



**IGNIS ASSET MANAGEMENT
LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015**

WEDNESDAY



S5874SH7

SCT

01/06/2016

#118

COMPANIES HOUSE

General Information

Directors

C R Walklin

R L Paris

C M Clark

J B Aird

Company Secretary

H S Kidd

Registered Office

50 Bothwell Street

Glasgow

G2 6HR

United Kingdom

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Atria One

144 Morrison Street

Edinburgh

EH3 8EX

**Directors' report
for the year ended 31 December 2015**

The Directors present their report together with the financial statements of Ignis Asset Management Limited (the Company) for the year ended 31 December 2015.

Directors

The names of the current Directors of the Company are shown on page 1.

S Griffin resigned as Company Secretary on 30 April 2015.

C A Hankin was appointed as Company Secretary on 30 April 2015.

C Fellingham resigned as a Director on 1 July 2015.

N K Skeoch resigned as a Director on 1 September 2015.

C A Hankin resigned as Company Secretary on 29 January 2016.

H S Kidd was appointed as Company Secretary on 29 January 2016.

The Company's ultimate parent company, Standard Life plc, maintains Directors' and Officers' liability insurance on behalf of its Directors and Officers.

Result for the year

The result for the year ended 31 December 2015 is a profit after tax of £30,008,000 (2014: £29,005,000). The Directors consider the result to be satisfactory.

Dividends

The Directors recommended and paid dividends of £30,000,000 in 2015 (2014: £29,000,000) to its parent company.

Annual general meeting

There was no annual general meeting held in the year, as permitted by the Companies Act 2006.

Independent Auditors

The Independent Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Disclosure of information to the Auditors

So far as each Director is aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware.

Each of the Directors has taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board of Directors



**H S Kidd, Company Secretary
Edinburgh, 8 February 2016**

**Strategic report
for the year ended 31 December 2015
Review of the Company's business**

The principal activity of the Company is that of a holding company.

Key performance Indicators (KPIs)

The Directors of Standard Life Investments (Holdings) Limited (SLIH) manage the operations of the Standard Life Investments (Holdings) Limited group (the Group), on a divisional basis. The Company is an indirect subsidiary of SLIH, therefore a member of the Group. The Company's Directors therefore believe that an analysis using KPIs for the Company is not necessary or appropriate for gaining an understanding of the development, performance and position of the Company. The KPIs of the Group can be found in the Group's annual report and financial statements.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The main business risks to which the Company is exposed and its financial risk management objectives and policies, are considered in Note 21 to this report and financial statements. Other key business risks include competition from other providers of investment management services.

Environmental matters

The Company follows the environmental strategy of the Standard Life plc group (the Standard Life Group) which is to consume fewer of the world's resources, reduce waste, recycle more and dispose of what remains sensitively.

On behalf of the Board of Directors



C R Walklin, Director

Edinburgh, 8 February 2016

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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 the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the Directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB).

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 accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union, and IFRSs as issued by the International Accounting Standards Board (IASB), have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Income statement
for the year ended 31 December 2015**

		2015	2014
	Note	£'000	£'000
Revenue			
Net investment income		30,000	29,000
Other operating income	3	9	6
Total revenue		30,009	29,006
Operating profit			
		30,009	29,006
Finance income	5	1	1
Foreign exchange differences		(1)	(1)
Profit before tax		30,009	29,006
Tax expense	6	(1)	(1)
Profit for the year attributable to equity holders of the Company		30,008	29,005

The notes on pages 9 to 19 form part of these financial statements.

The Company has not recorded any other comprehensive income during the years to 31 December 2015 or 31 December 2014. A separate statement of comprehensive income is therefore not disclosed.

