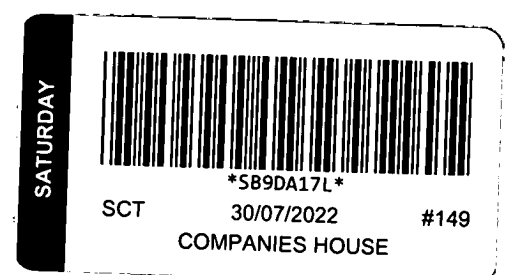


Company Registration No. 09756952 (England and Wales)

**ABRDN FINANCIAL PLANNING LIMITED**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2021**



# **ABRDN FINANCIAL PLANNING LIMITED**

## **COMPANY INFORMATION**

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### **Directors**

C M Dyer  
K L Clews  
G J McBirnie  
C M Connellan  
S Deaves  
P J Titterton

### **Secretary**

abrdn Corporate Secretary Limited

### **Company number**

09756952

### **Registered office**

Bow Bells House  
1 Bread Street  
London  
EC4M 9HH  
United Kingdom

### **Independent Auditor**

KPMG LLP  
Chartered Accountants and Statutory Auditor  
20 Castle Terrace, Saltire Court  
Edinburgh  
United Kingdom  
EH1 2EN

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# ABRDN FINANCIAL PLANNING LIMITED

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# ABRDN FINANCIAL PLANNING LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The Directors present their strategic report for abrdn Financial Planning Limited ("the Company") for the year ended 31 December 2021.

#### **Business review and future developments**

The principal activity of the Company is to act as parent to the abrdn Financial planning Group ('aFPL Group') which provides planning and advisory services for private and corporate clients. The Company absorbs specific costs on behalf of the aFPL Group that benefit the whole group and is remunerated through a cost recharging mechanism. The Company is part of the abrdn plc Group (abrdn plc together with its subsidiaries, 'the Group'), abrdn plc was formerly named Standard Life Aberdeen plc.

There are no plans to change the principal activity of the Company.

In February 2021, the Company made a capital injection of £1,900k into Fraser Health Management Limited ("FH").

In December 2021, abrdn plc made a capital injection of £40,000k into the Company. In the same month the Company made capital injections of £5,000k and £500k into abrdn Digital Solutions Limited ("aDSL") and Cumberland Place Financial Management Limited ("CP") respectively.

#### **Key performance indicators**

The Company's Directors are of the opinion that analysis using KPIs is not necessary because the Company operates solely as an intermediary investment holding company, incurring only specific costs on behalf of the wider abrdn Financial Planning group. The Directors review summary profit and loss and balance sheet figures every quarter and the impairment conclusions reached in relation to non-financial assets annually.

#### **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 abrdn plc group of companies.

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 business plan, which considers the long term success of the Company and the abrdn Group as a whole, and the likely long term consequences of any decisions by the Company are taken into account. The Directors have determined that there are no Company specific matters appropriate to disclose in relation to long term decisions made by the Company.

# ABRDN FINANCIAL PLANNING LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### **The need to foster the company's business relationships with suppliers, customers and others**

Supplier relationships within the abrdn 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 abrdn plc level and engagement matters have been disclosed in the abrdn plc Annual Report and Accounts which does not form part of this report. The Board of Directors receives reports from the Distribution function, the function within the abrdn Group which engages with clients and customers, as part of its regular meetings. The Directors have determined that there are no Company specific matters appropriate to disclose in relation to suppliers, customers and others.

### **The impact of the company's operations on the community and the environment**

Engagement on environmental and community matters is considered at abrdn plc level and such matters have been disclosed in the abrdn 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 Company has no direct environmental or community impact beyond the impact of the wider abrdn Group.

### **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 abrdn Group, including the Company.

### **The need to act fairly as between members of the company**

The Company has a single member, and is a wholly owned subsidiary of abrdn 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 abrdn Group, of which the Company is a part, has an Enterprise Risk Management Framework ("ERMF") operating with 'three lines of defence'; the first being risk ownership and management by the business, including identification and mitigation of risks and maintaining appropriate controls; the second being oversight from the abrdn Group Risk and Compliance function, which reports to the Chief Risk Officer; and the third being the Internal Audit function, reporting to the Chief Internal Auditor, which independently verifies systems of control.

