

# Aberdeen Asset Managers Limited

## Annual Report and Financial Statements

Registered number SC108419

For the year ended 31 December 2018



**COMPANIES HOUSE  
EDINBURGH**

**26 JUL 2019**

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## Strategic Report

The Directors present their Strategic Report on Aberdeen Asset Managers Limited (“the Company”) for the year ended 31 December 2018, in accordance with section 414A of the Companies Act 2006.

### Business review and future developments

The Company’s principal activity is the provision of investment management services across a number of asset classes. There are no plans to change the principal activity of the Company.

The Company is a Markets in Financial Instruments Directive (“MiFID”) investment firm and is regulated by the Financial Conduct Authority (“FCA”) under the Capital Requirements Directive (“CRD IV”). The Company is within the scope of CRD IV country by country reporting obligations. The information required by the legislation in respect of the year ended 31 December 2018 will be published in the Investor section of the Standard Life Aberdeen Group website, [www.standardlifeaberdeen.com](http://www.standardlifeaberdeen.com), by 31 December 2019.

In anticipation of the loss of passporting rights for UK MiFID companies in relation to Brexit, a project has been ongoing to transfer the Company’s branch businesses in France, Netherlands, Italy, Spain, Norway and Sweden (“the Branches”) to Aberdeen Standard Investments Ireland Limited (“ASIIL”). Note 23 provides further detail on the transfer of the branches.

When assessing the financial reporting implications of the Branch transfers it was necessary to correct merger accounting applied under FRS 6 relating to a larger group reorganisation completed during the year ending 30 September 2012. This involved transferring the trade, assets and liabilities from various wholly owned subsidiaries of Aberdeen Asset Management PLC (“AAM PLC”), satisfied by the issue of share capital and share premium in the Company. Impacted by the reporting of the above transfer was the funding of a subsequent group restructuring completed during the year ending 30 September 2016. Related disclosure notes have been restated and a summary of the impact on the balance sheet is presented in note 24.

### Key performance indicators

The Board uses a number of financial performance measures to monitor the performance of the business throughout the year/period. Key financial metrics are measured and reported to the Board on a quarterly basis including those shown below:

	12 months to 31 Dec 2018	15 months to 31 Dec 2017
Assets under management (“AuM”)	£56.3bn	£65.8bn
Turnover	£404.9m	£555.4m
Operating profit before amortisation	£52.6m	£95.2m
Operating margin before amortisation	13.0%	17.1%
Net assets	£404.8m	£389.2m*
Regulatory capital surplus	£125.5m	£35.9m*

\* See note 24 for an explanation of the prior period restatement.

#### AuM

AuM managed by the Company has decreased by £9.5bn (14.4%) as a result of net client outflows and adverse market movements during the year.

#### Turnover

Turnover has decreased by £150.5m (27.1%), largely as a result of the comparative period including three extra months of revenue. Adverse flows and market movements have also lowered revenues in the year.

## Strategic Report (*continued*)

### Key performance indicators (*continued*)

#### *Operating profit before amortisation*

Operating profit before amortisation has decreased by £42.6m (44.7%), largely as a result of the aforementioned decrease in turnover and a proportionally lower decrease in administrative expenses.

#### *Net assets*

Net assets have increased by £15.6m (4.0%), largely as a result of profits made in the year.

#### *Regulatory capital surplus*

The regulatory capital surplus at 31 December 2018 has increased to £125.5m (249.6%), a result of including audited profits for the prior period in the available capital resource.

The Board uses number of non-financial performance indicators to monitor the activities of the Company. These include:

- investment performance;
- compliance and regulatory status; and

Group policies in relation to employees are detailed in the Directors' Report.

In addition, CRD IV requires disclosure of return on assets, calculated as the profit after tax divided by total assets. This decreased to 2.7% (2017: 10.8%).

### Principal risks and uncertainties

The Standard Life Aberdeen Group ("SLA PLC"), of which the Company is part, has an established Enterprise Risk Management framework, integrating oversight of strategic planning, operational management of the business and internal control.

The principal risks and uncertainties facing the Company are integrated into the principal risks of the merged group under SLA PLC and are therefore not managed separately. Accordingly, the principal risks and uncertainties of SLA PLC, which include those of the Company, are discussed fully in the SLA PLC Annual Report and Accounts which does not form part of this report.

The list below does however provide a summary of the key risks facing both SLA PLC and the Company. Further details on each of the risks, together with how they link to our new strategy, how they have evolved over the period and how they are managed can be found in the SLA PLC Group accounts.

The principal risks to which the Company is most specifically exposed can be categorised as follows:

**Brexit:** the business remains well positioned to benefit from the trends that are shaping the investment landscape although there remains unavoidable uncertainty due to Brexit. Exposure to Brexit not only has the potential to create volatility for our customers' and clients' investments but also SLA PLC's asset management distribution capability to European clients. SLA PLC has established a new Dublin based entity to mitigate the ongoing risks but political risks in the UK and Europe could threaten the operation of services for SLA PLC, as they could for many other industries and companies. Active regulatory engagement and close monitoring of ongoing political debates are in place. The investors in the agreements managed by the Company are mainly UK based and Brexit is therefore not expected to have a significant impact on the structure or operations of the Company. However, Brexit has the potential to create volatility in the valuation of the mandates and therefore the revenue earned by the Company.