**Statement of financial position
as at 31 December 2015**

		2015	2014
	Note	£'000	£'000
Assets			
Non-current assets			
Investments in subsidiaries	8	260,406	260,406
Total non-current assets		260,406	260,406
Current assets			
Investment in associates	9	1,160	1,000
Trade and other receivables	10	3	-
Cash and cash equivalents	12	50	193
Total current assets		1,213	1,193
Non-current assets held for sale	11	1	12
Total assets		261,620	261,611
Equity			
Share capital	14	30,001	30,001
Share premium	15	49,999	49,999
Retained earnings	16	80,818	80,810
Other reserve	17	50,000	50,000
Capital contribution reserve	18	50,800	50,800
Total equity		261,618	261,610
Liabilities			
Current liabilities			
Deferred tax liabilities	7	1	-
Current tax liabilities	7	1	1
Total current liabilities		2	1
Total liabilities		2	1
Total equity and liabilities		261,620	261,611

The notes on pages 9 to 19 form part of these financial statements.

The financial statements on pages 5 to 19 were approved on behalf of the Board of Directors on 2 February 2016 and signed on its behalf on 8 February 2016 by the following Director:



C R Walklin, Director

**Statement of changes in equity
for the year ended 31 December 2015**

	Share capital £'000	Share premium £'000	Capital contribution reserve £'000	Retained earnings £'000	Other reserves £'000	Total equity attributable to equity holders of the Company £'000
Balance at 1 January 2014	1	49,999	50,800	80,805	50,000	231,605
Comprehensive income						
Profit for the year	-	-	-	29,005	-	29,005
Total comprehensive income for the year	-	-	-	29,005	-	29,005
Transactions with owners						
Dividends paid	-	-	-	(29,000)	-	(29,000)
Issued share capital	30,000	-	-	-	-	30,000
Balance at 31 December 2014	30,001	49,999	50,800	80,810	50,000	261,610
Balance at 1 January 2015	30,001	49,999	50,800	80,810	50,000	261,610
Comprehensive income						
Profit for the year	-	-	-	30,008	-	30,008
Total comprehensive income for the year	-	-	-	30,008	-	30,008
Transactions with owners						
Dividends paid	-	-	-	(30,000)	-	(30,000)
Balance at 31 December 2015	30,001	49,999	50,800	80,818	50,000	261,618

The notes on pages 9 to 19 form part of these financial statements.

Statement of cash flows
for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Cash flows from operating activities			
Profit before tax		30,009	29,006
Interest income classified as investing activity	5	(1)	(1)
		<u>30,008</u>	<u>29,005</u>
Adjustments for:			
Movement in investments in associates		(160)	(6)
Disposal on non-current assets held for sale		10	-
Fair value loss on non-current assets held for sale		1	-
Movement in operating assets & liabilities	19	(3)	-
Taxation paid		-	(27)
Net cash flows from operating activities		<u>29,856</u>	<u>28,974</u>
Cash flows from investing activities			
Purchase of investment in associates		-	(1,000)
Proceeds from sale of investments		-	302
Return of share capital from subsidiary		-	743
Interest received	5	1	-
Net cash flows from investing activities		<u>1</u>	<u>45</u>
Cash flows used in financing activities			
Dividend paid	13	(30,000)	(29,000)
Net cash flows used in financing activities		<u>(30,000)</u>	<u>(29,000)</u>
Net (decrease) / increase in cash, cash equivalents and bank overdrafts		(143)	19
Cash and cash equivalents at the beginning of the period		193	174
Cash and cash equivalents at the end of the period	12	<u>50</u>	<u>193</u>

The notes on pages 9 to 19 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2015

1. Accounting policies

(a) Basis of preparation

(i) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU), with interpretations issued by the IFRS Interpretations Committee (IFRIC), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis and under the historical cost convention.

(ii) New Interpretations and amendments to existing standards that have been adopted by the Company

There have been no new interpretations or amendments to existing standards that have impacted the Company.

(iii) Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Company

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

(b) Revenue recognition

(i) Income from shares in investment

Income consists of dividends receivable as a result of the Company's 100% holding in Ignis Investment Services Limited.

(ii) Other operating income

Other operating income includes realised gains on associates.

Investment gains and losses resulting from changes in market value on investments classified as FVTPL are recognised in the period in which they occur.

Distributions from collective investment schemes are recognised when the right to receive payment is established.