The ERMF underpins risk management throughout the abrdn Group, including the Company, which has evolved to ensure it keeps pace with industry best practice and risk profile of the abrdn Group. Improvements in 2021 include strengthening the risk appetite framework by introducing new risk tolerances to support governance and risk management, extending and refining risk taxonomy to help describe risk more accurately and reviewing the abrdn Group policy framework and policy register.

The principal risks and uncertainties facing the Company are grouped under principal risks. These principal risks align with those of the Group which are reported separately in the abrdn plc Annual Report and Accounts which does not form part of this report. The key principal risks and uncertainties to the Company and our approach to managing these risks are summarised as follows:

Principal risks to our business	Our approach to managing these risks:
<b>COVID 19:</b> COVID-19 has continued to impact the operating environment of the abrdn Group during 2021.	Great resilience has been shown in dealing with the effects of the pandemic and the continued management of its market, operational and financial impacts in order to deliver the Company business plans and for abrdn clients.  The further lifting of restrictions in the UK has allowed the abrdn Group to take the next step towards 'blended working' as the default arrangement for employees. Offices will remain the primary place to go when physical interaction with colleagues is required to collaborate and connect and for business critical activities.

# ABRDN FINANCIAL PLANNING LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### Principal risks and uncertainties (Continued)

Principal risks to our business	Our approach to managing these risks:
<p><b>Strategic Risk:</b> These are risks that could prevent the achievement of strategic aims and successfully delivering business plans. These could include failing to meet client expectations, poor strategic decision-making, poor implementation or failure to adapt.</p>	<p>The launch of the single global brand for the abrdn group was an important step to clear up confusion that existed across multiple brands previously. This transition included stakeholder engagement plans to manage the transition to the new brand and ensuring each business unit has a clear growth strategy.</p> <p>Geopolitical unrest can impact the market in which we operate, impact our reputation and increase our capital exposure.</p>
<p><b>Conduct risk:</b> This is the risk that fair client outcomes are not delivered through strategic goals, decisions and actions. This could lead to customer and client harm, reputational damage and loss of income.</p>	<p>In response to COVID-19 a key priority for the abrdn Group was running the business with minimal client impact while maintaining an effective control environment for remote working. The ERMF supports the management of conduct risk with clear expectations around conduct goals and responsibilities. In 2021 the Global Code of Conduct was refreshed for all employees.</p>
<p><b>Process execution and trade errors:</b> This is the risk that processes, systems or external events could produce operational errors.</p>	<p>Underlying causes of error are monitored to identify areas for action, promoting a culture of accountability and continuously improving the control environment.</p>
<p><b>Technology:</b> There is a risk that technology fails to adapt to business needs, as well as unauthorised users accessing systems and carrying out cyber attacks. This risk is relevant to a wide range of potential threats to the business including weather events, internal failure, external intrusion and supplier failure. The current IT estate is complex, and dependence on third party suppliers needs to be managed in a dedicated way.</p>	<p>There is an ongoing programme to invest in, and enhance, IT infrastructure controls across abrdn. The IT systems environment is benchmarked to identify areas for improvement and IT resilience is monitored at senior executive committees. Heightened vigilance is maintained for cyber intrusion, with dedicated teams monitoring and managing cyber security risks. There is regular testing on penetration and crisis management.</p>
<p><b>Business resilience and continuity:</b> Incidents that can impact business resilience and continuity include environmental issues, terrorism, economic instabilities, cyber attacks and operational incidents. The risk of disruption from inside the organisation remains broadly stable, but tools for exploiting IT vulnerabilities are becoming more widely available externally.</p>	<p>As COVID-19 has continued to test business resilience, the business has adapted effectively to blended working. Business continuity and contingency planning processes are regularly reviewed and tested, and have resulted in minimal disruption for our people as the balance between home and hybrid working has shifted over the course of the year.</p>
<p><b>Fraud and financial crime:</b> As a business that handles clients' money there is an exposure to the risk of fraudulent and dishonest activity. Engagement with a wide number of external parties means there has to be vigilance to the risk that these parties are connected with criminal behaviour, or subject to sanctions by national or global authorities.</p>	<p>There continues to be a programme of work across abrdn to define and implement consistent anti-money laundering standards. This programme involves updating risk assessments, creating consistent standards across the group and embedding sustainable Target Operating Models across the three lines of defence. There continues to be work with the financial authorities and industry peers to assist those targeted by scams.</p>

