

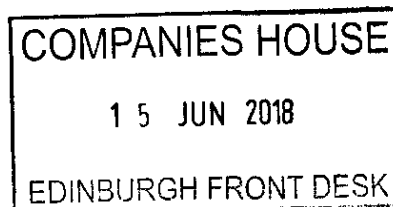
Registration number: SC200801

**Standard Life**  
**Investments**

## Ignis Asset Management Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017



**Company Information**

**Directors**                A S Acheson  
                                 J B Aird  
                                 S A Fitzgerald

**Company secretary**    H S Kidd

**Registered office**       1 George Street  
                                 Edinburgh  
                                 Lothian  
                                 EH2 2LL

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

## **Directors' Report for the year ended 31 December 2017**

The Directors present their report together with the audited financial statements of Ignis Asset Management Limited (the Company) for the year ended 31 December 2017.

### **Directors**

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

Directors of the Company during the year were as follows:

A S Acheson

J B Aird

S A Fitzgerald

### **Result for the year**

The result for the year ended 31 December 2017 is a loss after tax of £33,152,000 (2016: profit after tax of £37,446,000). The Directors consider the result to be satisfactory.

### **Future outlook**

The Directors are confident that the Company will maintain its financial position in the future.

### **Dividends**

The directors recommended and paid dividends of £15,000,000 in 2017 (2016: £81,800,000) 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**

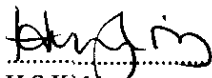
During the financial year ended 31 December 2017, the Standard Life Aberdeen Group appointed KPMG LLP (KPMG) as principal auditor replacing PricewaterhouseCoopers LLP (PwC). The Independent Auditors, KPMG, have indicated their willingness to continue in office.

### **Disclosure of information to the auditor**

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

Approved by the Board on 6 February 2018 and signed on its behalf by:

  
.....  
H S Kidd

Company secretary

## **Strategic Report for the year ended 31 December 2017**

### **Review of the Company's business**

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

During the year, the ultimate parent of the Company (Standard Life plc) merged with Aberdeen Asset Management plc to form Standard Life Aberdeen plc. The merger completed on 14 August 2017 and the Company became part of the Standard Life Aberdeen group. Thus far there has been no specific impact on the Company. A review will be conducted in 2018 as part of the wider integration activities to ascertain what specific impact, if any, this will have on the Company.

### **Key performance indicators (KPIs)**

The Directors of Standard Life Aberdeen plc manage the Standard Life Aberdeen Group (the SLA Group), in which the Company is a subsidiary. The development, performance and position of the Aberdeen Standard Investments business of the SLA Group, which includes the Company, is discussed in the Aberdeen Standard Investments section of the Strategic Report in the SLA Group's Annual Report and Accounts which does not form part of this report.

### **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 Standard Life Aberdeen Group, of which the Company is a part, has established a governance framework for monitoring and overseeing strategy, conduct of business standards and operations of the business across the Group that includes a clearly stated corporate organisational structure, appropriately delegated authorities and independent internal audit and risk management functions. Risk management for the Company operates within this governance framework. The main business risks to which the Company is exposed, and its financial risk management objectives and policies, are considered in Note 18 to this report and financial statements. Other key business risks include the development and retention of key employees as well as competition from other providers of investment management services.

### **Environmental matters**

The Company follows the environmental strategy of the Standard Life Aberdeen Group which is disclosed within the Standard Life Aberdeen plc accounts.

Approved by the Board on 6 February 2018 and signed on its behalf by:

  
.....  
S A Fitzgerald  
Director

## **Statement of Directors' Responsibilities**

The Directors acknowledge they 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 International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

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 apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

**Income Statement for the year ended 31 December 2017**

	Note	2017 £ 000	2016 £ 000
<b>Revenue</b>			
Net investment income		15,842	81,800
Other operating income	3	8	9
<b>Total revenue</b>		<b>15,850</b>	<b>81,809</b>
Transfer of investment management contracts and associated benefits	6	(49,000)	(44,361)
<b>(Loss)/Profit before tax</b>		<b>(33,150)</b>	<b>37,448</b>
Tax expense	5	(2)	(2)
<b>(Loss)/Profit for the year attributable to equity holders of the Company</b>		<b>(33,152)</b>	<b>37,446</b>

The notes on pages 9 to 22 form part of these financial statements.

