

# **Aberdeen Private Investors Limited**

Directors' report and financial  
statements

Registered number SC112020

30 September 2006

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## Directors' report

The Directors present their report and the audited financial statements for the year ended 30 September 2006

### Principal activity

The principal activity of the Company is the provision of investment management and advisory services

The company is regulated by the Financial Services Authority, but is not subject to the consolidated capital requirements of the Financial Services Authority

### Business Review

On 25 August 2006, the company disposed of a major part of its management contracts. Those contracts not sold were transferred to a fellow subsidiary undertaking

### Results and dividends

The profit after taxation for the year was £215,000 (2005 £93,000). No dividend was paid during the year (2005 nil)

During the year the Company made charitable donations totalling £475 (2005 £nil)

### Directors and Directors' interests

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

GWNH Clark (Resigned 25/8/06)  
 AA Laing  
 CAB Crosby (Resigned 25/8/06)  
 WT Greenhalgh  
 H Young  
 VN Beamish

The directors who held office at the end of the financial year had no interests in the shares of the Company but had the following interests in the share and loan capital of Aberdeen Asset Management PLC, the Company's ultimate parent company, as recorded in the register of Directors' interests

	Ordinary shares		Share options	
	2006	2005	2006	2005
WT Greenhalgh	178,602*	149,002*	83,500	101,000
H Young	1,809,425*	1,262,500*	879,000	879,000
VN Beamish	84,700*	62,500*		
	<hr/>	<hr/>	<hr/>	<hr/>
	2,072,027	1,474,002	962,500	980,000
	<hr/>	<hr/>	<hr/>	<hr/>

The interests of Mr AA Laing in the share and loan capital of Aberdeen Asset Management PLC, the ultimate parent company, are disclosed in the Directors' report of that company

\* The total holdings for Messrs Greenhalgh, Young and Beamish include shares awarded under the Group's LTIP and which remain subject to forfeiture pending achievement of the relevant performance criteria

## **Directors' report** *(continued)*

### **Disclosure of information to auditors**

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

### **Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution for the re appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting

By order of the Board



**For Aberdeen Asset Management PLC**  
*Secretaries*

10 Queen's Terrace  
Aberdeen  
AB10 1YG

26 January 2007

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing 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.

The financial statements are required by law to 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 judgments 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They 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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.



## KPMG Audit Plc

37 Albyn Place  
Aberdeen  
AB10 1JB  
United Kingdom

### **Independent auditors' report to the members of Aberdeen Private Investors Limited**

We have audited the financial statements of Aberdeen Private Investors Limited for the year ended 30 September 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# **Independent auditors' report to the members of Aberdeen Private Investors Limited (*continued*)**

## **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*KPMG Audit Plc*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

26 January 2007

## Profit and loss account

for the year ended 30 September 2006

	Note	2006 £000	2005 £000
<b>Turnover</b>	1	1,908	2,044
Administrative expenses		(4,990)	(2,125)
<b>Operating loss</b>		<b>(3,082)</b>	<b>(81)</b>
Gain on sale of investments and similar income		3,146	
Interest receivable and similar income		256	238
<b>Profit on ordinary activities before taxation</b>	2 4	<b>320</b>	<b>157</b>
Tax on profit on ordinary activities	5	(105)	(64)
<b>Profit for the financial year</b>	9	<b>215</b>	<b>93</b>

A statement of movements on reserves is given in note 9

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

There are no recognised gains or losses other than the profits for the financial years as above



**Balance sheet**  
*at 30 September 2006*

	<i>Note</i>	<b>2006</b> <b>£000</b>	<b>2005</b> <b>£000</b>
<b>Current assets</b>			
Debtors	6	127	522
Cash at bank and in hand		2,041	1,385
		<hr/>	<hr/>
<b>Creditors</b> amounts due within one year	7	2,168 (312)	1,907 (266)
		<hr/>	<hr/>
<b>Net current assets</b>		1,856	1,641
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		1,856	1,641
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	8	425	425
Share premium account	9	48	48
Profit and loss account	9	1,383	1,168
		<hr/>	<hr/>
<b>Shareholders' funds</b>	10	1,856	1,641
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 26 January 2007 and were signed on its behalf by

  
**AA Laing**  
 Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

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

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historic cost accounting rules. In these financial statements the following new standards have been adopted for the first time

- FRS 21 'Events after the balance sheet date',
- the presentation requirements of FRS 25 'Financial instruments: presentation and disclosure', and
- FRS 28 'Corresponding amounts'

The accounting policies under these new standards are set out below. Their adoption has had no material effect on the financial statements.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of Aberdeen Asset Management PLC, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties). The consolidated financial statements of Aberdeen Asset Management PLC, within which this Company is included, can be obtained from 10 Queen's Terrace, Aberdeen, AB10 1YG.

#### ***Foreign currencies***

Transactions denominated in foreign currencies are converted at the rates of exchange ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with in the profit and loss account.

#### ***Leases***

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### ***Pension costs***

The parent company operates a pension scheme which provides benefits based on average pensionable pay and which is now closed to new service contributions. Contributions to the scheme, which are paid according to the advice of an actuary, are charged to the profit and loss account so as to spread the cost over the expected working lives of active members.

