

## Aberdeen Alternatives (Holdings) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Registration number: SC336918



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**Company Information**

<b>Directors</b>	G D Cohen R J McNay I Harris
<b>Company secretary</b>	SLA Corporate Secretary Limited
<b>Registered office</b>	10 Queens Terrace Aberdeen AB10 1XL
<b>Auditor</b>	KPMG LLP Chartered Accountants and Statutory Auditor Saltire Court 20 Castle Terrace Edinburgh EH1 2EG

## Strategic Report for the Year Ended 31 December 2020

The Directors present their strategic report on Aberdeen Alternatives (Holdings) Limited ("the Company") for the year ended 31 December 2020, in accordance with section 414A of the Companies Act 2006.

### Business review and future developments

The Company's principal activity is that of an intermediary holding company with investments in subsidiaries and is part of Standard Life Aberdeen plc ("SLA plc" or, together with its subsidiaries, "the Standard Life Aberdeen Group"). There are no plans to change the principal activity of the Company.

### Key performance indicators ("KPIs")

The Company's Directors are of the opinion that analysis using KPIs is not necessary because the Company does not perform any trading activities and operates solely as an intermediary investment holding company. The Directors review profit and loss and balance sheet figures on an annual basis and the impairment conclusions reached in relation to non-financial assets.

### Enhancing our governance

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to:

- a) the likely consequences of any decision in the long term;
- b) the need to foster the Company's business relationships with suppliers, customers and others;
- c) the impact of the Company's operations on the community and the environment;
- d) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- e) the need to act fairly between different members of the Company.

The Directors give careful consideration to the factors set out above in discharging their duties under section 172.

The Board recognises that the long-term success of the business is dependent on the way it works with a large number of important stakeholders. The Directors have had regard to the interests of stakeholders (including clients and customers, our people, society and our shareholders) while complying with their obligations to promote the success of the Company in line with section 172 of the Companies Act. The Board has discussed these obligations throughout the year, including how stakeholder engagement is incorporated into our long-term decision-making and how the Company operates as a subsidiary within the wider Standard Life Aberdeen Group.

In managing the Company, the Directors have taken into account the requirements of section 172 (1) of the Companies Act 2006 as summarised below:

**The likely consequence of any decision in the long term** - The Board of Directors of the Company operate the Company in accordance with the Company's Articles, the Board Charter and the overall SLA plc business plan, which considers the long term success of the Company and the Standard Life Aberdeen Group as a whole, and the likely long term consequences of any decisions by the Company are taken into account.

## Strategic Report for the Year Ended 31 December 2020 (continued)

### Enhancing our governance (continued)

**The need to foster the Company's business relationships with suppliers, customers and others** - Supplier relationships within the Standard Life Aberdeen Group are managed under the Outsourcing and Third Party Management Policies, which apply to all subsidiary companies. Engagement with suppliers, customers and others is considered at the Standard Life Aberdeen Group level and engagement matters have been disclosed in the SLA plc Annual Report and Accounts which does not form part of this report.

**The impact of the Company's operations on the community and the environment** - Engagement on environmental and community matters is considered at SLA plc level and such matters have been disclosed in the SLA plc Annual Report and Accounts which does not form part of this report. The Directors have determined that there are no company specific matters appropriate to disclose, as the disclosures contained within the SLA plc Annual Report and Accounts, which do not form part of this report, adequately reflect the engagement by the Company in respect of environmental and community matters.

**The desirability of the Company maintaining a reputation for high standards of business conduct** - Maintaining a reputation for, and upholding, high standards of business conduct is vital to the ongoing success of the Standard Life Aberdeen Group, including the Company.

**The need to act fairly as between members of the Company** - The Company's immediate parent is Aberdeen Investments Limited, and is a wholly owned subsidiary of SLA plc.

### Principal risks and uncertainties

The management of the business and 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 an established Risk Enterprise Management framework. This has been strengthened in the year by introducing new risk tolerances to support governance and risk management and extending and refining risk taxonomy to describe risk more accurately.