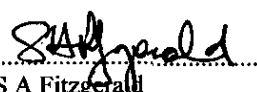
The Company has not recorded any other comprehensive income during the year to 31 December 2017 or 31 December 2016. A separate statement of comprehensive income is therefore not disclosed.

**Statement of Financial Position as at 31 December 2017**

	Note	2017 £ 000	2016 £ 000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	6	115,115	166,027
Investment securities	7	1	1
<b>Total non-current assets</b>		<b>115,116</b>	<b>166,028</b>
<b>Current assets</b>			
Investment securities	7	3,999	1,238
Cash and cash equivalents	8	1	1
<b>Total current assets</b>		<b>4,000</b>	<b>1,239</b>
<b>Total assets</b>		<b>119,116</b>	<b>167,267</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	10	30,001	30,001
Share Premium	11	49,999	49,999
Retained earnings	12	39,112	87,264
<b>Total equity</b>		<b>119,112</b>	<b>167,264</b>
<b>Current liabilities</b>			
Deferred tax liabilities	15	1	1
Current tax liabilities	15	3	2
<b>Total current liabilities</b>		<b>4</b>	<b>3</b>
<b>Total liabilities</b>		<b>4</b>	<b>3</b>
<b>Total equity and liabilities</b>		<b>119,116</b>	<b>167,267</b>

The notes on pages 9 to 22 form part of these financial statements.

The financial statements on pages 5 to 22 were approved on behalf of the Board on 6 February 2018 and signed on its behalf by:

  
 S A Fitzgerald  
 Director

**Statement of Changes in Equity for the year ended 31 December 2017**

		Share capital £ 000	Share premium £ 000	Capital contribution reserve £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
	Note						
<b>Balance at 1 January 2016</b>		30,001	49,999	50,800	50,000	80,818	261,618
<b>Comprehensive income</b>							
Profit for the year		-	-	-	-	37,446	37,446
<b>Total Comprehensive income</b>		-	-	-	-	37,446	37,446
<b>Transactions with owners</b>							
Bonus issue of shares		50,800	-	(50,800)	(50,000)	-	(50,000)
Solvency statement procedure		(50,800)	-	-	-	50,800	-
Dividends paid	9	-	-	-	-	(81,800)	(81,800)
<b>Balance at 31 December 2016</b>		<b>30,001</b>	<b>49,999</b>	<b>-</b>	<b>-</b>	<b>87,264</b>	<b>167,264</b>
<b>Balance at 1 January 2017</b>		30,001	49,999	-	-	87,264	167,264
<b>Comprehensive expense</b>							
Loss for the year		-	-	-	-	(33,152)	(33,152)
<b>Total Comprehensive expense</b>		-	-	-	-	(33,152)	(33,152)
<b>Transactions with owners</b>							
Dividends paid	9	-	-	-	-	(15,000)	(15,000)
<b>Balance at 31 December 2017</b>		<b>30,001</b>	<b>49,999</b>	<b>-</b>	<b>-</b>	<b>39,112</b>	<b>119,112</b>

The Company did not recognise any income or expenses directly in equity (2016: £nil). The total recognised income for the year comprised (loss)/profit for the year.

The notes on pages 9 to 22 form part of these financial statements.



**Statement of Cash Flows for the year ended 31 December 2017**

	Note	2017 £ 000	2016 £ 000
<b>Cash flows (used in)/from operating activities</b>			
(Loss)/Profit before tax		(33,150)	37,448
<b>Adjustments to cash flows from non-cash items</b>			
Movement in investment securities	7	(2,761)	(78)
Movement in operating assets and liabilities	16	-	(3)
Gain on disposal of subsidiaries	6	1,912	-
Tax paid		-	2
Transfer of investment management contracts and associated benefits		49,000	44,361
Movement in Group relief included in operating assets and liabilities		(1)	3
<b>Net cash flow (used in)/from operating activities</b>		<b>15,000</b>	<b>81,733</b>
<b>Cash flows from/(used in) financing activities</b>			
Distribution	6	-	18
Dividends paid	9	(15,000)	(81,800)
<b>Net cash flows from/(used in) financing activities</b>		<b>(15,000)</b>	<b>(81,782)</b>
Net decrease in cash and cash equivalents		-	(49)
Cash and cash equivalents at 1 January		1	50
Cash and cash equivalents at 31 December	8	<b>1</b>	<b>1</b>

The notes on pages 9 to 22 form part of these financial statements.

