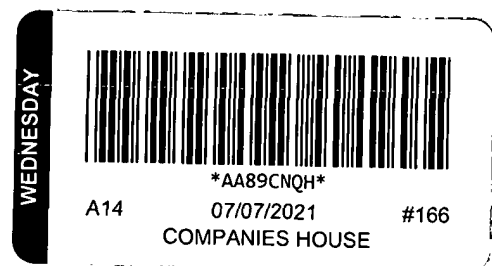


Parmenion Capital Partners LLP

Annual report and financial statements

Registered number OC322243

For the year ended 31 December 2020



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Designated Members and Advisers

Designated members

Aberdeen Asset Management PLC
Aberdeen Investments Limited

Registered office

Aurora
Counterslip
Bristol
BS1 6BX

Independent auditor

KPMG LLP
Chartered Accountants and Statutory Auditors
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

View from the CEO - Martin Jennings

Who would have predicted the year of 2020? It has been a challenging year for all, and the commitment from all Parmenion colleagues in continuing to focus on delivering for our customers has been outstanding. As Covid spread around the globe early in 2020, we transitioned 95% of our team to working from home and maintained our market leading service throughout. This is solely down to the hard work and dedication of everyone within the business, whether that be in front line operational teams or back office areas who ensured a swift move to home working was possible. Our thanks go to them all.

Our focus turned to ensuring our business remained a strong and stable enterprise and we took swift action to manage our costs as markets – and therefore revenue – remained volatile. Having already invested heavily in the scalability of the business in recent years, we were able to reprioritise our development schedule to focus on key operational areas which would deliver maximum benefit to our customers during in the pandemic. A combination of these scalability benefits and the reprioritisation of development spend resulted in a £1.3m reduction in our anticipated expenses in 2020 ensuring that we remain financially robust and resilient. We ended the year managing £8.19bn of assets, up 17.7% on December 2019. We continue to experience increasing demand for our proposition, increasing the number of adviser firms recommending Parmenion by 8% and growing active customer numbers to 68,625, up from 60,745 at the end of 2019 – an increase of 12.9%.

As everyone adapted to working differently we reprioritised our change programme to accelerate the delivery of our digital capabilities, delivering a fully integrated digital signature process by May. Working collaboratively with a number of adviser firms, we have ensured that the process delivers against our brand promise of reducing risk, reducing costs and creating value for our customers, and the positive feedback has been remarkable. As at the end of Q1 2021 we are now receiving almost 50% of new business electronically, saving time for all. More importantly we have taken the time to ensure that our downstream processes aren't impacted by this change, creating frictionless online processes for our advisers and their customers.

In an extraordinary year for markets, our investment solutions continued to deliver sequentially aligned risk graded returns for our customers. Our Ethical portfolios saw significant growth – reaching over £500m under management – and Guardian proved its worth in providing downside protection in a volatile market – exactly what is needed to avoid sequencing risk in drawdown. As markets become more stable post Covid, our clients are realising the benefits of our investment team having confidence in the underlying market fundamentals and maintaining our long term investment approach throughout.

As well as the pandemic, Parmenion also faced some other challenges in 2020. Our partnership with Virgin Money was a significant investment for our business, and a strategic review led to the end of this relationship for Parmenion. This has had a significant in year impact on our financials and you can see this come through in our 2020 results. I am delighted to say that the underlying fundamentals of our business remain strong, and as we continue to focus our strategic agenda for growth on the adviser market, we have a business that is ready for scale, and a service and infrastructure capability that aligns to ISO27001 standards, giving the ability for our partner firms, advisers and customers to benefit from bank-grade enterprise security standards and service model and infrastructure with proven operational resilience.

These solid foundations made us an attractive proposition when we were put up for sale by Standard Life Aberdeen plc ("SLA") in November, and subject to regulatory approval, we will have a partner in Preservation Capital Partners who is wholly supportive of our business, our management team and our strategy.

The future is extremely bright for Parmenion – and our focus is unwavering. We will only succeed if our customers succeed and working alongside our adviser firms to continually improve our proposition and our service will ensure that we continue to create value for all by reducing risk and reducing cost for everyone.