# ABRDN FINANCIAL PLANNING LIMITED

## STRATEGIC REPORT (CONTINUED)

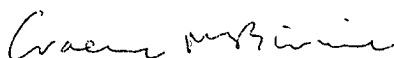
FOR THE YEAR ENDED 31 DECEMBER 2021

<b>Change management:</b> This is the risk of failing to manage strategic and operational change initiatives effectively.	There are processes in place to manage and oversee Change projects. Second and third lines have clear roles in overseeing progress and projects are delivered in ways that help protect client outcomes.
<b>Third party management:</b> Activities to suppliers are outsourced with specialist capabilities which means there is exposure to the risk of third parties failing to deliver in line with contractual obligations. It is the abrdn Group's responsibility to make sure these firms deliver with continued focus to streamline delivery and reduce complexity.	The abrdn Group's Third Party Code of Conduct requires third parties to acknowledge their best practice responsibilities.
<b>Financial management process:</b> Sound financial reporting influences the Company's performance, planning and disclosures to external stakeholders. Failures in these processes would expose the business and shareholders to the risk of making poorly informed decisions.	Financial reporting activities align to external reporting standards and industry best practice. The abrdn Group Audit Committee reviews, and where necessary challenges, reporting conclusions.

### Environmental matters

The Company follows the environmental strategy of the Group which is disclosed within the abrdn plc Annual Report and Accounts.

On behalf of the board



.....  
G J McBirnie  
Director

Date: 30/06/2022

# **ABRDN FINANCIAL PLANNING LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

---

The Directors present their annual report and financial statements for the year ended 31 December 2021.

#### **Results and dividends**

The results for the year are set out on page 12.

No ordinary dividends were paid (2020: £nil). The Directors do not recommend payment of a final dividend.

#### **Directors**

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

N T Butwell	(Resigned 1 November 2021)
J F Scott	(Resigned 26 February 2021)
N J Messenger	(Appointed 26 February 2021 and resigned 30 September 2021)
C M Dyer	(Appointed 26 February 2021)
K L Clews	(Appointed 26 February 2021)
G J McBirnie	(Appointed 2 June 2021)
C M Connellan	(Appointed 1 November 2021)
S Deaves	(Appointed 24 February 2022)
P J Titterton	(Appointed 24 February 2022)

#### **Company Secretary**

The Company's secretary who served during the year was:

W J Smith	(Resigned 3 June 2021)
abrdn Corporate Secretary Limited	(Appointed 3 June 2021)

#### **Directors' liability insurance**

During 2021, the Group maintained Directors' and Officers' liability insurance on behalf of its Directors and Officers to provide cover should any legal action be brought against them. This liability insurance qualifies as a third party indemnity and was in force at the date of signing.

#### **Going concern**

The Board's assessment of going concern is underpinned in the Company's ability to meet ongoing operating and liquidity requirements, as well as the need to provide financial support to subsidiary companies. Based on their assessment of expected working capital commitments and the existing balance sheet position, The Company is forecast to 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. Accordingly, the financial statements have been prepared on a going concern basis. Further information is available in Note 1.

#### **Political donations**

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

#### **Modern slavery act**

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

#### **Independent Auditor**

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

# **ABRDN FINANCIAL PLANNING LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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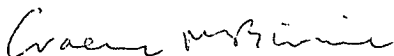
### **Qualifying entity**

This Company is a qualifying entity for the purposes of FRS 101, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.

### **Statement of disclosure to 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.

On behalf of the board



.....  
G J McBurnie

**Director**

Date: 30/06/2022.....

# **ABRDN FINANCIAL PLANNING LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

---

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, including FRS 101, 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABRDN FINANCIAL PLANNING LIMITED**

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## **Opinion**

We have audited the financial statements of abrdn Financial Planning Limited ('the Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and Notes to the Financial Statements, including the accounting policies 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 2021 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.

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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABRDN FINANCIAL PLANNING LIMITED (CONTINUED)

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### 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 because the calculation of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation. 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.

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.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's authority to operate. We identified the following areas as those most likely to have such an effect: key areas of financial services regulations, including market abuse regulations.