**Strategic risks:** notably investment performance; ensuring we meet the evolving needs of our clients and customers and adapting to preference changes. Geopolitical unrest and associated risks continue to be a key strategic risk and can impact the markets in which we operate, impact our reputation and increase our capital exposure.

## Strategic Report (*continued*)

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

*Operational risk:* notably process execution failure and business continuity; talent management; change management; IT failure and security including cyber risk; third party oversight, including both outsourcing and supplier relationships; and the impact of inaccurate or incomplete information for financial management and decision making

*Conduct risk:* specifically the risk that our behaviours, strategies, decisions and actions deliver unfair outcomes to our customers and clients and/or poor market conduct. We have no appetite for either of these.

*Regulatory and legal risk:* we operate in a highly regulated industry globally and we are exposed to a number of different regulatory and legal systems, which have the potential to expose the Company to risks.

*Financial market risk:* notably market risk; liquidity risk and counterparty failure.

By order of the Board



**A W Mitchell**  
Director  
18 April 2019

## Directors' Report

The Directors present their Annual Report and the audited Financial Statements for the year ended 31 December 2018.

### Dividends

No interim dividends (2017: £47.6m) were paid to the Company's immediate parent, AAM PLC. No final dividend has been recommended by the Directors (2017: £nil).

### Directors

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

C D Fleming	A A Laing (resigned 31 March 2019)
M Pike	G R Marshall
A McCaffery (resigned 12 April 2019)	S C A Docherty
A W Mitchell	L A Bowley (resigned 19 March 2019)
K L Malcolm	R E B Crombie (Resigned 30 January 2018)

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

### Modern slavery act

As a global investment company, SLA PLC wants to do all it can to help tackle human trafficking, forced labour, bonded labour and child slavery by focussing on the its operations, supply chain and investment process. SLA PLC has published a modern slavery statement, reinforcing its commitment to this important issue. This can be found on the SLA PLC website.

### People

SLA PLC is committed to embedding the ten UN Global Compact principles throughout the organisation and during the period has further developed the way in which it integrates ESG considerations into the investment processes across all asset classes, in line with the requirements of the Principles for Responsible Investment ("PRI").

On an annual basis SLA PLC refines its approach and continues to make progress in embedding responsible business practices throughout the organisation. This is integrated into the process for reporting to the Board on developments, risks and opportunities, and is not managed separately. Further information on SLA PLC's approach to responsible business can be found in the annual corporate stewardship report.

### 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 auditor is 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 auditor is aware of that information.

### Independent auditor

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 of SLA PLC.

## 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 year. 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.



**A W Mitchell**  
Director  
18 April 2019

## Independent Auditors' Report to the Members of Aberdeen Asset Managers Limited

### Opinion

We have audited the financial statements of Aberdeen Asset Managers Limited ("the company") for the year ended 31 December 2018 which comprise the profit and loss account, statement of comprehensive income, balance sheet, statement of changes in equity 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 the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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.

### The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, including related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### Going concern

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

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

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

### 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.



## **Independent Auditors' Report to the Members of Aberdeen Asset Managers Limited** *(continued)*

### **Strategic report and directors' report** *(continued)*

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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 6, 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.



**Philip Merchant (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

20 Castle Terrace

Edinburgh

United Kingdom

EH 2EG

18 April 2019

## Profit and loss account

For the year ended 31 December 2018

	Note	12 months to 31 Dec 2018 £'000	15 months to 31 Dec 2017 £'000
<b>Turnover</b>	4	<b>404,901</b>	555,350
Administrative expenses		(352,338)	(460,184)
<b>Operating profit before amortisation</b>	5	<b>52,563</b>	95,166
Amortisation of intangibles	9	(26,676)	(17,377)
<b>Operating profit after amortisation</b>		<b>25,887</b>	77,789
Net finance income	7	2,211	856
<b>Profit on ordinary activities before taxation</b>		<b>28,098</b>	78,645
Tax on profit on ordinary activities	8	(11,632)	(15,064)
<b>Profit for the financial period/year</b>		<b>16,466</b>	63,581

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

The notes on pages 13 to 26 form part of these financial statements.

## Statement of comprehensive income

For the year ended 31 December 2018

	12 months to 31 Dec 2018 £'000	15 months to 31 Dec 2017 £'000
Profit for the financial year/period	16,466	63,581
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified to profit and loss</b>		
Merger Reserve	-	(1,476)
Currency translation differences	(249)	(282)
Tax on items that may be recycled to profit or loss	(581)	488
<b>Total recognised profit relating to the financial year/period</b>	<b>15,636</b>	<b>62,311</b>

The notes on pages 13 to 26 form part of these financial statements.