## Notes to the Financial Statements for the year ended 31 December 2017

### 1 Accounting policies

The Company's significant accounting policies are included at the beginning of the relevant note. This section outlines the basis of preparation, significant accounting policies which apply to the financial statements as a whole, and a summary of the Company's critical accounting estimates and judgements in applying 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 (IFRS IC), 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 accounting 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 and are considered relevant to the company*

#### ***IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 1 January 2018)***

IFRS 15 will replace 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. New disclosure requirements including estimate and judgement thresholds will also be introduced. In 2015 the IASB issued amendments to the standard and delayed the mandatory adoption date until 1 January 2018. A detailed impact assessment was completed in 2017 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 (effective for annual periods beginning on or after 1 January 2018)***

IFRS 9 will replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 allows two measurement categories for financial assets in the statement of financial position: amortised cost and fair value. All equity instruments and derivative instruments are measured at fair value. As well as presentation and measurement changes, IFRS 9 also introduces additional disclosure requirements. Initial analysis indicates IFRS 9 is unlikely to have an impact on the Company because financial assets are currently measured at Fair Value Through Profit and Loss (FVTPL) or amortised cost.

#### **(b) Revenue recognition**

##### ***Income from shares in investment***

Net investment income consists of dividends receivable as a result of the Company's 100% holding in Ignis Investment Services Limited and a gain on disposal of Scottish Mutual PEP & ISA Managers Limited and Scottish Mutual Investment Managers Limited.

## Notes to the Financial Statements for the year ended 31 December 2017 (continued)

### 1 Accounting policies (continued)

#### (c) 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, any 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, or the net asset value is used where appropriate. 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 which have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

#### (d) 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 considered as non-current assets. The Company's loans and receivables comprise 'Trade and other receivables' in the statement of financial position.

#### (e) 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. 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.

### 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.

#### *Impairment assumptions*

The Company conducts annual impairment tests on the carrying value of the subsidiaries which are held at cost. The recoverable amount is determined from the net realisable value or from value-in-use calculations. The key assumptions in the value-in-use calculations reflect management's expectations of the medium-term operating performance of the subsidiaries and growth prospects in the subsidiaries markets.

## Notes to the Financial Statements for the year ended 31 December 2017 (continued)

### 3 Other operating income

#### *Accounting Policy*

Other operating income includes investment gains and losses resulting from changes in market value on investments classified as FVTPL.

These are recognised in the period in which they occur.

	2017 £ 000	2016 £ 000
Realised gain on investment securities	8	9
<b>Total other operating income</b>	<b>8</b>	<b>9</b>

### 4 Administrative expenses

#### *Accounting Policy*

Administrative expenses are recognised on an accruals basis.

The Company has no employees (2016: nil) and is managed by the parent undertaking. Certain expenses, including auditors remuneration for statutory audit services of £7,500 (2016: £8,000) for the year were met by a subsidiary undertaking. During the financial year ended 31 December 2017, the Standard Life Aberdeen Group appointed KPMG as principal auditor replacing PricewaterhouseCoopers LLP (PwC). Accordingly the fees relate to KPMG for 2017 and PwC for 2016. 2016 fees have been adjusted to exclude VAT.

### 5 Tax expense

#### *Accounting policy*

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 2017 (continued)**

**5 Tax expense (continued)**

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

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current taxation</b>		
United Kingdom corporation tax	2	2
<b>Total current tax</b>	<b>2</b>	<b>2</b>

**(b) Reconciliation of tax expense:**

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
(Loss)/Profit before tax	(33,150)	37,448
Corporation tax at standard rate of 19.25% (2016: 20%)	(6,381)	7,490
<b>Effects of:</b>		
Expense/(Income) not taxable	6,383	(7,488)
<b>Total tax expense</b>	<b>2</b>	<b>2</b>

From April 2017 the main rate of UK corporation tax has decreased from 20% to 19%. Accordingly, this results in an average current tax rate of 19.25% for the year (2016: 20%).

**6 Investment in subsidiaries**

**Accounting Policy**

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.

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>At January 1</b>	<b>166,027</b>	<b>260,406</b>
Solvency statement procedure with subsidiaries	-	(50,018)
Transfer of investment management contracts and associated benefits	(49,000)	(44,361)
Gain on disposal of subsidiaries	(1,912)	-
<b>At 31 December</b>	<b>115,115</b>	<b>166,027</b>

During the year, the company received a final distribution of £2,753,000 on the pending liquidation of *Scottish Mutual Investment Managers Limited* and *Scottish Mutual PEP and ISA Managers Limited*. The Companies were subsequently dissolved on 23 January 2018 and 30 January 2018, respectively. During the prior year, the company received a final distribution of £18,000 on the liquidation of *Scottish Mutual International Fund Managers Limited*.