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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABRDN FINANCIAL PLANNING LIMITED (CONTINUED)**

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### *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.

### **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 7, 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABRDN FINANCIAL PLANNING LIMITED (CONTINUED)

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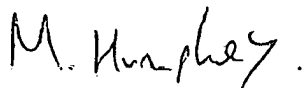
### Auditor's responsibilities

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).

### 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.



Matthew Humphrey  
(Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
.....

4 July 2022

# ABRDN FINANCIAL PLANNING LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £'000	2020 £'000
Revenue	3	8,919	15,530
Administrative expenses		(16,402)	(21,234)
Restructuring expenses	6	(706)	(2,832)
Impairment of investments	10	(7,194)	(12,184)
<b>Operating loss</b>	<b>5</b>	<b>(15,383)</b>	<b>(20,720)</b>
Other gains and losses	7	-	(427)
<b>Loss before taxation</b>		<b>(15,383)</b>	<b>(21,147)</b>
Tax credit	8	1,284	1,902
<b>Loss for the financial year</b>		<b>(14,099)</b>	<b>(19,245)</b>

The notes on pages 15 to 24 form part of these financial statements.

The Company has not recorded any other comprehensive income during the years to 31 December 2021 or 31 December 2020. A separate statement of comprehensive income is therefore not disclosed.

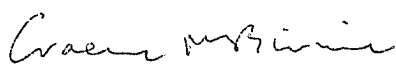
All the losses for the year were derived wholly from continuing operations.

**ABRDN FINANCIAL PLANNING LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	2021 £'000	2020 £'000
<b>Non-current assets</b>			
Intangible assets	9	1,099	1,580
Investments	10	111,071	110,864
		<u>112,170</u>	<u>112,444</u>
<b>Current assets</b>			
Trade and other receivables	12	24,970	28,399
Cash and cash equivalents		14,296	1,834
		<u>39,266</u>	<u>30,233</u>
<b>Current liabilities</b>			
Trade and other payables	13	(31,962)	(49,104)
<b>Net current assets/(liabilities)</b>		<u>7,304</u>	<u>(18,871)</u>
<b>Total assets less current liabilities</b>		<u>119,474</u>	<u>93,573</u>
<b>Net assets</b>		<u>119,474</u>	<u>93,573</u>
<b>Equity</b>			
Called up share capital	14	191,204	151,204
Retained earnings		(71,730)	(57,631)
<b>Total equity</b>		<u>119,474</u>	<u>93,573</u>

The notes on pages 15 to 24 form part of these financial statements.

The financial statements were approved by the board of Directors and authorised for issue on 30/06/2022.....  
and are signed on its behalf by:



G J McBurnie  
Director

# ABRDN FINANCIAL PLANNING LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £'000	Retained earnings £'000	Total £'000
<b>Balance at 1 January 2020</b>		151,204	(38,386)	112,818
<b>Year ended 31 December 2020:</b>				
Loss for the year		-	(19,245)	(19,245)
<b>Balance at 31 December 2020</b>		151,204	(57,631)	93,573
<b>Year ended 31 December 2021:</b>				
Loss for the year		-	(14,099)	(14,099)
Issue of share capital	14	40,000	-	40,000
<b>Balance at 31 December 2021</b>		191,204	(71,730)	119,474

The notes on pages 15 to 24 form part of these financial statements.

# ABRDN FINANCIAL PLANNING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Company information

The Company is a private company limited by shares incorporated in England and Wales. The registered office is Bow Bells House, 1 Bread Street, London, United Kingdom, EC4M 9HH.

#### 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 year ended 31 December 2021 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 requirement for comparative period reconciliations for share capital and intangible assets;
- IAS 1 Presentation of Financial Statements disclosures in respect of capital management;
- 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");
- IFRS 15 Revenue from Contracts with Customers - including disaggregation of revenue, details of changes in contract assets and liabilities, and details of incomplete performance obligations;
- IAS 24 Related Party disclosures in respect of transactions with wholly owned subsidiaries;
- IAS 24 Related Party disclosures in respect of the compensation of Key Management Personnel; and
- IAS 24 Related Party disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements of abrdn 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 abrdn 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.