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## Balance sheet

At 31 December 2018

	Note	2018 £'000	Restated* 2017 £'000
<b>Fixed assets</b>			
Goodwill and intangible assets	9	122,928	76,584
Tangible fixed assets	10	196	102
Investments		49	51
		<u>123,173</u>	<u>76,737</u>
<b>Current assets</b>			
Debtors	11	109,729	69,200
Debtors > 1 year	12	3,273	2,301
Deferred tax assets > 1 year	13	9,842	13,498
Cash and cash equivalents		359,303	427,054
		<u>482,147</u>	<u>512,053</u>
<b>Creditors: amounts due within one year</b>	14	(199,126)	(198,717)
<b>Net current assets</b>		<u>283,021</u>	<u>313,336</u>
<b>Total assets less current liabilities</b>		<u>406,194</u>	<u>390,073</u>
<b>Creditors: amounts greater than one year</b>			
Deferred tax liability > 1 year	13	(1,242)	(896)
Leases		(139)	-
		<u>(1,381)</u>	<u>(896)</u>
<b>Net assets</b>		<u>404,813</u>	<u>389,177</u>
<b>Capital and reserves</b>			
Called up share capital	15	28,592	28,592
Share premium account		177,964	177,964
Other reserves		(2,948)	(2,699)
Profit and loss account		201,205	185,320
<b>Shareholders' funds</b>		<u>404,813</u>	<u>389,177</u>

\* See note 24 for an explanation of the prior period restatement.

The notes on pages 13 to 26 form part of these financial statements.

These financial statements were approved by the Board of Directors on 18 April 2019 and were signed on its behalf by:



**A W Mitchell**  
Director

## Statement of changes in equity

At 31 December 2018

	Share capital	Restated* Share premium	Restated* Profit and loss account	Foreign exchange reserve	Restated* Merger reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 October 2016</b>	28,592	177,964	168,851	(970)	29	374,466
Profit for the period	-	-	63,581	-	-	63,581
Other comprehensive income for the period	-	-	488	(282)	(1,476)	(1,270)
Total comprehensive income for the period	-	-	64,069	(282)	(1,476)	62,311
Dividends	-	-	(47,600)	-	-	(47,600)
<b>Balance at 31 December 2017</b>	28,592	177,964	185,320	(1,252)	(1,447)	389,177
Profit for the year	-	-	16,466	-	-	16,466
Other comprehensive income for the year	-	-	(581)	(249)	-	(830)
Total comprehensive income for the year	-	-	15,885	(249)	-	15,636
<b>Balance at 31 December 2018</b>	<b>28,592</b>	<b>177,964</b>	<b>201,205</b>	<b>(1,501)</b>	<b>(1,447)</b>	<b>404,813</b>

\* See note 24 for an explanation of the prior period restatement.

The notes on pages 13 to 26 form part of these financial statements.

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

### 1. General information

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

10 Queens Terrace  
Aberdeen  
Scotland  
AB10 1XL

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 18 April 2019.

### 2. Accounting policies

The following accounting policies have been applied consistently to all years 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 year ended 31 December 2018 have been prepared in accordance with 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 SLA PLC, has allowed the Company to take advantage of various disclosure exemptions. These are presentation of a cash-flow statement, new IFRSs not yet effective, financial instruments, capital management, impairment of assets, 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.

The Company is a wholly owned subsidiary of SLA PLC and is therefore exempt from the requirement to prepare consolidated accounts by virtue of section 401 of the Companies Act 2006.

There has been a change in period length between the prior period and current year as the prior period was extended to 15 months to bring the year end in line with the wider SLA PLC Group. As a result, the current year and prior period figures are not comparable.

#### *New interpretations and amendments to existing standards that have been adopted by the Company*

##### *IFRS 15 'Revenue from Contracts with Customers'*

IFRS 15 has replaced IAS 18 'Revenue' and related interpretations. IFRS 15 provides a new five-step revenue recognition model for determining recognition and measurement of revenue from contracts with customers. A detailed impact assessment was completed for all major revenue streams, reviewing contracts and analysing the revenue recognised. No significant impacts to profit or net assets were identified for the Company.

##### *IFRS 9 'Financial Instruments'*

IFRS 9 has replaced IAS 39 'Financial Instruments: Recognition and Measurement'. There has been no material impact on the Company's financial performance or position and no comparative numbers have been adjusted following the adoption of IFRS 9.

#### *Going concern*

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

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

### 2. Accounting policies (*continued*)

#### **Going concern** (*continued*)

The Company has made profits in the financial year and is forecast to make profits for the foreseeable future, has sufficient financial resources and a strong cash position. The Board believes that the Company holds adequate resources to continue in business for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

#### **Foreign currency translation**

##### *(a) Functional currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in thousands of GBP, which is the Company’s presentational and functional currency.