During the prior year, subsidiaries of the Company made use of the solvency statement procedure laid out in section 829(2) of the Companies Act to convert reserves into distributable reserves and make a distribution to the Company, thereby reducing the value of their net assets.

**Notes to the Financial Statements for the year ended 31 December 2017 (continued)**

**6 Investment in subsidiaries (continued)**

As part of the impairment review of the Company's investment in Ignis Investment Services Limited (2016: Ignis Fund Managers Limited), a comparison has been made between the carrying value of that investment and the value in use. The value in use has reduced as a result of the movement of investment management contracts from Ignis Investment Services Limited (2016: Ignis Fund Managers Limited) to Standard Life Investments Limited (2016: Standard Life Investments (Mutual Funds) Limited) during the year, leading to a reduction in the investment valuation of £49,000,000 (2016: £44,361,000).

The following are the particulars of the Company's subsidiary undertakings as at the statement of financial position date:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2017	2016
Ignis Investment Services Limited	Investment Management	1 George Street, Edinburgh, Lothian, EH2 2LL Scotland	100%	100%
Ignis Fund Managers Limited	Investment Management	1 George Street, Edinburgh, Lothian, EH2 2LL Scotland	100%	100%
Ignis Nominees Limited	Investment Management	1 George Street, Edinburgh, Lothian, EH2 2LL Scotland	100%	100%
Scottish Mutual PEP & ISA Managers Limited	Investment Management	Bow Bells House, 1 Bread Street, EC4M 9HH, London England & Wales	0%	100%
Scottish Mutual Investment Managers Limited	Investment Management	1 George Street, Edinburgh, Lothian, EH2 2LL Scotland	0%	100%

## Notes to the Financial Statements for the year ended 31 December 2017 (continued)

## 7 Investment Securities

**Accounting Policy**

During the year ended 31 December 2017, Standard Life Aberdeen Group, and therefore the Company, has amended its accounting policy in relation to investment in associates. Previously, the Company determined associates to be entities over which the Company had significant influence but not control, where significant influence was determined to be the power to participate in the financial and operational policy decisions of the investee. For the Company, significant influence was considered to be present where, Standard Life Investments Limited, through its role as investment manager, had decision making power over the relevant activities of that entity.

In general, investment vehicles which are not subsidiaries are now considered to be associates where the Group holds more than 20% of the voting rights only. This change in accounting policy is deemed to make the financial statements more relevant to users and more consistent with industry presentation. The impact of this change in accounting policy on the Company is that items previously disclosed as investment in associates are now disclosed as investment securities where they do not meet the 20% voting right threshold. Investment securities are all accounted for using the FVTPL method.

	2017 £ 000	2016 £ 000
Investments in regulated collective investment vehicles	3,999	1,238
Other	1	1
	<b>4,000</b>	<b>1,239</b>

The Company has two investment securities, the details of which are noted below. 'Other' investment securities are classified as non current and 'investments in collective regulated investment vehicles' are classified as current.

All other investment securities, the carrying amount of which is noted above, are measured at FVTPL. None of these are considered individually material to the Company (2016: none). Note 18 provides further details on these investment securities.

Name of investment security	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2017	2016
Seabury Assets Fund plc (Fund No. 1)	Collective Investment	70 Sir Rogerson's Quay, Dublin, Ireland Ireland	0.07%	0.07%
UK Equity Income Fund 1 Inc.	High Investment Management Platform	1 George Street, Edinburgh, Lothian, EH2 2LL, United Kingdom Scotland	0%	0%

**Notes to the Financial Statements for the year ended 31 December 2017 (continued)**

**8 Cash and cash equivalents**

**Accounting Policy**

Cash and cash equivalents include cash at bank, money at call and short notice with banks, and any highly liquid investments with less than three months to maturity from the date of acquisition, and are measured at amortised cost.

	2017 £ 000	2016 £ 000
Cash at bank	1	1
	<u>1</u>	<u>1</u>

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 (2016: A or above).

**9 Dividends**

**Accounting policy**

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.