#### Changes to accounting policy

No new standards, interpretations and amendments effective for the first time from 1 January 2021 have had an impact on the Company.

# ABRDN FINANCIAL PLANNING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

#### Going concern

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

In their going concern assessment the Directors considered the Company's net current asset position, future losses forecast and forecast of subsidiary capital injections.

Consequently, the Directors are confident that the Company will have sufficient resources to continue to meet its liabilities as they fall due and support forecast subsidiary capital injections as required for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### Revenue

The Company is the intermediate parent company of the abrdn Financial Planning Group of companies. Its principal operations are in the United Kingdom. Its revenue is generated by management recharges to its subsidiary undertakings which are recognised on an accruals basis.

Recharges to subsidiaries are the subsequent allocation of corporate costs to the companies utilising these services. These are recharged at no markup and are recognised when it is highly probable that a significant reversal will not be required.

#### Administrative expenses

Administrative expenses are recognised on an accruals basis.

#### Restructuring expenses

Where the Company incurs significant expenditure arising from a reorganisation of a function or team, and which are sufficiently material to warrant separate disclosure, then the expenditure incurred is separately recognised on the face of the profit and loss account. Restructuring costs are recognised on an accruals basis.

#### Intangible assets

Intangible assets relate to internally developed software and are recognised in the statement of financial position if it is probable that the relevant future economic benefits attributable to the assets will flow to the Company and their cost can be measured reliably and either identified as separable (i.e. capable of being separated from the entity and sold, transferred, rented or exchanged) or arising from contractual or other legal rights, regardless of whether those rights are transferable or separable. These are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally developed software is considered to have a finite life and are therefore amortised on a straight line basis over their estimated useful lives. Internally developed software is amortised over a period of up to five years.

#### Impairment of non-financial assets

Non-financial assets, including intangible assets and investments, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated and any provision for impairment recognised. Any impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation for intangibles, had no impairment loss been recognised.

#### Investments

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

#### Cash and cash equivalents

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

# ABRDN FINANCIAL PLANNING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

#### **Financial assets**

##### ***Amortised cost***

These instruments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These instruments are included in current assets and consist of amounts due from abrdn Group companies and group relief receivable. These instruments are initially recognised at fair value, net of any transaction costs, and subsequently at amortised cost using the effective interest rate method.

##### ***Impairment of financial assets***

An expected credit loss impairment model is applied to financial assets measured at amortised cost. Impairment losses representing the expected credit loss in the next 12 months are recognised unless there has been a significant increase in credit risk from initial recognition.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### **Financial liabilities**

##### ***Amortised cost***

These instruments include amounts due to abrdn Group companies, accruals and other taxation and social security. These instruments are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

##### ***Fair value through profit or loss***

This includes deferred consideration which arises when a portion of the purchase price of an acquired subsidiary is payable in the future. The deferred consideration due dates and amounts payable are detailed in the Sale and Purchase Agreements. Any deferred consideration is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the deferred consideration, which is deemed to be an asset or liability, are recognised through the Statement of Comprehensive Income.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

#### **Taxation**

The Company's tax expense comprises current tax only.

##### ***Current tax***

Current tax is the expected tax payable on taxable profit for the year and is calculated using tax rates and laws substantively enacted at the balance sheet date.

### 2 Critical accounting estimates and judgements

The preparation of the financial statements can necessitate the use of key estimates and judgements. These estimates and judgements can affect the reported amounts of assets and liabilities, contingent or otherwise, at the balance sheet date as well as affecting the reported profit or loss for the period. Key estimates and judgements are disclosed beneath:

# ABRDN FINANCIAL PLANNING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 2 Critical accounting estimates and judgements (Continued)

#### Investments 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. For impairment reviews of level 3 investments using a fair value less costs of disposal model it has been necessary for management to estimate appropriate multiples when assessing the investment recoverable amount. This has also required estimating appropriate discounts to these multiples where required. The recoverable amount was assessed based on transaction multiples using assets under advice which were discounted appropriately where required. Both the multiples applied and discounts applied are considered to be key assumptions in arriving at the key estimate.

### 3 Revenue

	2021 £'000	2020 £'000
<b>Revenue analysed by class of business</b>		
Recharges to subsidiaries	8,919	15,530

### 4 Directors' remuneration

The current Directors are employed, and remunerated, by another abrdn Group company.