Martin

View from the CFO - Emma Thomas

Revenue

After a very strong start to 2020, like many others new business was significantly impacted by the advent of Covid-19 in the Spring. At the end of March 2020 Parmenion had posted a 30% year on year improvement in revenue, but the remainder of the year was adversely impacted due to the pandemic and the benefit of the positive first quarter was gradually eroded over the summer months. Signs of recovery benefited the business in Q4 as inflows recovered to 2019 levels and markets returned to growth following positive vaccine news.

Despite the challenges of the pandemic, the revenue from Parmenion's core adviser business held up well with 2020 revenues increasing year on year by 16.5% to £29.8m. The termination of the Virgin Money contract in 2020 also impacted Parmenion's revenue as a number of one off items amounting to £9.8m were realised.

Overall, assets under management ("AUM") increased by 17.7% in 2020, growing from £6.96bn at the start of the year to £8.19bn by the end of December.

Costs

Overall, the business responded well to the threat of the pandemic, actively looking to reduce costs where possible to protect the business through a very uncertain and volatile period. As a result, Parmenion reduced the administration costs in its core adviser business by 4% to £28.8m in 2020. It is important to note this excludes the impact of the termination of the Virgin Money contract which led to a number of one-off expense items totaling £8.3m. In addition, a full impairment review was undertaken during the year and this resulted in an impairment write down of £7.2m against intangible assets.

As we emerge from the challenge of 2020, we can be confident that the business is now positioned well for growth and future profitability.

Operating Margin

Parmenion significantly improved the profitability of its core business in 2020, with an operating profit of £1m in 2020 vs a loss of £4.5m in 2019. These numbers exclude the one-off revenue and costs associated with the termination of the Virgin Money contract to enable a year on year comparison. When included, the reported operating loss of £4,681 (2019: £4,489k) is a 4.3% increase. The improving trend of increasing revenues and realisation of cost efficiencies in Parmenion's core business is extremely encouraging and sets us up for future success.

Cashflow

While we are not required to provide a cashflow statement for these accounts, it is worth noting that cash holdings have increased from £7.2m to £15.9m in year. Some of this increase is attributable to an increase in the loan provided by SLA of £6.5m for liquidity purposes. The remaining increase of £2.2m in 2020 is a positive indication of the business continuing to be cash generative, despite a challenging year.

View from the CFO - Emma Thomas (continued)

Financial Position

Parmenion's capital position has improved in 2020 with headroom of more than £3m over the regulatory requirements at 31 December 2020.

The business' net assets have reduced from £15.3m in 2019 to £10.7m in 2020, a reduction of £4.5m. This is largely due to the impairment of intangible assets booked in the year, with a reduction of intangibles from £9.9m to £1.8m.

AKG recently maintained Parmenion's financial strength rating at a B (Strong), a positive affirmation of the underlying strength of our business.

Going Concern

The accounts have been prepared on a going concern basis. As noted, looking past the one-off items relating to the termination of the Virgin Money contract, both profitability and financial strength have improved in 2020, despite the coronavirus global pandemic. The outlook for 2021 and beyond has been carefully considered by the Board and whilst uncertainty remains regarding coronavirus and when a "return to normality" may be achievable, Parmenion has demonstrated resilience during the pandemic and is in a strong financial position. Planning scenarios have been considered for 2021 and beyond, considering both adverse market movements and reductions in flows. The results of this stress testing have led the Board to conclude that Parmenion is a resilient business and fit for the future.

Emma

Members' Report

The members present their report on Parmenion Capital Partners LLP (the "LLP" or "Parmenion") for the year ended 31 December 2020.

Business review and future developments

The principal activity of the LLP during the year was to offer collective investment fund based discretionary management and platform custody services to the retail clients of UK authorised Independent Financial Advisers. There are no plans to change the principal activity of the LLP.

The LLP is authorised and regulated by the Financial Conduct Authority ("FCA").

Parmenion has maintained focus on ensuring that its systems and processes meet the highest industry standards. Parmenion has invested significantly, to ensure the robustness and scalability of its infrastructure and has made key hires to further enhance the quality and skills of the Parmenion team. Faced with the impacts of the global pandemic, the LLP has continued to deliver, and through cost savings initiatives has been able to offset the negative impacts of the pandemic on underlying revenues. Revenue in the statement of comprehensive income includes one off items outlined below amounting to £9.8m.