The principal risks and uncertainties facing the Company are integrated into the principal risks of the Standard Life Aberdeen Group and are therefore not managed separately. Accordingly, the principal risks and uncertainties of SLA plc, which include those of the Company, are discussed fully in the SLA plc Annual Report and Accounts which does not form part of this report.

The list below does however provide a summary of the key risks facing both SLA plc and the Company.

### *Brexit*

The UK's withdrawal from the EU caused political and commercial uncertainty in 2020. This has been partly addressed by the Trade and Cooperation Agreement, although questions remain about the longer-term outlook for financial services. The Standard Life Aberdeen Group has prepared extensively for the UK's exit and continues to closely monitor developments and actively engage with industry groups, including the Investment Association.

### *Financial risk*

This is the risk of having insufficient resources, suffering losses from adverse markets or the failure or default of counterparties. This is managed through review of SLA plc's cost base and identifying opportunities for further cost reduction. Capital is also held against identified risks which are reviewed on an ongoing basis.

## Strategic Report for the Year Ended 31 December 2020 (continued)

### Principal risks and uncertainties (continued)

#### *COVID-19*

COVID-19 has had a major impact on SLA plc's operating environment that will extend well into 2021. This includes the vast majority of SLA plc's employees working from home who now use the enhanced IT infrastructure that was implemented in response to the pandemic and the application of stricter processes and safeguards to protect critical workers who need to be in the office. The commercial environment also remained challenging during 2020, exacerbated by the impact of the pandemic. The Standard Life Aberdeen Group has shown resilience in dealing with the effects of the pandemic and continues to manage its market, operational and financial impact. The management of key risks and uncertainties caused by the pandemic are discussed below.

#### *Strategic risk*

These are risks that could prevent SLA plc from achieving its strategic aims and include failing to meet client expectations, poor strategic decision making, poor implementation or failure to adapt. They could have short and long-term financial impact. The Executive Leadership Team which is a group committee, has been reorganised to align with SLA plc's growth vectors and are working to establish areas of accountability, milestones, ways of working and specific actions that will deliver against the strategic plan.

#### *Financial management process*

Sound and reliable financial reporting informs the Company's performance, future planning and disclosures to external stakeholders. Failures in these processes would expose the business and shareholders to the risk of making poorly-informed decisions. In 2020, employees successfully moved to home working, with minimal disruption to financial management processes. Financial reporting activities align to external reporting standards and industry best practice. The Audit Committee reviews and, where necessary, challenges reporting outputs. The Chief Risk Officer also provides an independent review of the business plan to support decision making.

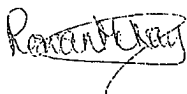
#### *Investment Impairment*

As an intermediary investment holding company the Company is exposed to the risk of investment impairments in underlying subsidiary companies. The risks of impairment are dependent upon a number of internal and external factors that could have a direct impact on the operating environment of the companies where investments are held. Management review the operating results of underlying subsidiary companies to determine if any indicators of impairment exist. Details of any investment impairments in the year can be found in note 4.

#### **Environmental matters**

The Company follows the environmental strategy of the Standard Life Aberdeen Group which is disclosed within the SLA plc Annual Report and Accounts.

Approved by the Board on 6 July 2021 and signed on its behalf by:



R J McNay  
Director

## **Directors' Report for the Year Ended 31 December 2020**

The Directors present their annual report together with the audited financial statements for the year ended 31 December 2020.

### **Directors' of the Company**

The directors, who held office during the year, were as follows:

G D Cohen

R J McNay

I Harris

The Company's ultimate parent company, SLA plc maintains directors' and officers' liability insurance on behalf of its directors and officers.

### **Company secretary**

The Company secretary during the year, was as follows:

SLA Corporate Secretary Limited (appointed 21 October 2020)

Aberdeen Asset Management PLC (resigned 21 October 2020)

### **Result for the year**

The result for the year ended 31 December 2020 is a loss after tax of £5,958 (2019: nil).