#### ***Turnover***

Turnover represents amounts receivable in respect of the Company's activities in providing investment management services, exclusive of Value Added Tax. Income from management fees and performance fees is recognised on an accruals basis in line with the terms of the various contracts.

## Notes (continued)

### Taxation

The charge for taxation is based on the profit for the year and takes in to account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

### 2 Profit on ordinary activities before taxation

*Profit on ordinary activities before taxation is stated after charging*

	2006 £000	2005 £000
Auditors' remuneration		
Audit services	9	9
Non audit services	8	9
Taxation services		10
	<hr/>	<hr/>

### 3 Staff numbers and costs

The average number of persons employed by the Company (including directors), during the year, was as follows

	2006 Number	2005 Number
Administration	12	14
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows

	2006 £000	2005 £000
Salaries	883	815
Social security costs	79	84
Other pension costs	94	102
	<hr/>	<hr/>
	1,056	1,001
	<hr/>	<hr/>

## Notes (continued)

### 4 Directors' remuneration

	2006 £000	2005 £000
Directors' emoluments	386	527
Other benefits	20	20
Company contributions to money purchase pension schemes	56	58
	<hr/> 462	<hr/> 605
	<hr/>	<hr/>

The emoluments of the directors who are also directors of, and paid by, Aberdeen Asset Management PLC, the parent company, are disclosed in the accounts of that company

The aggregate emoluments of the highest paid director during the year was £115,000 (2005 £153,000), and company pension contributions of £16,000 (2005 £13,000) were made to a money purchase scheme on his behalf

	Number of directors	
	2006	2005
Retirement benefits are accruing to the following number of directors under		
Money purchase scheme	<hr/> 4	<hr/> 4
	<hr/>	<hr/>

### 5 Taxation

	2006 £000	2005 £000
<i>UK corporation tax</i>		
UK Corporation tax on profits for the period		64
Group relief payable on income for the period at 30% (2005 30%)	105	
	<hr/> 105	<hr/> 64
	<hr/>	<hr/>

#### *Factors affecting the tax charge for the current year*

The current tax charge for the year is higher (2005 higher) than the standard rate of corporation tax in the UK 30% (2005 30%) The differences are explained below

**Notes** *(continued)*

**5 Taxation** *(continued)*

	<b>2006</b> <b>£000</b>	2005 £000
Current tax reconciliation		
Profit on ordinary activities before tax	<b>320</b>	157
	<hr/>	<hr/>
Current tax at 30%	<b>96</b>	47
<i>Effects of</i>		
Expenses not deductible for tax	<b>9</b>	17
	<hr/>	<hr/>
Total current tax charge (see above)	<b>105</b>	64
	<hr/> <hr/>	<hr/> <hr/>

There is no deferred taxation in the balance sheet as there are no timing differences

**6 Debtors**

	<b>2006</b> <b>£000</b>	2005 £000
Amounts falling due within one year		
Prepayments and accrued income	<b>91</b>	344
Other trade debtors and commissions receivable	<b>3</b>	23
Amounts due by group undertakings		92
Other debtors	<b>33</b>	63
	<hr/>	<hr/>
	<b>127</b>	522
	<hr/> <hr/>	<hr/> <hr/>

**7 Creditors: amounts falling due within one year**

	<b>2006</b> <b>£000</b>	2005 £000
Amounts due to group undertakings	<b>174</b>	
Accruals and deferred income	<b>117</b>	170
Other taxes and social security costs		96
Other creditors	<b>21</b>	
	<hr/>	<hr/>
	<b>312</b>	266
	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### 8 Called up share capital

	2006 £000	2005 £000
<i>Authorised</i>		
100,000 ordinary shares of 25p each	25	25
725,000 zero dividend redeemable preference shares of £1 each (redeemable on demand at par)	725	725
	<hr/> 750	<hr/> 750
<i>Allotted, issued and fully paid</i>		
100,000 ordinary shares of 25p each	25	25
400,000 zero dividend redeemable preference shares of £1 each (redeemable on demand at par)	400	400
	<hr/> 425	<hr/> 425

The holders of the redeemable preference shares are entitled to one vote for every share held but only following a resolution for the winding up of the Company or a resolution affecting the rights attached to the shares. On wind up, the shares are redeemable at par.

### 9 Reserves

	Share Premium Account £000	Profit and Loss Account £000
At beginning of year	48	1,168
Profit for the financial year		215
	<hr/> 48	<hr/> 1,383

### 10 Reconciliation of movements in shareholders' funds

	2006 £000	2005 £000
Profit for the financial year	215	93
Opening shareholders' funds	1,641	1,548
	<hr/> 1,856	<hr/> 1,641

## Notes *(continued)*

### **11 Pension costs**

The total cost charged for the period was £94,000 (2005 £102,000) Further disclosure regarding the pension scheme is contained within the financial statements of the ultimate parent company

### **12 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 30 September 2006 the net amount guaranteed under this arrangement was £nil (2005 £nil)

### **13 Ultimate parent company**

The Company's ultimate parent company is Aberdeen Asset Management PLC, which is incorporated in the United Kingdom and registered in Scotland

The results of the Company are consolidated in the group accounts of Aberdeen Asset Management PLC which are available to the public and may be obtained from 10 Queen's Terrace, Aberdeen, AB10 1YG

No other group accounts include the results of the Company

### **14 Regulatory**

The company is not subject to the consolidated capital requirements of the Financial Services Authority