Other operating income is recognised on an accruals basis.

(c) Expense recognition

(i) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. Where there is an indication of impairment, an impairment review is performed and an impairment loss recognised in the income statement to the extent that the carrying amount exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its net selling price (fair value less costs to sell) and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit, or group of units, to which the asset belongs.

Non-financial assets other than goodwill which have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(ii) Administrative expenses

Administrative expenses are recognised on an accruals basis.

(d) Income tax

The current tax expense is based on the taxable results for the year, using tax rates enacted or substantively enacted at the statement of financial position date, including any adjustments in respect of prior years.

Deferred tax is provided using the statement of financial position liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable results will be available against which the temporary differences can be utilised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

Current and deferred tax is recognised in the income statement except when it relates to items recognised in other comprehensive income or directly in equity, in which case it is credited or charged to other comprehensive income or directly in equity respectively.

Notes to the financial statements for the year ended 31 December 2015 (continued)**1. Accounting policies (continued)****(e) Financial assets - designation****(i) Designation as fair value through profit or loss (FVTPL)**

Financial assets are designated as FVTPL where the asset or liability is part of a group of assets that are evaluated and managed on a fair value basis.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in 'Current assets', except for maturities greater than 12 months after the statement of financial position date. These are classified as 'Non-current assets'. The Company's loans and receivables comprise 'Trade and other receivables' and 'Cash and cash equivalents' in the statement of financial position.

(f) Non-current assets held for sale

Assets and liabilities which have been classified as held for sale are presented separately in the statement of financial position. Assets and liabilities are classified as held for sale when their carrying amount will be recovered principally through a sale transaction. The relevant assets are valued using FVTPL.

(g) Structured entities

The Company has an investment in the Seabury Assets Fund. This vehicle is structured in such a way that voting or similar rights are not the dominant factor in deciding who controls the entity and as such are classified as structured entities. Investments in this entity are classified as investment in associates because the Group has significant influence.

(h) Investments in subsidiaries

Subsidiaries are all entities, including structured entities, over which the Company has control. Control exists and consolidation is required if the Company has power over the investee, exposure to variable returns from its involvement with the investee and the ability to use its power over the investee to affect its returns. Control is reassessed if facts and circumstances indicate changes to any of these elements of control.

(i) Investment in associates

Associates are entities over which the Company has significant influence but not control. Significant influence is the power to participate in the financial and operating policy decisions of the investee. The Company considers itself to have significant influence over entities where, Standard Life Investments Limited, through its role as investment manager, has decision making power over the relevant activities of that entity. All investments in associates are accounted for using FVTPL. Disclosures regarding investments in associates are compliant with paragraph 16 of IAS 27 Separate Financial statements.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and any highly liquid investments with less than three months to maturity from the date of acquisition. 'Cash and cash equivalents' are categorised for measurement purposes as loans and receivables and are therefore measured at amortised cost.

(k) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Shares are classified as equity instruments when there is no contractual obligation to deliver cash or other assets to another entity on terms that may be unfavourable. The difference between the proceeds received on issue of the shares and the nominal value of the shares issued is recorded in the share premium account. Incremental costs directly attributable to the issue of new equity instruments are shown in the share premium account as a deduction from the proceeds, net of tax. Incremental costs directly attributable to the issue of equity instruments in a business combination are included in the cost of acquisition.

(l) Other reserve

The other reserve relates to a previous surplus in the carrying value of subsidiaries.

(m) Capital contribution reserve

Capital contributions received by the company and which contain no agreement for their repayment are recognised directly in the statement of changes in equity as a distributable reserve.

(n) Dividend distribution

Dividend distribution to the Company's sole shareholder is recognised directly in equity in the Company's financial statements in the period in which the dividend is paid.

Notes to the financial statements for the year ended 31 December 2015 (continued)**1. Accounting policies (continued)****(o) Offset of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. Key estimates and judgements

The preparation of financial statements, in conformity with IFRS, may require the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. In the process of applying the Company's accounting policies, management has made no key estimates or judgements.