In Q4, the LLP saw the termination of its contract with Virgin Money Unit Trust Managers (VMUTM), leading to the immediate recognition of deferred income and costs amounting to £6.8m relating to this project. In addition, the LLP received a £3million settlement payment from VMUTM. The deferred income and settlement payment have been recognised in other income and the deferred costs are included within administrative expenses. As a result of the contract termination, a number of redundancies were announced, and these were fully provided for at year end.

During the year, following a review of our intangible assets, it was concluded that a significant number of these assets should be written off. This was partly in relation to the termination of the VMUTM contract and in part due to the annual impairment review process. An impairment loss of £7.2m was recognised in the statement of comprehensive income.

Operating profit adjusted for one off items outlined above amounted to £1.1m.

Designated Members

The designated members during the year under review and up to the date of this report were:

Aberdeen Asset Management PLC
Aberdeen Investments Limited

Members' capital, interests and rights

Each member's capital contribution is determined by the Limited Liability Partnership Agreement. No member is entitled to receive interest on their capital contributions to the LLP and their contribution is repayable on the date that they leave the partnership.

Members' Report (continued)

Details of changes in members' capital and interests in the year ended 31 December 2020 are set out in the financial statements.

Key performance indicators

The LLP tracks turnover and assets under management ("AUM") as key performance indicators. The table below shows AUM growth from 31 December 2019 to 31 December 2020:

	As at 31 December 2020 £'000	As at 31 December 2019 £'000
Assets under management	8,194,103	6,960,347

Principal risks and uncertainties

The LLP is exposed to a range of significant risks and operates under the Group risk management framework. The oversight and implementation of risk strategy for the LLP 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 members of the Group meet regularly and consider the risks facing the LLP 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 LLP are:

Investment mandate

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

Client and investment mandate restrictions are automated as far 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 oversight review of portfolio data by the market risk team.

Product

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

There is a product development team which oversees the assessment and launch of all new products. There is a company-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. Periodic post-sale product analysis is conducted to confirm products are performing as expected and meeting the needs of clients.

Members' Report (continued)

Distribution and client management

Client relationships are fundamental to the LLP's business and retention of AUM. 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 LLP's 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 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 LLP uses a small number of strategic suppliers. This ensures a degree of competition, whilst ensuring the LLP has significant influence and leverage. However, it also exposes the LLP 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 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.

Digital developments are transforming interactions with clients. There is a risk of reputational 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 Group's culture or operations.

Brand and marketing

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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 standing and changes in reputation are 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 LLP's stability and long term success. The LLP's reputation and client retention could be damaged through significant changes in investment personnel. Failure to prevent the departure of qualified employees dedicated to overseeing and implanting current and future regulatory standards and initiatives could also negatively impact on the LLP's operations.

Members' Report (continued)

Loss of key investment personnel (continued)

The LLP 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 LLP’s ambitions of growth.

Technology and information security

The LLP’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 LLP 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 LLP 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, currently, 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 LLP has an obligation to ensure the business can operate at all times. There is a risk that potential impacts and threats to the LLP 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.

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.

The LLP’s business continuity plans were tested significantly following the unfolding impacts of the Coronavirus pandemic through 2020 and into 2021. The strength of these plans have been demonstrated across the business as we were able to seamlessly implement off site working for all but a core critical team of employees. We have been able to continue to operate in a business as usual manner and maintained our exceptional levels of service. Right at the start of the pandemic, we carried out scenario tests on our business model and developed a strong cost savings initiative to ensure any negative impacts on our revenue were mitigated by these reductions. We have been cash generative in the year, with cashflow net of the additional loan from our parent amounting to in excess of £2m, thus ensuring we are in a strong position to weather any further impact of this pandemic or any other challenges the business may face. The business is therefore very well placed to continue as a going concern.

Members Report (continued)

Legal and regulatory

The LLP is subject to regulatory oversight and inspection by the FCA and 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 LLP. The LLP 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 key responses to this risk.

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 LLP 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 LLP and to comply with the requirements of the FCA. The regulatory capital requirement of the LLP is established through reference to the Capital Requirements Directive IV (CRD IV). The LLP aims to maintain capital in excess of its regulatory requirements to ensure a safety margin is held.