	2017 £ 000	2016 £ 000
Dividends paid to parent undertaking	15,000	81,800
<b>Total dividends</b>	<u>15,000</u>	<u>81,800</u>

**10 Share capital**

**Accounting Policy**

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.

**Allotted, called up and fully paid shares**

	2017		2016	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>30,001</u>	<u>30,001</u>	<u>30,001</u>	<u>30,001</u>



**Notes to the Financial Statements for the year ended 31 December 2017 (continued)**

**11 Share premium**

	2017 £ 000	2016 £ 000
At 1 January	49,999	49,999
At 31 December	49,999	49,999

**12 Retained earnings**

	2017 £ 000	2016 £ 000
At January 1	87,264	80,818
(Loss)/Profit for the year attributable to equity holders	(33,152)	37,446
Dividends paid	(15,000)	(81,800)
Solvency statement procedure	-	50,800
At 31 December	39,112	87,264

During 2016 the Company allotted 50,800,000 ordinary shares by way of a bonus issue (converting the capital contribution reserve to distributable reserves).

**13 Other reserves**

**Accounting Policy**

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

	2017 £ 000	2016 £ 000
At January 1	-	50,000
Solvency statement procedure	-	(50,000)
At 31 December	-	-

During 2016 the Company made use of the solvency statement procedure laid out in section 829(2) of the Companies Act to reduce the share capital by £50,000,000.

**14 Capital contribution reserve**

**Accounting Policy**

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.

	2017 £ 000	2016 £ 000
At January 1	-	50,800
Capital contribution bonus movement	-	(50,800)
At 31 December	-	-

During 2016 the Company made use of the solvency statement procedure laid out in section 829(2) of the Act to reduce the share capital by £50,800,000 by way of a bonus issue (converting the capital contribution reserve to distributable reserves).

**Notes to the Financial Statements for the year ended 31 December 2017 (continued)**

**15 Tax assets and liabilities**

**(a) Tax assets and liabilities**

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
Deferred tax	1	1
Current tax	3	2
<b>Total tax liabilities</b>	<b>4</b>	<b>3</b>

**(b) Recognised deferred tax**

The standard rate of UK corporation tax for the accounting period is 19.25% (2016: 20%). The UK corporation tax rate has reduced to 19% from 1 April 2017 and will reduce further to 17% from 1 April 2020. This future change has been taken into account in the calculation of the UK deferred tax balance at 31 December 2017.

**16 Movements in operating assets**

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Movement in operating assets:</b>		
Trade and other receivables	-	(3)
<b>Movement in operating assets</b>	<b>-</b>	<b>(3)</b>

**17 Structured entities**

***Accounting Policy***

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 investments securities.

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 no other interests in structured entities.

Information on how the Company manages its exposure to risk can be found in Note 18 'Financial risk management'.

**18 Financial risk management**

**(a) Standard Life Aberdeen Group approach to risk management**

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

## Notes to the Financial Statements for the year ended 31 December 2017 (continued)

### 18 Financial risk management (continued)

#### (b) Standard Life Investments (Holdings) Limited and its subsidiaries (the Group) approach to risk and capital management

The Company operates within the governance structure of the Group. The Group has its own established governance framework, with clear terms of reference for the Group Board (the 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 Standard Life Aberdeen Group risk policies and has approved certain Group specific policies which determine 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 business is exposed and to quantify their impact on capital, including changes thereto by way of stress and scenario tests. The ICAAP estimates how much capital is needed to cover the risks to which the Company is, or might be, exposed to. The Group is required at all times to maintain at least this level of capital. The Company does not have its own ICAAP but is a component of the Group ICAAP. The Group's calculation thereof is subject to review by the FCA who also monitors capital management 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 out with 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 line items in the statement of financial position.

##### (i) Statement of financial position reconciliation

	2017		
	FVTPL £'000	Non-financial assets £'000	Total
Investments in subsidiaries	-	115,115	115,115
Investment securities	4,000	-	4,000
Cash and cash equivalents	1	-	1
<b>Total assets</b>	<b>4,001</b>	<b>115,115</b>	<b>119,116</b>

**Notes to the Financial Statements for the year ended 31 December 2017 (continued)**

**18 Financial risk management (continued)**

	2016		
	FVTPL	Non-financial	
	£'000	assets	Total
	£'000	£'000	
Investments in subsidiaries	-	166,027	166,027
Investment securities	1,239	-	1,239
Cash and cash equivalents	1	-	1
<b>Total assets</b>	<b>1,240</b>	<b>166,027</b>	<b>167,267</b>

All liabilities in 2017 and 2016 are non-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 Aberdeen Group entities have had no defaults in the past.