3. Other operating income

	2015	2014
	£'000	£'000
Realised gain on associates	7	-
Gains on assets held for sale	2	6
Total other operating income	9	6

4. Administrative expenses

The Company has no employees (2014: nil) and is managed by the parent undertaking. Certain expenses, including auditor's remuneration for statutory audit services of £9,000 for the year were met by the parent undertaking.

The costs relating to auditors' remuneration of £9,000 were paid and borne directly by Ignis Investment Services Limited in 2014.

The Company also paid the auditor remuneration of £17,000 relating to tax compliance services.

5. Finance income

All finance income for 2015 and 2014 is derived from 'Cash and cash equivalents'.

6. Tax expense

(a) Analysis of the tax charge for the year:

	2015	2014
	£'000	£'000
Current tax		
United Kingdom corporation tax	2	1
Adjustment in respect of prior year	(1)	-
Total current tax	1	1
Total tax expense	1	1

(b) Reconciliation of tax expense :

	2015	2014
	£'000	£'000
Profit before tax	30,009	29,006
Tax at UK corporation tax rate of 20.25% (2014: 21.5%)	6,077	6,236
Effects of:		
Income not taxable	(6,075)	(6,235)
Adjustment in respect of prior year	(1)	-
Total tax expense	1	1

From 1 April 2015 the main rate of UK corporation tax has decreased from 21% to 20%. Accordingly, this results in an average current tax rate of 20.25% (2014: 21.5%) for the year.

Notes to the financial statements for the year ended 31 December 2015 (continued)

7. Tax liabilities

(a) Tax assets and liabilities

	2015	2014
	£'000	£'000
Deferred tax liabilities	1	-
Total deferred tax liabilities	1	-
Current tax liabilities	1	1
Total current tax liabilities	1	1
Total tax liabilities	2	1

(b) Recognised deferred tax

	2015	2014
	£'000	£'000
Deferred tax liabilities comprise:		
Deferred acquisition costs	1	-
Gross deferred tax liabilities	1	-
Movements in net deferred tax assets comprise:		
At 1 January	-	-
At 31 December	-	-

The standard rate of UK corporation tax for the accounting period is 20.25% (2014: 21.5%). The UK tax rate will reduce to 19% from 1 April 2017 and 18% from 1 April 2020. These future rate changes have been taken into account in the calculation of the UK deferred tax balance at 31 December 2015.

Notes to the financial statements for the year ended 31 December 2015 (continued)**8. Investments in subsidiaries**

	2015	2014
	£'000	£'000
At 1 January	260,406	253,533
Additions	-	30,000
Disposals	-	(743)
Impairment	-	(22,384)
At 31 December	260,406	260,406

The following are particulars of the Company's subsidiary undertakings:

Name	Country of registration/ incorporation	Share class	% owned	Nature Of business
Ignis Investment Services Limited	Scotland	Ordinary	100	Investment management
Ignis Fund Managers Limited	Scotland	Ordinary	100	Investment management
Scottish Mutual PEP & ISA Managers Limited	England & Wales	Ordinary	100	Investment management
Scottish Mutual Investment Managers Limited	Scotland	Ordinary	100	Investment management
Ignis Nominees Limited	Scotland	Ordinary	100	Investment management

9. Investments in associates

	2015	2014
	£'000	£'000
Investments in associates	1,160	1,000
	1,160	1,000

The following are the particulars of the Company's investments in associates:

Name	Country of registration/ incorporation	Share class	% owned	Nature Of business
Seabury Assets Fund plc (Fund No.1)	Ireland	Ordinary	0.1	Collective investment

10. Trade and other receivables

	2015	2014
	£'000	£'000
Due from Standard Life Investments Group undertakings	3	-
Total trade and other receivables	3	-

All Trade and other receivables are current and have no contractual maturity date. 'All of the financial assets above are non-interest bearing. Note 21 to these financial statements provides an analysis of the credit risks from the financial assets noted above.

Notes to the financial statements for the year ended 31 December 2015 (continued)**11. Non-current assets held for sale**

Non-current assets held for sale consist of seeding in collective investment schemes which are held for a temporary period.