### 5 Operating loss

	2021 £'000	2020 £'000
Operating loss for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	41	41
Amortisation of intangible assets (note 9)	481	466
Other operating expenses	15,880	20,727

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

### 6 Restructuring expenses

	2021 £'000	2020 £'000
Employee costs	156	1,516
Redundancy	544	597
Third party administrative costs	-	92
Other restructuring	6	627
	706	2,832

# ABRDN FINANCIAL PLANNING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Restructuring expenses (Continued)

The restructuring expenses previously were included within administrative costs. The Company has no direct employees and these costs represent a proportion of costs recharged from employing entities in relation to the aFPL Group.

### 7 Other gains and losses

	2021 £'000	2020 £'000
Changes in the fair value of deferred consideration	-	(427)

The final tranche of contingent consideration was settled in May and October 2020 at a fair value greater than estimated at 31 December 2019, realising a loss in the prior year.

### 8 Taxation

	2021 £'000	2020 £'000
<b>Current tax</b>		
UK corporation tax on loss for the current period	(1,556)	(1,902)
Adjustments in respect of prior periods	272	-
<b>Total tax credit</b>	<b>(1,284)</b>	<b>(1,902)</b>

#### Factors that may affect future tax charges

The standard UK Corporation Tax rate for the accounting period is 19%. On 3 March 2021, the UK Government announced its intention to increase the rate of UK Corporation Tax from 19% to 25% with effect from 1 April 2023. This change was substantively enacted on 24 May 2021. This will impact the current tax in the UK going forward.

The tax credit assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled below:

	2021 £'000	2020 £'000
Loss before taxation	(15,383)	(21,147)
Expected tax credit based on a corporation tax rate of 19.00% (2020: 19.00%)	(2,923)	(4,018)
Permanent differences	1,367	2,302
Income not taxable	-	(186)
Adjustment in respect of prior years	272	-
<b>Taxation credit for the year</b>	<b>(1,284)</b>	<b>(1,902)</b>

# ABRDN FINANCIAL PLANNING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Intangible fixed assets

	Software £'000
<b>Cost</b>	
At 31 December 2020	2,237
At 31 December 2021	2,237
<b>Amortisation</b>	
At 31 December 2020	657
Charge for the year	481
At 31 December 2021	1,138
<b>Carrying amount</b>	
At 31 December 2021	1,099
At 31 December 2020	1,580

All amortisation charges in the year have been charged through administrative expenses.

### 10 Investments

		2021 £'000	2020 £'000
	<b>Note</b>		
Investments in subsidiaries	<b>11</b>	111,071	110,864

#### Movements in non-current investments

	Shares in group undertakings £'000
<b>Cost or valuation</b>	
At 1 January 2021	123,048
Additions	7,400
At 31 December 2021	130,448
<b>Impairment</b>	
At 1 January 2021	(12,184)
Impairment losses	(7,193)
At 31 December 2021	(19,377)
<b>Carrying amount</b>	
At 31 December 2021	111,071
At 31 December 2020	110,864

# ABRDN FINANCIAL PLANNING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 10 Investments (Continued)

The Company increased its investments in the following subsidiaries:

- Increased investment in FH by £1,900k in February 2021.
- Increased investment in aDSL by £5,000k in December 2021.
- Increased investment in CP by £500k in December 2021.

The Company recognised impairments in respect of the Company's investment in FH (£2,700k), CP (£3,180k) and aDSL (£1,313k).

The approach for FH and CP impairment assessment was multiples approach based the fair value less costs of disposal (FVLCD). FVLCD considered a number of valuation approaches, with the primary approach being a multiples approach based on price to revenue and price to assets under advice (AUAdv). Multiples were based on recent transactions, adjusted to take into account profitability where appropriate, and were benchmarked against trading multiples for aFPL's peer companies.

Based upon the above valuation methodology, the FVLCD of FH as at 30 November 2021, when FH transferred its trade and assets to aFPAL, was £4,700k vs its carried value of £7,400k. This resulted in the impairment of investment in FH of £2,700k. The impairment resulted from losses incurred by the business during the year and the impact of the level of profitability on valuation expectations for the business.