The CRD IV requires Country by Country Reporting (CBCR). However, all turnover of the LLP is derived from the UK and the Company has no establishments overseas. The requirement is therefore met by the information disclosed within these financial statements.

The LLP's ultimate parent company has documented the disclosures required by the FCA under CRD IV. These are available from the SLA website at www.standardlifeaberdeen.com.

Credit risk

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

The value of deposits held with counterparties is managed against limits set in the 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 Group companies are monitored on a regular basis with regular settlements made between counterparties.

Liquidity risk

The LLP 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 LLP's reputation.

The LLP's cash position, available facilities and forecast cash flows is monitored by the Group's treasury function and access to appropriate liquidity is made available where necessary. Compliance with the LLP's regulatory capital requirements is also regularly monitored to ensure no breaches occur.

Members' Report (continued)

Equal opportunities

Standard Life Aberdeen is 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 sustainability section of the group website (www.standardlifeaberndeen.com). The LLP 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.

Health and safety

The LLP 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 LLP 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

On 9 March 2021, an agreement was made between Standard Life Aberdeen PLC (SLA) and private equity firm Preservation Capital Partners LLP (PCP) to sell Parmenion to PCP. The application for change of control has been submitted to the FCA and it is expected that change of control will complete later in the year.

Disclosure of information to auditors

The designated members at the date of approval of this Members' Report confirm that, so far as they are each aware, there is no relevant audit information of which the LLP's auditors is unaware; and each member has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

Independent Auditors

The auditors, KPMG LLP, have indicated their willingness to continue in office.

Members' Report (continued)

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.

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;
- 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.

On behalf of the members:



Martin Jennings

On Behalf of Aberdeen Asset Management PLC, a Designated Member

Independent Auditors Report

Independent auditor's report to the members of Parmenion Capital Partners LLP

Opinion

We have audited the financial statements of Parmenion Capital Partners LLP ("the LLP") for the year ended 31 December 2020 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in Members' equity interests, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the LLP as at 31 December 2020 and of its loss 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").

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.

Our conclusions based on this work:

- we consider that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the members' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the LLP will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

Independent Auditors Report (continued)

- Enquiring of the Board and inspection of policy documentation as to the LLP's high-level policies and procedures to prevent and detect fraud including the internal audit function, and the LLP's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the lack of estimation or subjectivity with the revenue streams.

We also identified a fraud risk related to the recognition of Other income and certain Expenses in response to the cancellation of a single significant contract and the associated accounting entries and financial settlements.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to seldom used accounts and containing key words.
- Evaluated the business purpose of significant unusual transactions.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Board (as required by auditing standards), and from inspection of the LLP's regulatory correspondence and discussed with the Board the policies and procedures regarding compliance with laws and regulations.

As the LLP is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the LLP is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the LLP is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the LLP's license to operate. We identified the following areas as those most likely to have such an effect: regulatory capital recognising the financial and regulated nature of the LLP's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent Auditors Report (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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, 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 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
- 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.

Members' responsibilities

As explained more fully in their statement set out on page 13, 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.

Independent Auditors Report (continued)

A fuller description of our responsibilities is provided on the FRC's website at 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.



Andrew Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

27 April 2021

Statement of Comprehensive Income

For the year ended 31 December 2020

	<i>Note</i>	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Turnover	4	39,588,241	25,572,461
Administrative expenses	5	(44,369,399)	(29,833,583)
Operating loss		(4,781,158)	(4,261,122)
Interest receivable and similar income	7	402,416	548,138
Interest payable and similar charges	7	(250,288)	(305,221)
Loss and total comprehensive income for the financial period available for discretionary division among members		(4,629,030)	(4,018,205)

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

Operating profit adjusted for one off items related to the termination of the contract with VMUTM amounted to £1,025,469.