12. Cash and cash equivalents

	2015	2014
	£'000	£'000
Cash at bank and in hand	50	193
	50	193

Cash at bank and in hand and deposits are subject to variable interest rates.

All of the 'Cash and cash equivalents' balances at the statement of financial position date were held with counterparties rated (Standard & Poor's) A or above (2014: A or above).

13. Dividends

	2015	2014
	£'000	£'000
Dividends paid to parent undertaking	30,000	29,000
	30,000	29,000

14. Share capital

	Allotted, Called Up and Fully Paid			
	2015		2014	
	No.	£'000	No.	£'000
Ordinary Shares of £1 each	30,001,000	30,001	30,001,000	30,001
	30,001,000	30,001	30,001,000	30,001

15. Share premium

	2015	2014
	£'000	£'000
At 1 January	49,999	49,999
At 31 December	49,999	49,999

16. Retained earnings

	2015	2014
	£'000	£'000
At 1 January	80,810	80,805
Profit for the year attributable to equity holders	30,008	29,005
Dividends paid	(30,000)	(29,000)
At 31 December	80,818	80,810

Notes to the financial statements for the year ended 31 December 2015 (continued)**17. Other reserves**

	2015	2014
	£'000	£'000
At 1 January	50,000	50,000
At 31 December	50,000	50,000

18. Capital contribution reserve

	2015	2014
	£'000	£'000
At 1 January	50,800	50,800
At 31 December	50,800	50,800

19. Movements in operating assets and liabilities

	2015	2014
	£	£
Movement in operating assets:		
Trade and other receivables	(3)	-
	(3)	-
Movement in operating assets and liabilities	(3)	-

20. Structured entities

A structured entity is defined as an entity where control is not necessarily held through voting rights linked to ownership stake but rather through rights arising from contractual agreements that give power to direct the relevant activities. The Company has interests in unconsolidated structured entities.

The Company has an investment in the Seabury Asset Fund, held at FVTPL, where Standard Life Investments is the asset manager and has significant influence.

Further information on income relating to this relationship as well as the numerical value of this debtor is included with Note 22 'Related Parties'.

Information on how the Company manages its exposure to risk can be found in Note 21 'Financial risk management'.

21. Financial risk management**(a) Standard Life Group approach to risk management**

Standard Life plc, the ultimate parent of the Company, has established an Enterprise Risk Management (ERM) Framework to provide the basis for ensuring that risks inherent in the design and execution of Standard Life Group strategy are managed in line with its expectations.

Notes to the financial statements for the year ended 31 December 2015 (continued)**21. Financial risk management (continued)****(b) The Group's approach to risk and capital management**

The Company operates within the governance structure of the Standard Life Group. The Group also has its own established governance framework, with clear terms of reference for the board of directors of SLIH (the Group Board) and risk committees, and a clear organisation structure, with documented, delegated authorities and responsibilities.

The Group takes and manages risks to achieve its corporate, financial and regulatory objectives. The types of risk inherent in the pursuit of these objectives and the extent of exposure to these risks form the Group's risk profile. The Group Board has approved a risk policy which outlines the framework for identifying, assessing, monitoring and controlling risk.

Capital is managed within the regulatory framework in which the Group operates. This makes use of an Internal Capital Adequacy Assessment Process (ICAAP), approved by the Group Board, to identify the risks to which the Company is exposed and to quantify their impact on economic capital, including changes thereto by way of stress and scenario tests. The ICAAP estimates how much capital is needed to mitigate the risk of insolvency to a selected remote level of risk. The Group is required at all times to maintain at least this level of capital. While the Company does not have its own ICAAP it is a part of the Group ICAAP. The Group's calculation thereof is subject to review by the Financial Conduct Authority (FCA) who also monitor compliance by way of quarterly and annual submissions made by the Group and periodic visits.

The ICAAP is subject to high level quarterly review within the Group, with detailed annual review and approval by the Group Board. The potential impact of any significant risks identified outwith these timescales would be subject to immediate review.