### **Going concern**

The Company has made losses in the financial year however has sufficient financial resources and cash position. The Board's assessment of going concern took into account recent market developments and the uncertainty caused by COVID-19. The Board considered the impact of reasonably possible downside scenarios. Based on their assessment, the Board is satisfied that the Company has and will maintain sufficient resources to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Further information is provided in note 1.

### **Dividends**

No dividend was paid during the year (2019: nil) to its immediate parent company, namely Aberdeen Investments Limited.

### **Political donations**

It is the Company's policy not to make donations for political purposes.

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

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

### **Independent auditor**

The Independent Auditor, KPMG LLP, has indicated their willingness to continue in office.

## Directors' Report for the Year Ended 31 December 2020 (continued)

### Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

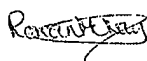
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Approved by the Board on 6 July 2021 and signed on its behalf by:



R J McNay  
Director



## **Independent Auditor's Report to the Members of Aberdeen Alternatives (Holdings) Limited**

### **Opinion**

We have audited the financial statements of Aberdeen Alternatives (Holdings) Limited ("the company") for the year ended 31 December 2020 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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.

### **Going Concern**

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

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

## **Independent Auditor's Report to the Members of Aberdeen Alternatives (Holdings) Limited (continued)**

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

### **Fraud and breaches of laws and regulations - ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

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

- Enquiring of directors and management as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud; and
- Reading Board minutes to assess for any discussion of fraud.

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

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. We also performed procedures including identifying journal entries to test based on high risk criteria and comparing the identified entries to supporting documentation. These included all material post year end closing journals.

On this audit, we have rebutted the fraud risk related to revenue recognition as there was no revenue recognised in the year. We did not identify any additional fraud risks.

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

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

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

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

**Independent Auditor's Report to the Members of Aberdeen Alternatives (Holdings) Limited (continued)**

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

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

**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.

## **Independent Auditor's Report to the Members of Aberdeen Alternatives (Holdings) Limited (continued)**

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

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

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

We have nothing to report in these respects.

### **Directors responsibilities**

As explained more fully in their statement set out on page 6, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**Independent Auditor's Report to the Members of Aberdeen Alternatives (Holdings) Limited (continued)**

**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.



.....  
Hannah Walsh (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor

Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

6 July 2021

**Profit and Loss Account for the Year Ended 31 December 2020**

	Note	2020 £	2019 £
Impairment of investments	4	(6,012)	-
Finance income		<u>67</u>	<u>-</u>
<b>Loss before tax</b>		<b>(5,945)</b>	<b>-</b>
Tax expense	3	<u>(13)</u>	<u>-</u>
<b>Loss for the year</b>		<b><u>(5,958)</u></b>	<b><u>-</u></b>

The Company has not recorded any other comprehensive income during the years to 31 December 2020 or 31 December 2019. A separate statement of comprehensive income is therefore not disclosed.

The statutory audit fee of £10,144 (2019: £6,982) has been paid by a fellow Standard Life Aberdeen Group undertaking.

The notes on pages 15 to 22 form an integral part of these financial statements.

**Balance Sheet as at 31 December 2020**

	Note	2020 £	2019 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	4	115,105	98,073
<b>Total non-current assets</b>		<b>115,105</b>	<b>98,073</b>
<b>Current assets</b>			
Cash and cash equivalents		72,285	95,260
<b>Total current assets</b>		<b>72,285</b>	<b>95,260</b>
<b>Total assets</b>		<b>187,390</b>	<b>193,333</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	5	12,700	12,700
Retained earnings		94,042	100,000
<b>Equity attributable to equity holders of the parent</b>		<b>106,742</b>	<b>112,700</b>
<b>Current liabilities</b>			
Trade and other payables	6	80,648	80,633
<b>Total current liabilities</b>		<b>80,648</b>	<b>80,633</b>
<b>Total liabilities</b>		<b>80,648</b>	<b>80,633</b>
<b>Total equity and liabilities</b>		<b>187,390</b>	<b>193,333</b>

Approved by the Board on 6 July 2021 and signed on its behalf by:



R J McNay  
Director

Registration number: SC336918

The notes on pages 15 to 22 form an integral part of these financial statements.