##### *(b) Transactions and balances*

Transactions in foreign currencies are translated to the functional currency at the exchange rate ruling at the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date and any exchange differences arising are taken to the profit and loss account.

#### **Turnover**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and such revenue can be reliably measured. Revenue is recognised as services are provided and in accordance with the performance obligations of the contracts. This includes management fees, performance fees and other income.

Management fees are based on the value of the Company’s assets under management and the Company is entitled to earn performance fees where the actual performance of the clients’ assets exceeds defined benchmarks or target returns over a set time period. Performance fees are recognised when the performance obligations have been met and the fee can be reliably estimated. Other income represents income from the recharge of costs to other group companies for investment management services sub-delegated to the Company and foreign exchange gains.

#### **Financial assets**

##### *Classification, recognition and measurement*

- *Fair value through profit or loss* – These instruments include investments which are designated as fair value through profit or loss. This category also includes investments held for trading, acquired principally for the purpose of selling in the short term. Fair value changes are recognised through profit or loss. The fair value of financial instruments that are actively traded on organised financial markets is determined by reference to market bid prices at the close of business on the balance sheet date. For investments where there is no active market, the fair value is determined using valuation techniques. These techniques include arm’s length market transactions, reference to the current market value of another financial instrument which is substantially the same and discounted cash flow analysis.
- *Amortised cost* - 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 to group undertakings and prepayments and accrued income. These instruments are initially recognised at fair value, net of any transaction costs, and subsequently at amortised cost using the effective interest rate method.

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

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

### 2. Accounting policies (*continued*)

#### *Impairment of financial assets*

The carrying amount of all financial assets are formally reviewed for impairment purposes at the end of each reporting year, or during the year 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.

#### *Pension costs*

The Company contributes to a Group personal pension plan operated by SLA PLC. 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 year.

#### *Financial liabilities*

##### *Classification, recognition and measurement*

- *Amortised cost* - These instruments include trade creditors, amounts owed to group undertakings and accruals and deferred income. These instruments are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

#### *Cash & Cash Equivalents*

Cash and cash equivalents include cash at bank, money at call and short notice with bank, and any highly liquid investments, and are measured at amortised cost.

#### *Current and deferred tax*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income.

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 periods.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding basis used for tax purposes. Deferred tax is calculated at the tax rates enacted or substantively enacted that are expected to apply when the asset is realised or the liability settled. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, except in respect of taxable or deductible temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that they will not reverse in the foreseeable future.

#### *Other employee benefits*

##### *Share-based payments and deferred fund awards*

The Company's ultimate parent company, SLA PLC, awards deferred shares and deferral into funds to employees as an element of annual bonus awards. These deferred shares are expensed on a straight-line basis over the service period to vesting, based on the Group's estimate of equity instruments that will eventually vest. Where the parent company makes awards under the deferred share schemes to employees of its subsidiaries, it recharges the cost of these awards to each subsidiary based on the cash value of the shares at the award date.

The equity-settled share-based payments previously issued by AAM PLC were replaced by SLA PLC awards following the merger and are treated as modifications to the original awards. The modifications recognise the cost of the original award spread over the original vesting period.

#### *Leases*

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss account on a straight line basis over the period of the lease.



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

### 2. Accounting policies (*continued*)

#### *Critical accounting estimates*

The preparation of the financial statements necessitates the use of estimates and judgements. These estimates and judgements 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. 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 judgements are detailed in note 3.

#### *Intangible assets*

##### *(a) Goodwill*

Goodwill, representing the excess of the cost of acquisition over the fair value of the Company's share of the identifiable assets and liabilities acquired, is capitalised in the balance sheet. Following initial recognition, goodwill is stated at cost less any accumulated impairment losses.

##### *(b) Management contracts*

Intangible assets, such as management contracts acquired as part of a business combination, are capitalised where it is probable that future economic benefits attributable to the assets will flow to the Company and the fair value of the assets can be measured reliably. They are recorded initially at fair value and then amortised over their useful lives. The fair value at the date of acquisition is calculated using discounted cash flow methodology and represents the valuation of the net residual income stream arising from the management contracts or distribution agreements in place at the date of acquisition. The contracts are included in the balance sheet as an intangible asset.

All management contracts are considered to have a definite life and are therefore amortised on a straight line basis over the lower of their estimated useful lives. Management contracts are amortised over a period of between 3 and 9 years.

#### *Impairment of non-financial assets*

The Company performs annual impairment reviews in respect of goodwill. An impairment loss is recognised in the profit and loss account whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of its value in use and its fair value less costs to sell. Impairment losses in respect of goodwill are not reversed.

In respect of definite useful life intangible assets 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 judgements are disclosed beneath:

- *Impairment of goodwill and intangibles* - Impairment testing is an area requiring management judgement to determine whether indicators of impairment exist, setting the relevant cash generating units ("CGUs") and determining the recoverable amount of the relevant CGU for the annual impairment review of goodwill. Accounting policies for the impairment of non-financial assets can be found in accounting policies.
- *Disclosure of interests in other entities* - The Company held interests in unconsolidated structured entities during the year and management's judgement has been exercised when applying the principles of IFRS 12 Disclosure of Interests in Other Entities. Details can be found in note 18.