(c) The management of financial and non-financial risks

The following tables reconcile the classes of financial instruments used for the risk management analysis to statement of financial position line items.

(i) Statement of financial position reconciliation

	2015			
	Financial assets			
	FVTPL	Loans and receivables	Non-financial assets	Total
	£'000	£'000	£'000	£'000
Investment in subsidiaries	-	-	260,406	260,406
Investment in associates	1,160	-	-	1,160
Non-current assets held for sale	1	-	-	1
Trade and other receivables	-	3	-	3
Cash and cash equivalents	-	50	-	50
Total assets	1,161	53	260,406	261,620

	2014			
	Financial assets			
	FVTPL	Loans and receivables	Non-financial assets	Total
	£'000	£'000	£'000	£'000
Investment in subsidiaries	-	-	260,406	260,406
Investment in associates	1,000	-	-	1,000
Non-current assets held for sale	12	-	-	12
Cash and cash equivalents	-	193	-	193
Total assets	1,012	193	260,406	261,611

All liabilities in 2015 and 2014 are financial.

(ii) Fair value of assets and liabilities

All assets that are held as FVTPL are carried at their fair value which is stated in the table above. All assets listed as FVTPL are classified as designated on initial recognition. Due to the short term nature of current financial assets carried at amortised cost, the carrying value is approximate to the fair value. Intercompany balances with Standard Life Group entities have had no defaults in the past.

Notes to the financial statements for the year ended 31 December 2015 (continued)**21. Financial risk management (continued)**

The accounting standards define fair value hierarchy levels which describe the nature of an instrument's fair value measurement as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The non-current assets held for sale are level 1 assets and relate to seed holdings in collective investments vehicles. Equity instruments listed on a recognised exchange are valued using prices sourced from the primary exchange on which they are listed. These instruments are generally considered to be quoted in an active market, and are therefore treated as level 1 instruments within the fair value hierarchy.

The investment in associates is classified as level 2 and consist of amounts held in an unlisted collective investment scheme. This investment is valued using prices sourced from the primary exchange on which it is listed or valued using observable market data. However, since it is not generally considered to be quoted in an active market, it is treated as level 2 within the fair value hierarchy.

(iii) Credit risk

The Company is exposed to credit risk through investments, receivables and cash deposits. For cash deposits, an internal credit assessment of each counterparty is used to set counterparty limits by the Group. This is presented to the Standard Life Group Credit Risk Committee for review and approval.

Cash deposits, comprising the majority of 'Cash and cash equivalents', are placed for terms of less than 3 months, with counterparties selected according to the criteria noted above. All of the 'Cash and cash equivalents' balances at the statement of financial position date were held with counterparties rated (Standard & Poor's) A or above (2014: A or above).

The table below provides an analysis of total assets bearing credit risk:

	2015	2014
	£'000	£'000
Investment in associates	1,160	1,000
Non-current assets held for sale	1	12
Trade and other receivables	3	-
Cash and cash equivalents	50	193
	1,214	1,205

At the statement of financial position date, none of the financial assets above were impaired or past due.

(iv) Market risk

The Group uses sensitivity test-based analysis, including market and property value changes, foreign exchange and interest rate movements, detailed in its ICAAP, to understand their impact on expected earnings for decision making and planning purposes.

The Company is both incorporated and domiciled in Scotland.

The Company is not directly exposed to market risk.

The Company has minimal exposure to exchange rate risk in 2015 and 2014.

The Company has no material exposure to interest rate risk.

Notes to the financial statements for the year ended 31 December 2015 (continued)**21. Financial risk management (continued)****(v) Liquidity risk**

Liquidity risk is the risk of the Company being unable to maintain sufficient cash and marketable securities to enable it to meet cashflow obligations as they fall due.

The Company's cashflows are such that short-term liabilities are generally matched by similarly short-term assets, and longer term liabilities are covered by short-term assets, normally held in cash or highly liquid securities. The Group manages its liquidity risk by regular monitoring of its cash position, credit control including credit risk assessment noted above, forward planning including cash flow analysis and regular reporting thereon to the Group Board and the Financial Risk and Capital Management Forum.

