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt over the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of the Company's ultimate parent undertaking, Standard Life Aberdeen PLC, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### *Turnover*

Turnover is recognised to the extent that it is probable that economic benefits will flow to the Company and such turnover can be reliably measured. Turnover is recognised as services are provided.

## Notes to the financial statements (continued)

### 2. Accounting policies (continued)

#### *Intangible fixed assets and amortisation*

Website development costs are stated at cost less amortisation. Amortisation is provided on a straight line basis over the estimated useful economic life of five years. The remaining amortisation period at the balance sheet date is three years.

#### *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	33% Straight line
--------------------	---	-------------------

#### *Financial assets*

##### *Classification*

- Other financial assets – These instruments include cash and cash equivalents.

##### *Recognition and measurement*

- Other financial assets - Cash and cash equivalents are measured at fair value.

##### *Impairment of financial assets*

The carrying amount of all financial assets are formally reviewed for impairment purposes at the end of each reporting period, or during the period where objective evidence exists that an impairment exists.

#### *Financial liabilities*

##### *Classification*

- Other financial liabilities - These instruments include accruals and other creditors.

##### *Recognition and measurement*

- Other financial liabilities - These instruments are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

#### *Current tax*

Tax on the profit or loss for the period comprises current tax. Tax is recognised in the profit and loss account.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

#### *Pension costs*

The Company contributes to a group SIPP operated by Parmenion Capital Partners LLP. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.



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

**2. Accounting policies (continued)**

**Dividend payment**

Dividend payment is recognised when the right to make payment is established.

**3. Turnover**

Turnover comprises charges for the provision of an online investment platform. All turnover arose within the United Kingdom.

**4. Administrative Expenses**

Included in administrative expenses are audit fees for the period of £8,700 (2016 £7,500). There was a depreciation charge in the period of £877 (2016:£1,686) and an amortisation charge of £11,243 (2016:£13,492).

**5. Employees and directors**

The average number of persons employed by the Company (including directors), during the period analysed by category, was as follows:

	15 month period ended 31 December 2017 Number	18 month period ended 30 September 2016 Number
Investment management and administration	2	2

The aggregate payroll costs of these persons were as follows:

	15 month period ended 31 December 2017 £	18 month period ended 30 September 2016 £
Wages and salaries	36,194	100,573
Social security costs	3,960	7,479
Other pension costs	6,760	5,475
	<u>46,914</u>	<u>113,527</u>

Directors' remuneration was as follows:

	15 month period ended 31 December 2017 £	18 month period ended 30 September 2016 £
Aggregate remuneration	-	26,664
Company contributions to personal pension plan	-	1,333
	<u>-</u>	<u>27,997</u>

There is a total of nil (2016: nil) directors accruing retirement benefits from the Company under a defined contribution pension plan.

Notes to the financial statements (continued)

6. Taxation

*Analysis of tax charge/credit in the period/year:*

	15 month period ended 31 December 2017 £	18 month period ended 30 September 2016 £
<i>Current tax</i>		
UK corporation tax at 19.4% (20.00%)	(16,095)	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
<b>Tax on profit on ordinary activities</b>	<b>(16,095)</b>	-
<i>Provision for deferred tax</i>		
<i>Movement in provision:</i>		
Provision at start of period	-	-
Deferred tax charged in the profit and loss account for the period	-	-
Provision at end of period	-	-
<b>Deferred tax (asset) liability not recognised</b>	-	(103,274)
<i>Reconciliation of tax charge</i>		
Loss on ordinary activities before tax	(84,433)	(266,065)
Tax on loss on ordinary activities at standard CT rate of 19.4% (20.00%)	(16,380)	(53,213)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	285	237
Adjust closing deferred tax to average rate of 20%		52,976
<b>Deferred tax not recognised</b>		52,976
<b>Tax charge/(credit) for the period</b>	<b>(16,095)</b>	-

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

**7. Intangible assets**

	<b>Website development £</b>
<b>Cost</b>	
At 1 October 2016	46,074
Additions	<u>-</u>
At 31 December 2017	<u>46,074</u>
<b>Accumulated Amortisation</b>	
At 1 October 2016	18,709
Charge for the period	<u>11,243</u>
At 31 December 2017	<u>29,952</u>
<b>Net book value</b>	
At 31 December 2017	<u>16,122</u>
At 30 September 2016	<u>27,365</u>

Amortisation of website development costs is included within administrative expenses in the profit and loss account. Development costs are capitalised where the project time relates to a specific project deemed to have an ongoing useful economic life in the business of five years.

**8. Tangible assets**

	<b>Computer equipment £</b>
<b>Cost</b>	
At 1 October 2016	3,373
Additions	<u>-</u>
At 31 December 2017	<u>3,373</u>
<b>Accumulated Depreciation</b>	
At 1 October 2016	2,496
Charge for the period	<u>877</u>
At 31 December 2017	<u>3,373</u>
<b>Net book value</b>	
At 31 December 2017	<u>-</u>
At 30 September 2016	<u>877</u>

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

**9. Debtors**

	As at 31 December 2017 £	As at 30 September 2016 £
Other debtors	86	-
Corporation tax	16,095	-
Prepayments and accrued income	12,904	15,328
	<u>29,085</u>	<u>15,328</u>

**10. Creditors: amounts falling due within one year**

	As at 31 December 2017 £	As at 30 September 2016 £
Trade creditors	-	1,286
Amounts owed to group undertakings	44,678	-
Accruals and deferred income	9,000	7,500
	<u>53,678</u>	<u>8,786</u>

**11. Called up share capital**

	As at 31 December 2017 £	As at 30 September 2016 £
<b>Authorised, allotted, called up and fully paid:</b> 775,000 (2015: 435,000) ordinary shares of £1 each	<u>775,000</u>	<u>775,000</u>

**12. Related party transactions**

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

See note 5 for disclosure of directors' remuneration.

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

**13. Ultimate parent company**

The Company's immediate parent entity is Self Directed Holdings Limited and its ultimate parent company is Standard Life Aberdeen PLC, which is incorporated in the United Kingdom and registered in Scotland.

The results of the Company are consolidated in the Group accounts of Standard Life Aberdeen PLC, which is the largest and smallest group that the results are consolidated within, which are available to the public and may be obtained from Standard Life House, 30 Lothian Road, Edinburgh, Scotland, EH1 2DH.

No other Group accounts include the results of the Company.