There are not considered to be any critical estimates.

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

### 4. Turnover

	12 months to 31 Dec 2018 £'000	15 months to 31 Dec 2017 £'000
Management fees	344,928	487,059
Performance fees	2,284	6,159
Other income	57,689	62,132
	<u>404,901</u>	<u>555,350</u>

### 5. Notes to the profit and loss account

	12 months to 31 Dec 2018 £'000	15 months to 31 Dec 2017 £'000
<i>Operating profit before amortisation is stated after charging:</i>		
Operating lease charges	570	622
Foreign exchange (gains)/losses	(665)	2,383
Restructuring costs	<u>2,195</u>	<u>-</u>
<i>Auditor remuneration :</i>		
Statutory audit	<u>63</u>	<u>58</u>

Amounts receivable by the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of SLA PLC.

Restructuring costs relate to service termination fees.

### 6. Employees and directors

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

	12 months to 31 Dec 2018 Number	15 months to 31 Dec 2017 Number
Fund management and administration	<u>850</u>	<u>874</u>

The aggregate payroll costs of these persons were as follows:

	12 months to 31 Dec 2018 £'000	15 months to 31 Dec 2017 £'000
Salaries and bonuses	85,740	119,590
Share-based element of remuneration	16,519	40,986
Redundancy	5,808	2,276
Social security costs	11,397	22,730
Pension costs	9,957	13,064
Other benefits	1,832	2,193
	<u>131,253</u>	<u>200,839</u>

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

### 6. Employees and directors (*continued*)

Directors' remuneration was as follows:

	12 months to 31 Dec 2018 £'000	15 months to 31 Dec 2017 £'000
Aggregate remuneration	2,341	5,533
Company contributions to personal pension plan	101	216
Other benefits	4	7
	<u>2,446</u>	<u>5,756</u>

The emoluments of those directors who are paid by other SLA PLC companies are included in the financial statements of those companies.

There are a total of 2 (2017: 4) directors accruing retirement benefits from the Company under a personal pension plan.

#### *Highest paid director*

The aggregate emoluments of the highest paid director during the year was £1.4m (2017: £1.9m), and company pension contributions of £55,000 (2017: £57,000) were made to a personal pension plan on their behalf. The highest paid director was awarded share options/deferred shares under the ultimate parent company's deferred share scheme.

### 7. Net finance income

	12 months to 31 Dec 2018 £'000	15 months to 31 Dec 2017 £'000
<i>Finance income</i>		
Bank interest income	<u>2,240</u>	<u>866</u>
	2,240	866
<i>Finance expense</i>		
Bank interest payable	(29)	(7)
Interest expense other	<u>-</u>	<u>(3)</u>
	(29)	(10)
Net finance income	<u>2,211</u>	<u>856</u>

### 8. Taxation

#### *Analysis of tax charge in the year/period*

	12 months to 31 Dec 2018 £'000	15 months to 31 Dec 2017 £'000
<i>UK corporation tax</i>		
Current tax on profit for the year/period	7,424	14,764
Adjustments in respect of prior periods/years	<u>60</u>	<u>(1,038)</u>
	7,484	13,726
<i>Foreign tax</i>		
Current tax on profit for the year/period	679	471
Withholding tax and other	(16)	375
Adjustments in respect of prior periods/years	<u>83</u>	<u>(93)</u>
	746	753

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

### 8. Taxation (*continued*)

#### *Deferred tax*

Deferred tax on share based payments	2,394	100
Deferred tax on goodwill	386	395
Deferred tax on other timing differences	46	203
Effect of tax rate change on opening deferred tax balances	607	(113)
Adjustments in respect of prior periods/years	(31)	-
	<u>3,402</u>	<u>585</u>
Tax on profit on ordinary activities	<u>11,632</u>	<u>15,064</u>

#### *Analysis of tax charge in other comprehensive income in the year/period:*

	12 months to 31 Dec 2018 £'000	15 months to 31 Dec 2017 £'000
Current tax impact	19	(118)
Deferred tax impact	(600)	(370)
	<u>(581)</u>	<u>(488)</u>

#### *Reconciliation of the tax charge in the year/period*

The tax assessed for the year/period is lower (2017: higher) than the standard rate of corporation tax in the UK of 19% (2017: 19.4%). The differences are explained below:

	12 months to 31 Dec 2018 £'000	15 months to 31 Dec 2017 £'000
Current tax reconciliation		
Profit for the financial year/period	<u>28,098</u>	<u>78,645</u>
Current tax at 19% (2017: 19.4%)	5,339	15,257
<i>Effects of:</i>		
Non-deductible expenses	2,808	405
Non-taxable income	-	-
Withholding tax and other	(16)	375
Change in UK tax rates on deferred tax balances	607	(113)
Deferred shares and funds	2,782	271
Adjustments in respect of previous periods/years	112	(1,131)
Total tax charge	<u>11,632</u>	<u>15,064</u>

#### *Factors affecting the future tax charge*

The UK tax rate for the period/year is 19% (2017: 19.4%). The tax rate was reduced from 20% to 19% effective from 1 April 2017.