**Statement of Changes in Equity for the Year Ended 31 December 2020**

	Share capital £	Retained earnings £	Total £
At 1 January 2019	12,700	100,000	112,700
<b>At 31 December 2019</b>	<b>12,700</b>	<b>100,000</b>	<b>112,700</b>

	Share capital £	Retained earnings £	Total £
At 1 January 2020	12,700	100,000	112,700
Loss for the year	-	(5,958)	(5,958)
Total comprehensive income	-	(5,958)	(5,958)
<b>At 31 December 2020</b>	<b>12,700</b>	<b>94,042</b>	<b>106,742</b>

The notes on pages 15 to 22 form an integral part of these financial statements.



## Notes to the Financial Statements for the Year Ended 31 December 2020

### 1 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

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

#### Basis of preparation

The Company meets the definition of a qualifying entity under Application of Financial Reporting Requirements 100 as issued by the Financial Reporting Council. Accordingly, the financial statements for period ended 31 December 2020 have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") as issued by the Financial Reporting Council.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 (Adopted IFRSs), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

#### Summary of disclosure exemptions

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- International Accounting Standards ("IAS") 1 Presentation of Financial Statements disclosures in respect of capital management;
- IAS 1 Presentation of Financial Statements requirement for comparative period reconciliations for share capital;
- IAS 7 Statement of Cash Flows and related notes;
- IAS 8 Accounting Policies requirement to disclose the effects of new but not yet effective International Financial reporting Standards ("IFRSs"); and
- IAS 24 Related Party disclosures in respect of transactions with wholly owned subsidiaries.

As the consolidated financial statements of SLA plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company is a wholly owned subsidiary of SLA plc which prepares consolidated financial statements and is therefore exempt from the requirement to prepare consolidated accounts by virtue of section 400 of the Companies Act 2006.

## Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

### 1 Accounting policies (continued)

#### Going concern

In preparing these financial statements, the Directors have considered the uncertainty created by COVID-19, concluding this will have no impact on the financial statements as the Company does not trade and is expecting to receive future dividends from subsidiary companies. While there is the possibility that subsidiary companies may require financial support in the future, the Directors believe this is unlikely over the next 12 months given the primary nature of the entities to which the Company acts as parent. This also considers the net current liability position of the Company where the nature of the funding provided by other Standard Life Aberdeen Group companies is to support incorporation capital for subsidiary entities which would only be repaid on liquidation. The Directors therefore have no expectation that amounts owed to Standard Life Aberdeen Group undertakings will be called on for repayment to the extent that it exceeds the cash position of the Company. As a result of the existing cash and reserves position in the Company, coupled with the expected receipt of dividends and longer term nature of the intra group funding, the Board is satisfied the Company remains a going concern for the next 12 months.

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

No new standards, interpretations and amendments effective for the first time from 1 January 2020 have had an impact on the Company.

#### Dividends

Dividend income from subsidiaries is recognised as received.

Dividends paid are recognised directly in equity in the Company's financial statements in the year in which they are approved.

#### Financial liabilities

##### (i) Amortised cost

These instruments include amounts owed to Standard Life Aberdeen Group undertakings. These instruments are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

#### Impairment of non-financial assets

In respect of investments in subsidiaries an impairment loss is recognised when events or changes in circumstances indicate that the recoverable amount of the asset may not exceed its carrying value. If any such indication exists, the asset's recoverable amount is estimated and any provision for impairment recognised.

#### Investment in subsidiaries

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

#### Cash and cash equivalents

Cash and cash equivalents include cash at bank and are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

## Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

**2 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements, in conformity with FRS 101, 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. Key estimates and judgements are disclosed beneath:

Critical estimates:

*Investment in subsidiaries* - Investments in subsidiaries are assessed for indicators of impairment each year which requires management to assess the future strategic direction of these investments. This is completed through review of both quantitative factors, such as net assets exceeding the investment carrying value and future profitability, as well as qualitative factors, such as macroeconomic conditions and relationships with key suppliers and customers.