The accompanying notes form an integral part of the financial statements

Balance Sheet

At 31 December 2020

	Note	As at 31 December 2020 £	As at 31 December 2019 £
Fixed assets			
Intangible fixed assets	8	1,752,117	9,857,007
Tangible fixed assets	9	7,314,874	8,473,496
Investments	10	<u>105</u>	<u>100,108</u>
		9,067,096	18,430,611
Current assets			
Debtors due within one year	11	6,357,759	4,814,311
Cash and cash equivalents		<u>15,933,221</u>	<u>7,187,407</u>
		22,290,980	12,001,718
Creditors: amounts due within one year	12	<u>(14,662,604)</u>	<u>(7,976,083)</u>
Net current assets		7,628,376	4,025,635
Total assets less current liabilities		16,695,472	22,456,246
Creditors: amounts greater than one year	13	(6,055,936)	(7,187,680)
Net assets		<u>10,639,536</u>	<u>15,268,566</u>
Members' interests			
Members' equity interests		<u>10,639,536</u>	<u>15,268,566</u>
Total members' interests		<u>10,639,536</u>	<u>15,268,566</u>

The accompanying notes on pages 19 to 30 form an integral part of these financial statements.

These financial statements were approved and authorised for issue by the designated members of the LLP on 23rd April 2021 and were signed on its behalf by:



Martin Jennings

On Behalf of Aberdeen Asset Management PLC, a Designated Member

Statement of Members' Equity Interests

At 31 December 2020

	Members' capital (classified as equity)	Other reserves (losses)	Other reserves (profits)	Other reserves (share option reserve)	Total as at 31 December 2020	Total as at 31 December 2019
	£	£	£	£	£	£
Balance at 1 January 2020	17,500,100	(8,327,011)	3,521,677	2,573,800	15,268,566	13,251,573
Reversal of deferred rent due to adoption of IFRS16	-	-	-	-	-	278,169
Backdated depreciation of RoU asset	-	-	-	-	-	(242,971)
(Loss) for the period available for discretionary division among members	-	(4,629,030)	-	-	(4,629,030)	(4,018,205)
Members interests after loss for the period	17,500,100	(12,956,041)	3,521,677	2,573,800	10,639,536	9,268,566
Introduced by members	-	-	-	-	-	6,000,000
Members' equity interests	17,500,100	(12,956,041)	3,521,677	2,573,800	10,639,536	15,268,566

Notes to the financial statements

1. General information

Parmenion Capital Partners LLP (the “LLP”) is a LLP incorporated and domiciled in England and Wales. The address of the registered office is:

Aurora
Counterslip
Bristol
BS1 6BX

The LLP’s business activities, together with expected future developments and key risks facing the LLP are detailed in the Members’ report.

These financial statements were authorised for issue by the designated members on 23 April 2021.

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 LLP’s financial statements.

Basis of preparation

The LLP 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 period ended 31 December 2020 have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”) as issued by the Financial Reporting Council.

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

The financial statements have been prepared under the historical cost convention and in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

The LLP is ultimately a wholly owned subsidiary of Standard Life Aberdeen PLC and is therefore exempt from the requirement to prepare consolidated accounts by virtue of section 400 of the Companies Act 2006.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Going concern

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

Management, on behalf of the Members of the LLP, conducted a rigorous assessment of the financial position of the LLP, which included consideration of the liquidity of the assets, expected cash flows and cash requirements, projected regulatory capital positions and the impact on the business of Covid-19, through stress testing which included a severe but plausible downside scenario.

Management also considered the potential implications of the planned sale of the LLP and the impact this may have on the adoption of the going concern assumption. They have no expectation that this will impact the assessment made.

Based upon the assessment undertaken, the LLP has a reasonable expectation that it has adequate resources to continue in operational existence, including discharging its liabilities as required, for a period of at least 12 months from the date of this report.

Accordingly, the Members of the LLP continue to adopt the going concern basis in preparing the financial statements.

Turnover

Revenue is recognised to the extent it is probable that economic benefits will flow to the LLP and such revenue can be reliably measured. Revenue is recognised as services are provided and includes management fees, custody fees and other income. Management and custody fees are based on the value of the LLP's assets under management.

Other income represents recharges to other group companies and third party portfolio management fees. There has been no impact on the LLP's financial statements of the adoption of IFRS 15. Also included in other income is the £3m settlement from VMUTM following the contract termination and the release of the deferred income on the contract up to the point of termination amounting to £6.8m.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Financial assets

IFRS 9 Financial Instruments was adopted on 1 January 2019, replacing IAS 39. There was no material impact on the recognition, measurement or disclosure of financial assets as a result of this adoption.

Classification

- Loans and receivables – These instruments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These instruments are included in current assets and consist of trade debtors, amounts due from group undertakings and loans and borrowings.
- Other financial assets – These instruments include cash and cash equivalents, other debtors and prepayments and accrued income.
- Cash and cash equivalents – These include both cash at bank and highly liquid investments.