A further reduction to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016. This will reduce the Company's future current tax charge accordingly.

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

### 9. Goodwill and intangible assets

	Restated* Goodwill £'000	Management contracts £'000	Restated* Total £'000
<b>Cost</b>			
At 1 January 2018	38,303	134,943	173,246
Additions	-	73,020	73,020
Exchange movements	-	-	-
At 31 December 2018	<u>38,303</u>	<u>207,963</u>	<u>246,266</u>
<b>Amortisation</b>			
At 1 January 2018	-	96,662	96,662
Charge for the year	-	26,676	26,676
At 31 December 2018	<u>-</u>	<u>123,338</u>	<u>123,338</u>
<b>Net book value</b>			
At 31 December 2018	<u>38,303</u>	<u>84,625</u>	<u>122,928</u>
At 31 December 2017	<u>38,303</u>	<u>38,281</u>	<u>76,584</u>

\* See note 24 for an explanation of the prior period restatement.

An intangible asset was recognised during the year following the acquisition of certain management contracts from Alpine Woods Capital Investors LLC. These are being amortised on a reducing balance basis over 9 years.

### 10. Tangible assets

	Furniture and Equipment £'000
<b>Cost</b>	
At 1 January 2018	507
Additions	186
Disposals	(387)
Exchange movements	1
At 31 December 2018	<u>307</u>
<b>Depreciation</b>	
At 1 January 2018	405
Charge for the year	42
Disposals	(336)
At 31 December 2018	<u>111</u>
<b>Net book value</b>	
At 31 December 2018	<u>196</u>
At 31 December 2017	<u>102</u>

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

### 11. Debtors

	2018 £'000	Restated* 2017 £'000
Trade debtors	7,308	5,703
Amounts owed by Group undertakings	76,802	38,939
Other debtors	986	593
Prepayments and accrued income	24,633	23,965
	<u>109,729</u>	<u>69,200</u>

\* See note 24 for an explanation of the prior period restatement.

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

### 12. Debtors > 1 year

	2018 £'000	2017 £'000
Prepayments	3,194	2,218
Other debtors	79	83
	<u>3,273</u>	<u>2,301</u>

Prepayments relate to deferred costs in respect of placement fees.

### 13. Deferred tax

	2018 £'000	2017 £'000
At 1 January / 1 October	12,601	12,816
Transfer from other group companies	-	-
Credit to the profit and loss account	(3,402)	(585)
Credit through other comprehensive income	(600)	370
At 31 December	<u>8,599</u>	<u>12,601</u>

*The deferred tax asset can be analysed as follows:*

	2018 £'000	2017 £'000
Deferred bonus awards	9,521	13,101
Temporary differences – other	321	397
	<u>9,842</u>	<u>13,498</u>

*The deferred tax liability can be analysed as follows:*

	2018 £'000	2017 £'000
Goodwill	1,242	896
	<u>1,242</u>	<u>896</u>

Deferred tax has been calculated based on the substantively enacted rate at the balance sheet date of 17% (2017: 19%). The future changes in tax rates per note 8 will also impact the deferred tax assets.

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

### 14. Creditors: amounts due within one year

	2018 £'000	Restated* 2017 £'000
Trade creditors	-	99
Amounts owed to Group undertakings	106,303	119,459
Taxes and social security	12,045	14,492
Accruals and deferred income	79,046	61,718
Other creditors	1,732	2,949
	<u>199,126</u>	<u>198,717</u>

\* See note 24 for an explanation of the prior period restatement.

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

### 15. Called up share capital

	2018 £'000	2017 £'000
<b>Authorised, allotted, called up and fully paid:</b>		
285,921,452 (2017: 285,921,452) ordinary shares of 10p each	<u>28,592</u>	<u>28,592</u>

### 16. Commitments

The Company has obligations under non-cancellable operating lease rentals which are payable as follows:

	2018		2017	
	Land and buildings £'000	Motor Vehicles £'000	Land and buildings £'000	Motor Vehicles £'000
Operating leases which expire:				
In less than one year	390	76	375	93
In the second to fifth years inclusive	1,276	33	503	79
After 5 years	920	-	-	-
	<u>2,586</u>	<u>109</u>	<u>878</u>	<u>172</u>

The operating leases relate to the rental of offices in Madrid, Milan, Paris, Brussels and Budapest and in relation to the rental of motor vehicles in France, Hungary, the Netherlands and Italy.