Surplus cash is generally invested in cash deposits with institutions meeting the Group's credit risk approval criteria, repayable on demand. These are disclosed in the statement of financial position under 'Cash and cash equivalents'.

The following table represents the Company's ability to meet its cash commitments as they fall due:

Financial assets	2015			
	Investment in associates	Non-current assets held for sale	Trade & other receivables	Cash and cash equivalents
	£'000	£'000	£'000	£'000
Due on demand	1,160	-	-	50
No contractual maturity date	-	1	3	-
	1,160	1	3	50
				1,214

Financial assets	2014			
	Investment in associates	Non-current assets held for sale	Cash and cash equivalents	Total
	£'000	£'000	£'000	£'000
Due on demand	1,000	-	193	1,193
No contractual maturity date	-	12	-	12
	1,000	12	193	1,205

(vi) Operational risk

Operational risk is defined as the risk of loss, or adverse consequences for the business, resulting from inadequate or failed internal processes, people and systems or from external events. The Group sets an acceptable level of operational risk as quantitative and qualitative risk limits.

The types of operational risk the Company is exposed to are identified using the following operational risk categories: fraud or irregularities; regulatory or legal; customer treatment; business interruption; supplier failure; planning; process execution and people. Activities undertaken to ensure the practical operation of controls over financial risks (i.e. market, credit, liquidity and insurance risk) are treated as an operational risk.

The Group assesses its exposure to operational risk to enable efficient allocation of resources to manage such risks. The Group assesses its historical operational risk exposure using objective quantitative data. The Group also assesses the impact and likelihood of operational risks materialising in the future through a combination of qualitative data arising from management's judgement and historical data.

The Group's control environment is subject to quarterly self-assessment by management. Managers are responsible for correcting any control weaknesses identified through this process, taking into account the cost of implementing preventive or corrective action plans and the Group's acceptable level of operational risk.

The impact of new products, significant changes in business operations, or any material one-off transactions on the operational risk profile of the Company is assessed and managed.

Notes to the financial statements for the year ended 31 December 2015 (continued)**22. Related party transactions****(a) Parent and ultimate controlling party**

The Company's parent undertaking is Standard Life Investments (Holdings) Limited, and the ultimate controlling party is Standard Life plc.

Copies of the Annual Report and Accounts of Standard Life plc are available to the public to download on the website www.standardlife.com.

(b) Transactions between and balances with related parties

In the normal course of business, the Company enters into transactions with related parties in respect of its investment management business. Such related party transactions are at arm's length and are unsecured.

	2015	
	Revenues	Amounts owed by related parties
	£'000	£'000
Collective investment scheme	7	-
Standard Life Group entities (excluding parent)	-	3
	7	3

The investments held in collective investment schemes within the statement of financial position in the year and prior year are held with a related party and the dividend income received in the year and prior year were from a related party.

Transactions with related parties were made at market rates. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received in the year or prior year.

(c) Compensation of key management personnel

The Executive Directors of the Company did not receive any remuneration for services to the Company.

23. Related undertakings

The Companies Act 2006 requires disclosure of certain information about the Company's related undertakings. Details on the Company's associates and subsidiaries are shown in Note 9 and 8 respectively. The Company has no other significant holdings and therefore has no other disclosures in related undertakings.

24. Events after the statement of financial position date

There have been no significant events after the reporting period.

Independent Auditors' Report to the Members of Ignis Asset Management Limited

Report on the financial statements

Our opinion

In our opinion, Ignis Asset Management Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit and cash flows for the year then ended;
 - have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report comprise:

- the statement of financial position as at 31 December 2015;
- the income statement for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Independent Auditors' Report to the Members of Ignis Asset Management Limited (continued)

Report on the financial statements (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

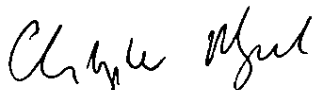
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Christopher Meyrick (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

8 February 2016