Recognition and measurement

- Loans and receivables – These instruments are initially recognised at transaction value net of any transaction costs, and subsequently at amortised cost using the effective interest rate method.
- Other financial assets – These instruments are initially recognised at transaction value and subsequently at amortised cost using the effective interest rate method, with the exception of cash and cash equivalents, where cost is deemed to represent a fair value.

The LLP has adopted trade date accounting. Accordingly, a financial investment is recognised on the date the LLP commits to its purchase and derecognised on the date on which the LLP commits to its sale.

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. Trade receivables are reviewed for impairment on an ongoing basis where any impairment is offset against the carrying amount of the balance. Impairment of intangibles is discussed further in the section 'Intangible fixed assets and amortisation' on page 22.

Financial liabilities

Classification

- Other financial liabilities - These instruments include trade creditors, amounts due to group undertakings, accruals and deferred income and other creditors.

Recognition and measurement

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

Notes to the financial statements (continued)

2. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is charged on all tangible fixed assets on a straight line basis calculated to write each asset down to its estimated residual value over its expected useful life at the following annual rates:

Fixtures and fittings	- 33% on cost
Computer equipment	- 33% on cost
Leasehold improvements	- 20% on cost

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. Remaining useful lives vary between 1 and 5 years.

The carrying amounts of the LLP's intangible fixed assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Pension costs

The LLP contributes to a group personal pension plan operated by the ultimate designated member. The assets of the scheme are held separately from those of the LLP 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.

Contributions to defined contribution schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Other employee benefits

Share-based payments

The SLA Group operates a Save as you Earn scheme which offers all eligible employees the opportunity to buy shares at a pre-determined price in SLA through saving from their monthly salary over a 3 or 5 year term. SLA recharges the cost of these awards to each subsidiary based on the fair value of the option at the award date.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Leased assets

The LLP leases office space on a 10 year rental contract. At lease commencement date, the LLP recognised a right-of-use asset and a lease liability in its balance sheet. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability and any initial direct costs incurred by the LLP. Initial measurement of the lease liability is the present value of the lease payments unpaid at that date, discounted using SLA group's incremental borrowing rate. The LLP depreciates the right-of-use asset on a straight line basis from the lease commencement date to the end of the lease term. Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

Critical accounting estimates

The preparation of the financial statements necessitates the use of estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, contingent or otherwise, at the balance sheet date as well as affecting the reported profit or loss for the year/period. Although the estimates are based on management's best knowledge of current facts as at the balance sheet date, the actual outcome may differ from those estimates. Critical estimates and assumptions are detailed in note 3.

Impairment of non-financial assets

In respect of investments in subsidiaries, an impairment loss is recognised when events or changes in circumstances indicate that the recoverable amount of the asset may not exceed its carrying value. If any such indication exists, the asset's recoverable amount is estimated and any provision for impairment recognised. Any impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation, if no impairment loss had been recognised.

3. Critical accounting judgements and estimates

Critical estimates and assumptions are disclosed below:

Intangible assets : - Determination of amounts to be recognised as internal website development and determination of the useful lives of these assets. Items are capitalised up to the time the project goes live and then amortised over their determined useful economic life from that point. Any subsequent capital expenditure is capitalised and amortised immediately. See note 8.

Property lease under IFRS 16 – There is no implicit borrowing rate included within the office lease and therefore Parmenion have adopted the incremental borrowing rate of 2.2235% in their calculation of the present value of the discounted lease payments. This IBR is both country specific and has taken into account the lease term.

Notes to the financial statements (continued)

4. Turnover

Turnover arose wholly within the United Kingdom, analysis of turnover by class of business is as follows:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Management and custody fees	29,625,452	25,374,490
Other income	9,962,789	197,971
	<u>39,588,241</u>	<u>25,572,461</u>

5. Operating loss is stated after charging :

Depreciation of tangible fixed assets	1,640,923	1,562,209
Impairment of intangible fixed assets	7,201,451	-

Auditor remuneration :

Statutory audit	42,875	36,000
Supply of other services	<u>141,663</u>	<u>145,576</u>

Notes to the financial statements (continued)