### 17. Share-based payments and deferred funds awards

#### *Share-based payments*

The Company's ultimate parent company, SLA PLC, operates share-based payment schemes in which employees of the parent and certain subsidiary companies participate. The parent company 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. The parent company recharges each subsidiary with the specific cost of the schemes based on the cost incurred for each employee.

For awards exercised during the year, the weighted average share price at the point of exercise throughout the year was 287.24p. The number of outstanding options at the period end is summarised beneath.

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

### 17. Share-based payments and deferred funds awards (*continued*)

#### *Share-based payments (continued)*

Date of award	Outstanding options Number	Earliest vesting date
17 June 2008	1,893	Jun 2013
1 December 2008	17,982	Dec 2010 – Dec 2011
1 December 2009	149,975	Dec 2010 – Dec 2012
1 December 2010	138,376	Dec 2011 – Dec 2013
31 December 2011	227,369	Dec 2012 – Dec 2014
31 December 2012	218,681	Dec 2013 – Dec 2015
1 June 2013	21,988	Dec 2013 – Dec 2015
2 December 2013	435,965	Dec 2014 – Dec 2017
1 April 2014	70,156	Dec 2014 – Dec 2016
1 December 2014	548,840	Dec 2015 – Dec 2019
1 December 2015	1,102,401	Dec 2016 – Dec 2020
1 December 2016	1,612,731	Dec 2017
23 March 2017	20,747	Mar 2017
27 March 2017	3,854,454	Dec 2018 – Dec 2020
28 June 2017	846	June 2018
14 August 2017	1,476,688	Dec 2018 – Dec 2020
5 March 2018	645,833	Mar 2019 – Mar 2024
3 April 2018	4,567	Apr 2019 – Apr 2021

#### *Deferred awards – Equity settled*

Awards made in 2010 to 2018 reach their earliest vesting dates in equal tranches over a three year period, subject to the continued employment of the participant. On reaching the earliest vesting date, participants may require immediate exercise or may choose to defer exercise until a later date; if deferred, participants may thereafter require exercise, without condition, at any time until the end of the exercise period.

#### *Deferral awards – Cash settled*

An element of variable pay awards will be settled in cash by reference to the share prices of certain Aberdeen managed funds. These are accounted for as cash settled awards and are revalued to market price at the end of each reporting period.

### 18. Unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements.

The Company has assessed whether the funds it manages are structured entities, through review of the above factors, including the rights to remove the Group as fund manager or other key management role. The Company considers the following as structured entities – Open ended investment companies (“OEICs”), Unit Trusts, Fonds Commun de Placement (“FCPs”) and mutual funds.

The structured entities are generally financed by the purchase of units or shares by investors, although some funds are able to obtain external debt financing, and allow clients to invest in a portfolio of assets in order to provide a return through capital appreciation and/or investment income. Accordingly, they are susceptible to market price risk arising from uncertainties about future values of the assets they hold.



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

### 18. Unconsolidated structured entities (*continued*)

AuM within unconsolidated structured entities is shown below:

	2018 £'000	2017 £'000
Unconsolidated structured entities	<u>81,608,619</u>	<u>85,214,639</u>

Turnover includes £129.7m (2017: £175.7m) of fees received from structured entities managed by the Company.

The table below summarises the carrying values in the balance sheet, representing the Company's interests in unconsolidated structured entities, as at 31 December 2018 / 2017:

	2018 £'000	2017 £'000
Debtors	<u>396</u>	<u>745</u>

#### *Maximum exposure to loss*

The Company does not have a direct exposure to the AuM it manages, with the associated risks and rewards residing with external investors. The Company's maximum exposure to loss is therefore limited to future fee income, where investors decide to withdraw funds, reducing the net asset value of the entities and the fair value of any investments in structured entities held by the Company at each reporting date.

#### *Financial support*

The Company does not ordinarily provide financial support to any consolidated or unconsolidated structured entity through guarantees over the repayment of borrowings, or otherwise. However, in limited circumstances the Company will consider supporting structured entities by way of short term financing to manage the timing of cash flows. At 31 December 2018, the financial support provided by the Company was £Nil (2017: £Nil).

### 19. Contingent liabilities

The Company's bank balance is part of a Group working capital facility in support of which cross guarantees are provided by the parent company, the Company and certain fellow subsidiary undertakings. At 31 December 2018, the net amount guaranteed under this arrangement was £293.3m (2017: £321.0m).

### 20. 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 6 for disclosure of directors' remuneration.

### 21. Ultimate parent company

The Company's immediate parent company is AAM PLC and its ultimate parent company is SLA PLC, both of which are incorporated in the United Kingdom and registered in Scotland.

The results of the Company are consolidated in the Group accounts of SLA 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 1 George Street, Edinburgh, EH2 2LL.

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

### 22. Investment holdings

Direct and indirect holdings of the Company are listed below. Holdings are at 100%, unless stated otherwise.

Name of undertaking	Country of registration	Direct/indirect	Percentage owned other than 100%
Griffin Nominees Limited <sup>1</sup>	United Kingdom	Direct	

The carrying value of investments held directly by the Company is £nil (2017: £nil).