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).

Non-current investment securities 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.

Current investment securities are classified as level 2 assets 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 cash deposits, investment securities and intercompany balances. 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 Aberdeen Group Credit Risk Committee for review and approval. Intercompany balances with Standard Life Aberdeen Group entities have no past history of default.

Cash deposits, comprising the majority of 'Cash and cash equivalents', are placed for terms of less than three months, with counterparties selected according to the criteria noted and are all rated (Standard & Poor's) A or above (2016: A or above).

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

**Notes to the Financial Statements for the year ended 31 December 2017 (continued)**

**18 Financial risk management (continued)**

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
Investment securities	4,000	1,239
Cash and cash equivalents	1	1
	<b>4,001</b>	<b>1,240</b>

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

**(iv) Market risk**

Market risk is the risk of adverse impact on the Company of changes in the fair values of financial instruments from fluctuations in foreign currency exchange rates, interest rates and market movements.

The Company is domiciled in and was incorporated in Scotland.

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 not directly exposed to market risk.

The Company transacts all of its business in Sterling and is therefore not exposed to exchange rate risk.

The Company has no material exposure to interest rate risk.

**(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 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 Board.

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:

	<b>2017</b>	
	<b>No contractual</b>	
<b>Due on demand</b>	<b>maturity date</b>	<b>Total</b>
<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
<b>Financial assets</b>		
Investment securities	3,999	1
Cash and cash equivalents	1	-
<b>Total assets</b>	<b>4,000</b>	<b>1</b>
	<b>4,001</b>	<b>4,001</b>

## Notes to the Financial Statements for the year ended 31 December 2017 (continued)

### 18 Financial risk management (continued)

	2016		
	Due on demand	No contractual maturity date	Total
	£ 000	£ 000	£ 000
Financial assets			
Investment securities	1,238	1	1,239
Cash and cash equivalents	1	-	1
Total assets	1,239	1	1,240

#### (vii) 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 the controls over financial risks (i.e. market, credit, liquidity and insurance risk) are treated as an operational risk framework.

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 a material change to the operational risk profile of the Group, such as through a one-off transaction, the launch of new products etc. is assessed and managed through the risk governance processes.

### 19 Related party transactions

#### (a) Parent and ultimate controlling party

The Company's parent undertaking is Standard Life Investments (Holdings) Limited (registered office 1 George Street, Edinburgh, EH2 2LL), and the ultimate controlling party is Standard Life Aberdeen plc (registered office Standard Life House, 30 Lothian Road, Edinburgh, EH1 2DH).

Copies of the Annual Report and Accounts of Standard Life Aberdeen plc are available to the public to download on the website [www.standardlifeaberndeen.com](http://www.standardlifeaberndeen.com).

## **Notes to the Financial Statements for the year ended 31 December 2017 (continued)**

### **19 Related party transactions (continued)**

#### **(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 unsecured.

In 2017 the Company received revenue from a collective investment scheme of £8,000 (2016: £9,000). 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. 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) Key management personnel**

No amounts are payable to the Directors in respect of their services to the Company as at 31 December 2017 (2016: £nil).

### **20 Related undertakings**

The Companies Act 2006 requires disclosure of certain information about the Company's related undertakings. Details on the Company's subsidiaries and significant holdings are shown in Note 6 and 7 respectively. The Company has no associates and therefore has no other disclosures in related undertakings.

### **21 Events after the statement of financial position date**

There have been no significant events after the reporting period.

## **Independent Auditor's Report to the Members of Ignis Asset Management Limited**

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### **Opinion**

We have audited the financial statements of Ignis Asset Management Limited ("the company") for the year ended 31 December 2017 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
  - have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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.

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### **Going concern**

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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

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

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
  - in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
  - in our opinion those reports have been prepared in accordance with the Companies Act 2006.
- 

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.



**Independent Auditor's Report to the Members of Ignis Asset Management Limited  
(continued)**

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**Directors' responsibilities**

As explained more fully in their statement 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; 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.

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**Auditor's responsibilities**

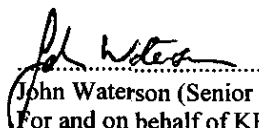
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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).

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**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.



John Waterson (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
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6 February 2018