6. Employees and members

The average number of persons employed by the LLP, not including members with contracts of employment, during the period was as follows:

	Year ended 31 December 2020 number	Year ended 31 December 2019 number
Selling and administration	<u>234</u>	<u>198</u>

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Salaries and bonuses	12,761,233	11,132,832
Social security costs	1,318,428	1,329,333
Pension costs	1,961,327	1,711,318
Other benefits	273,129	398,033
	<u>16,314,117</u>	<u>14,571,516</u>

7. Net finance income

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
<i>Finance income</i>		
Bank interest receivable	33,101	27,258
Bank interest receivable – client money	369,315	518,924
Loan interest receivable	-	1,956
	<u>402,416</u>	<u>548,138</u>
<i>Finance expense</i>		
Interest on group borrowings	88,214	83,373
Lease interest paid	-	2,236
Write off of accrued interest on preference shares*	-	57,538
Interest on the lease liability	162,074	162,074
	<u>250,288</u>	<u>305,221</u>
Net finance income	<u>152,128</u>	<u>242,917</u>

* The write off arose following the hive down of the trade and assets of Self Directed Holdings Limited (SDHL) into Self Directed Investments Limited (SDIL). Prior to the hive down, SDHL utilised its remaining cash reserves to settle a portion of the outstanding accrued interest on preference share held by LLP. There were insufficient funds to pay the whole balance, the remaining debt was written off by LLP.

Notes to the financial statements (continued)

8 Intangible fixed assets

	Website development £
Cost	
At 1 January 2020	15,922,324
Work in progress	-
Additions	1,366,373
Disposals	-
Impairment	(11,686,736)
At 31 December 2020	<u>5,601,961</u>
Amortisation	
At 1 January 2020	6,065,317
Charge for the period	2,269,812
Impairment	(4,485,285)
At 31 December 2020	<u>3,849,844</u>
Net book value	
At 31 December 2020	<u>1,752,117</u>
<i>At 31 December 2019</i>	<u><i>9,857,007</i></u>

The LLP recognises as intangible assets website development 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 recognised at cost and amortisation is charged to the income statement over the length of time the LLP expects to derive benefits from the asset, starting from the point in time when the asset comes into use.

The allocation of the income statement charge to each reporting period is dependent on the expected pattern over which future benefits are expected to be derived. Where this pattern cannot be determined reliably the charge is allocated on a straight line basis over a period of five years.

Following the termination of the contract with VMUTM in Q4 of 2020, an additional impairment review of our intangible assets was carried out to consider the impact of the termination on the carrying value. As a result of this review, we wrote off £11.7m of cost and £4.5m of accumulated amortisation. The net P&L impact was £7.2m.

Notes to the financial statements (continued)

9. Tangible fixed assets

	Right of use Asset £	Fixtures and Fittings £	Leasehold Improvements £	Computer Equipment £	Total £
Cost					
At 1 January 2020	7,289,135	574,816	1,521,535	1,033,902	10,419,388
Additions	-	-	39,445	442,856	482,301
Disposals	-	-	-	-	-
At 31 December 2020	<u>7,289,135</u>	<u>574,816</u>	<u>1,560,980</u>	<u>1,476,758</u>	<u>10,901,689</u>
Depreciation					
At 1 January 2020	971,884	245,229	287,828	440,951	1,945,892
Charge for the period	728,913	167,038	309,648	435,323	1,640,923
Disposals	-	-	-	-	-
At 31 December 2020	<u>1,700,797</u>	<u>412,267</u>	<u>597,476</u>	<u>876,274</u>	<u>3,586,815</u>
Net Book Value					
At 31 December 2020	<u>5,588,338</u>	<u>162,549</u>	<u>963,504</u>	<u>600,484</u>	<u>7,314,874</u>
At 31 December 2019	6,317,251	329,587	1,233,707	592,951	8,473,496

Notes to the financial statements (continued)

10. Investments

	Subsidiary undertakings (unlisted) £
Cost	
At 1 January 2020	100,108
Disposals	(4)
Impairment of investment in Self Directed Investments Limited	(99,999)
Net book value	<hr/>
At 31 December 2020	105 <hr/>
<i>At 31 December 2019</i>	<hr/> <i>100,108</i> <hr/>

The following were subsidiary undertakings of the Company:

Name of undertaking	Country of registration	Direct/ indirect holding	Total holding	Principal activity
Parmenion Nominees Limited	UK	Direct	100%	Dormant
Wise Trustee Limited	UK	Direct	100%	Dormant
Parmenion Capital Limited	UK	Direct	100%	Dormant
Wealth Horizon Limited	UK	Direct	100%	Dormant
Self Directed Investments Limited	UK	Direct	100%	Trading
Self Directed Holdings Limited*	UK	Direct	100%	Trading

* Self Directed Holdings Limited was dissolved on 28 January 2020

The registered address for all the subsidiary companies listed above is:

Aurora
Counterslip
Bristol
BS1 6BX

Notes to the financial statements (continued)

11. Debtors

	31 December 2020	31 December 2019
	£	£
Amounts due within one year:		
Trade debtors	3,910,612	2,981,509
Other debtors	1,011,471	11,070
Amount owed by group undertakings	272,911	408,919
Prepayments and accrued income	1,162,765	1,412,813
	<u>6,357,759</u>	<u>4,814,311</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12. Creditors: amounts due within one year

	31 December 2020	31 December 2019
	£	£
Trade creditors	296,628	733,141
Social security and other taxes	479,869	653,895
VAT	61,392	55,474
Other creditors	1,744,954	618,827
Amounts owed to group undertakings	8,702,674	2,217,827
Accruals and deferred income	2,322,971	3,433,390
Right of use liability	1,054,116	263,529
	<u>14,662,604</u>	<u>7,976,083</u>

Included within amounts owed to group undertakings is a loan of £8,500,000 (2019: £2,000,000). The interest rate attached to the loan is charged at the Bank of England base rate per annum, calculated each year from the drawdown. The loan is unsecured with no fixed date of repayment and is repayable on demand.

Included within amounts owed to group undertakings is an amount of £98,108 (2019: £217,827). The amount is unsecured, interest free with no fixed date of repayment and is repayable on demand.

13. Creditors: amounts greater than one year

	31 December 2020	31 December 2019
	£	£
Right of use liability	6,055,936	7,187,680
	<u>6,055,936</u>	<u>7,187,680</u>

Notes to the financial statements (continued)

14. Share-based payments

The LLP's ultimate designated member, Aberdeen Asset Management PLC (AAM PLC), operates share-based payment schemes in which employees of the parent and certain subsidiary companies participate. AAM PLC and employing subsidiaries are required to account for the fair value of the share options and long-term incentive at grant date over the vesting period. AAM PLC recharges each subsidiary with the specific cost of the schemes based on the cost incurred for each employee.

The following disclosures relate to the share schemes operated by AAM PLC in which employees of the LLP participate.

Save as You Earn (SAYE)

The Group operates SAYE plans, which allow eligible employees in the UK and Ireland the opportunity to save a monthly amount from their salaries, over either a three or five year period, which can be used to purchase shares in the Company. The shares can be purchased at the end of the savings period at a predetermined price. Employees are granted a predetermined number of options based on the monthly savings amount and duration of their contract. The conditions attached to the options are that the employee remains in employment for three years after the grant date of the options and that the employee satisfies the monthly savings requirement. Settlement is made in the form of shares.

15. Related party transactions

At the period end, the balance due from LLP to Self Directed Investments Limited amounted to £30,311 (balance due to LLP from Self Directed Investments Limited 2019: £25,227). This related to staff costs.

On 31 July 2019, as part of Standard Life Aberdeen PLC's strategic joint venture with Virgin Money, Aberdeen Asset Management PLC completed the acquisition of 50% (less one share) of Virgin Money Unit Trust Managers Limited (VMUTM) for an upfront cash payment of £40m plus 50% of the capital in the business and certain other costs. The LLP recharged Virgin Money Unit Trust Managers Limited monthly under a platform services agreement whereby the LLP has been appointed to configure a platform for the joint venture. This agreement was terminated in October 2020 and a settlement payment of £3m was received by the LLP from VMUTM.

16. Ultimate controlling party

The LLP was under the control of the designated members during the period.

Aberdeen Asset Management PLC, is the controlling designated member by way of its majority interest in the LLP. Aberdeen Asset Management PLC is incorporated in the United Kingdom and registered in Scotland.

The results of the LLP 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 LLP.