#### Registered office

<sup>1</sup> Bow Bells House, 1 Bread Street, London, EC4M 9HH, United Kingdom

### 23. Subsequent events

In anticipation of the loss of passporting rights for UK MiFID companies on Brexit, the businesses of the Dutch, French, Italian, Norwegian and Swedish branches of the Company were transferred to ASIIL on 1 March 2019. The branch businesses were transferred in exchange for the issue of shares from ASIIL to the Company. The Company subsequently distributed those shares to its parent company, AAM PLC. The regulated business of the Spanish branch transferred to ASIIL on 1 April 2019, again in exchange for the issue of shares to the Company equal to the market value of the business transferred.

The business of the German branch of the Company transferred to Aberdeen Standard Investments Deutschland AG ("ASID"), a regulated German group entity, with effect from 1 April 2019, in exchange for cash consideration from ASID.

On 21 March 2019 the Directors approved the issue of 51,857,537 ordinary shares in the Company of £0.10 each to AAM PLC for a total consideration of £1.40 per share.

### 24. Prior year adjustment

In preparation for Brexit, the operations of the Company's branch network has been relocated to new branches of ASIIL (see note 23). When assessing the financial reporting implications of this group restructure it was identified that it was necessary to correct merger accounting applied under FRS 6 relating to a group reorganisation completed during the year ending 30 September 2012 and the treatment of subsequent settlement of intercompany balances. This involved transferring the trade, assets and liabilities from various wholly owned subsidiaries of AAM PLC to the Company, satisfied by the issue of share capital and share premium in the Company.

#### Goodwill and intangible assets / Share premium account

The consideration paid by AAM PLC was set using IFRS reporting. At the time of transfer the Company was reporting under United Kingdom Generally Accepted Accounting Principles ("UK GAAP") and consequently the measurement basis should have reflected the UK GAAP equivalent of the assets and liabilities transferred. The net assets transferred and corresponding share premium recognised upon issuance of shares by the Company have been reduced by £1.7m to correct a previous error.

#### Debtors / Creditors

The Company originally recorded an intercompany debtor of £122.0m in relation to the unpaid issue of share capital and share premium to AAM PLC. The consideration was fully paid, satisfied by the transfer of related assets and liabilities from the merging businesses. Consequently, the remaining amount of consideration outstanding from AAM PLC as reported in the 31 December 2017 financial statements (£105.0m) is not payable to the Company with corrections made to remove the associated debtor and recognise a net creditor position with AAM PLC. The reference to unpaid share capital has also now been updated.

During the year ended 30 September 2016, AAM PLC paid £16.8m of the intercompany debtor relating to unpaid share capital and share premium. As a result of the share capital and share premium being fully paid, the sum advanced by AAM PLC should have been considered as a short term loan. This has been corrected with a corresponding creditor balance due to AAM PLC.

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

### 24. Prior year adjustment (*continued*)

#### Other reserves / Profit and loss account

In conjunction with correcting the debtor / creditor positions noted above there has been an adjustment to remove a merger reserve incorrectly created as part of the original reorganisation, as well as correct an adjustment through the profit and loss reserve. The requirements of merger accounting under FRS 6 have been revisited as part of this review. At the time of the 2012 reorganisation, unamortised goodwill relating to the original acquisition of the subsidiaries transferred to the Company (and a corresponding merger reserve), should have been recognised in the Company balance sheet and subsequently amortised under UK GAAP. This goodwill was fully amortised (and the merger reserve utilised) by 30 September 2014, the date when the company transitioned from UK GAAP to FRS 101 and therefore no adjustments were necessary to the restated balances presented below.

The restated balance sheets at 31 December 2017 and 1 October 2016 are detailed below:

#### **Balance Sheet**

*At 31 December 2017*

	<b>Restated £'000</b>	<b>Reported £'000</b>
<b>Fixed assets</b>		
Goodwill and intangible assets	<b>76,584</b>	78,344
<b>Current assets</b>		
Debtors	<b>69,200</b>	114,485
<b>Creditors: amounts due within one year</b>	<b>(198,717)</b>	(122,021)
<b>Capital and reserves</b>		
Share premium account	<b>177,964</b>	179,724
Other reserves	<b>(2,699)</b>	96,173
Profit and loss account	<b>185,320</b>	208,429

#### **Balance Sheet**

*At 1 October 2016*

	<b>Restated £'000</b>	<b>Reported £'000</b>
<b>Fixed assets</b>		
Goodwill and intangible assets	<b>81,796</b>	83,556
<b>Current assets</b>		
Debtors	<b>70,454</b>	115,739
<b>Creditors: amounts due within one year</b>	<b>(159,835)</b>	(83,139)
<b>Capital and reserves</b>		
Share premium account	<b>177,964</b>	179,724
Other reserves	<b>(941)</b>	97,931
Profit and loss account	<b>168,851</b>	191,960