**3 Income tax**

Analysis of tax charge in the year:

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	<u>13</u>	<u>-</u>

The tax charge assessed for the year is higher (2019: nil) than the standard rate of corporation tax in the UK of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Loss before tax	<u>(5,945)</u>	<u>-</u>
Corporation tax at standard rate	1,130	-
Other	<u>(1,143)</u>	<u>-</u>
<b>Total tax expense</b>	<u><b>(13)</b></u>	<u><b>-</b></u>

The standard UK corporation tax rate for the accounting period is 19%. In the Spring Budget 2020, the government announced that the standard UK corporation tax rate would remain at 19% from 1 April 2020 rather than reducing to 17% as previously enacted. This new legislation was substantively enacted on 17 March 2020 to repeal the planned reduction in the standard UK corporation tax rate and maintain the rate at 19%.

**Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

**3 Income tax (continued)**

On 3 March 2021, the UK Government announced its intention to increase the rate of UK corporation tax rate from 19% to 25% with effect from 1 April 2023 and this was subsequently substantively enacted on 24 May 2021.

**4 Investments in subsidiaries**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
As at 1 January	98,073	88,221
Additions	23,044	10,853
Disposals	-	(1,001)
Impairment	(6,012)	-
<b>As at 31 December</b>	<b><u>115,105</u></b>	<b><u>98,073</u></b>

The Company made investments in Aberdeen Standard Global Infrastructure GP III Ltd, ASI (KFAS) RE GP LLP and Aberdeen Standard Gulf Carry GP Limited. ASI (General Partner AS 2020 FF) S.a.r.l was partly impaired during the year to a value that corresponds to its net asset value, which we consider to be a suitable proxy of its estimated fair value less costs of disposal as required by IAS 36. The remaining investment value is expected to be recovered once liquidated in the new financial year.

The particulars of the Company's subsidiary undertakings as at the statement of financial position date are in note 10.

## Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

**5 Share capital****Allotted, called up and fully paid shares**

	2020		2019	
	No.	£	No.	£
12,700 ordinary shares £1 each of £1 each	<u>12,700</u>	<u>12,700</u>	<u>12,700</u>	<u>12,700</u>

**6 Trade and other payables**

	2020	2019
	£	£
<b>Current trade and other payables:</b>		
Amounts owed to Standard Life Aberdeen Group undertakings	80,648	80,632
Other payables	<u>-</u>	<u>1</u>
<b>Total current trade and other payables</b>	<u><b>80,648</b></u>	<u><b>80,633</b></u>

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

**7 Related party transactions**

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

**8 Parent and ultimate parent undertaking**

The Company's immediate parent is Aberdeen Investments Limited and its ultimate parent is SLA plc, both of which are incorporated in the United Kingdom and registered in Scotland.

The most senior parent entity producing publicly available financial statements is SLA plc. Copies of the consolidated Annual Report and Accounts are available to the public from 1 George Street, Edinburgh, EH2 2LL, or to download on the website [www.standardlifeaberndeen.com](http://www.standardlifeaberndeen.com).

**9 Events after the balance sheet date**

To the knowledge of the Directors, there have been no material events after the reporting period.

## Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

## 10 Supplementary information

Details of the subsidiaries as at 31 December 2020 are stated beneath:

Investment holdings	Country of Registration	Direct / Indirect	Percentage owned other than 100%
Aberdeen Infrastructure GP II Limited <sup>1</sup>	United Kingdom	Direct	
Aberdeen European Infrastructure Carry GP Limited <sup>2</sup>	United Kingdom	Direct	
Aberdeen European Infrastructure GP Limited <sup>1</sup>	United Kingdom	Direct	
Aberdeen European Infrastructure GP II Limited <sup>1</sup>	United Kingdom	Direct	
Aberdeen European Infrastructure GP III Limited <sup>1</sup>	United Kingdom	Direct	
Aberdeen Global Infrastructure GP Limited <sup>3</sup>	Guernsey	Direct	
Aberdeen Global Infrastructure GP II Limited <sup>3</sup>	Guernsey	Direct	
Aberdeen Asia IV (General Partner) SARL <sup>4</sup>	Luxembourg	Direct	
Aberdeen Secondaries II GP SARL <sup>5</sup>	Luxembourg	Direct	
Aberdeen Global Infrastructure Carry GP Limited <sup>2</sup>	United Kingdom	Direct	
Andean Social Infrastructure GP Limited <sup>6</sup>	Cayman	Direct	
Aberdeen Infrastructure Feeder GP Limited <sup>2</sup>	United Kingdom	Direct	
Aberdeen European Infrastructure Carry Limited <sup>2</sup>	United Kingdom	Direct	
Aberdeen UK Infrastructure Carry Limited <sup>2</sup>	United Kingdom	Direct	
Aberdeen General Partner I Limited <sup>2</sup>	United Kingdom	Direct	
Aberdeen General Partner II Limited <sup>2</sup>	United Kingdom	Direct	
Aberdeen GP 1 LLP <sup>2</sup>	United Kingdom	Direct	99%
Aberdeen GP 2 LLP <sup>2</sup>	United Kingdom	Direct	99%
Aberdeen GP 3 LLP <sup>2</sup>	United Kingdom	Direct	99%

## Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

## 10 Supplementary information (continued)

Investment holdings	Country of Registration	Direct / Indirect	Percentage owned other than 100%
Aberdeen Global ex-Japan GP Limited <sup>6</sup>	Cayman	Direct	
Aberdeen ACP LLP (General Partner) <sup>2</sup>	United Kingdom	Direct	50%
ASI Shin Global Investment GP Limited <sup>6</sup>	Cayman	Direct	
Aberdeen Pooling II GP AB <sup>7</sup>	Sweden	Direct	
ASI (General Partner AS 2020 FF) SARL <sup>5</sup>	Luxembourg	Direct	
ASI REMM GP LLP <sup>2</sup>	United Kingdom	Direct	50%
ASI Direct RE GP LLP <sup>2</sup>	United Kingdom	Direct	99%
Aberdeen Standard Carlsbad GP Limited <sup>8</sup>	Guernsey	Direct	
Aberdeen Standard Global Infrastructure GP III Ltd <sup>9</sup>	Guernsey	Direct	
ASI Korea GP 2 Pte. Ltd <sup>10</sup>	Singapore	Direct	
Ostara Korea GP 2 Pte. Ltd <sup>10</sup>	Singapore	Direct	
ASI (KFAS) RE GP LLP <sup>11</sup>	United Kingdom	Direct	50%
Aberdeen Standard Gulf Carry GP Limited <sup>2</sup>	United Kingdom	Direct	
Andean Social Infrastructure (No.1) Limited <sup>1</sup>	United Kingdom	Indirect	
Aberdeen European Infrastructure III A Limited <sup>1</sup>	United Kindgom	Indirect	
Aberdeen European Infrastructure III B Limited <sup>1</sup>	United Kingdom	Indirect	

**Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

**10 Supplementary information (continued)**

**Registered Office**

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

<sup>2</sup> 10 Queens Terrace, Aberdeen, AB10 1YG, United Kingdom

<sup>3</sup> TMF Group Fund Administration (Guernsey) Limited, Western Suite, Ground Floor Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ

<sup>4</sup> 2-8 Avenue Charles De Gaulle, L-1653 Luxembourg

<sup>5</sup> 35a Avenue John F. Kennedy, L-1855 Luxembourg

<sup>6</sup> PO Box 309GT, Ugland House, South Church Street, George Town, KY1-1104, Cayman Islands

<sup>7</sup> Box 3039, SE-103 63, Stockholm, Sweden

<sup>8</sup> Western Suite Ground Floor Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ

<sup>9</sup> 1st Floor Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 6HJ

<sup>10</sup> 80 Robinson Road, #02-00 Singapore 068898

<sup>11</sup> 1 George Street, Edinburgh, Scotland EH2 2LL