Based upon the above valuation methodology, the FVLCD of CP as at 31 December 2021 was £5,320k vs its carried value of £8,500k. This resulted in the impairment of investment in CP by £3,180k. The impairment resulted from losses incurred by the business during the year and the impact of the level of profitability on valuation expectations for the business.

The FVLCD of aDSL was determined on the net assets held on balance sheet as a result of forecast cash flows from the digital retirement asset not supporting a future business value in excess of the existing assets held in the company. The recoverable amount of aDSL at 31 December 2021 was £8,503k vs its carried value of £9,816k. This resulted in the impairment of the investment in aDSL of £1,313k. The impairment resulted from losses incurred by the business during the year.

The recoverable amount of abrdn Financial Planning and Advice Limited ("aFPAL") which is its FVLCD at 31 December 2021 was £110,592k vs its carried value of £96,378k (this is inclusive of the £4,700k FH investment carrying value post transfer of trade and assets). The FVLCD considered a number of valuation approaches, with the primary approach being a multiples approach based on price to revenue and price to assets under advice (AUAdv). Multiples were based on recent transactions, adjusted to consider profitability where appropriate, and were benchmarked against trading multiples for aFPL's peer companies. Revenue was based on actuals for the year ended 31 December 2021 and AUAdv was based on actuals at 31 December 2021. The expected cost of disposal was based on past experience of previous transactions. This is a level 3 measurement as it is measured using inputs which are not based on observable market data.

At the year end the FVLCD of aFPAL exceeded the carrying value by £14,214k.

A 20% reduction in recurring revenue and AUAdv at the year-end would result in a reduction in the FVLCD of aFPAL by £22,119k.

# ABRDN FINANCIAL PLANNING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 11 Subsidiaries

Direct and indirect holdings of the Company are listed below.

Name of undertaking	Registered office	% Held		Nature of business
		Direct	Indirect	
The Munro Partnership Ltd.	c)	100.00		Dormant
abrdn Financial Planning and Advice Limited	b)	100.00		Advice business
Baigrie Davies Holdings Limited	b)	100.00		Dormant
Baigrie Davies and Company Limited	b)		100.00	Advice business
Jones Sheridan Holdings Limited	b)	100.00		Dormant
Jones Sheridan Financial Consulting Limited	b)		100.00	Dormant
Fraser Heath Financial Management Limited	b)	100.00		Advice business
Cumberland Place Financial Management Limited	b)	100.00		Advice business
abrdn Digital Solutions Limited	c)	100.00		Business and domestic software development
Serin Wealth Limited	a)		100.00	In liquidation
Pearson Jones Nominees Limited	b)		100.00	Dormant
Pearson Jones & Company (Trustees) Limited	b)		100.00	Dormant
Parnell Fisher Child Holdings Limited	b)		100.00	Dormant
PACE Mortgage Solutions Ltd	b)		100.00	Dormant
North East Trustees Limited	b)		100.00	Dormant
PACE Financial Solutions Limited	b)		100.00	Dormant
Parnell Fisher Child & Co Limited	b)		100.00	Dormant

Registered addresses:

a) 30 Finsbury Square, London, EC2A 1AG

b) Bow Bells House, 1 Bread Street, London, EC4M 9HH

c) 1, George Street, Edinburgh, H2 2LL

Shares held in all subsidiaries are Ordinary shares.

# ABRDN FINANCIAL PLANNING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 12 Trade and other receivables

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Group relief receivable	1,556	1,219
Amounts due from abrdn Group companies	23,414	27,180
	<u>24,970</u>	<u>28,399</u>

Amounts due from abrdn Group companies and Group relief are unsecured, interest free, have no fixed rate of repayment and are repayable on demand. Balances are classified as current or non-current based on expected settlement date.

### 13 Trade and other payables

	2021 £'000	2020 £'000
Amounts due to abrdn Group companies	31,958	49,035
Accruals	4	-
Other taxation and social security	-	69
	<u>31,962</u>	<u>49,104</u>

Amounts due to abrdn Group companies are unsecured, interest free, have no fixed rate of repayment and are repayable on demand.

### 14 Share capital

	2021 £'000	2020 £'000
Ordinary share capital <i>Issued and fully paid</i>		
191,204,262 Ordinary shares of £1 each	191,204	151,204
	<u>191,204</u>	<u>151,204</u>

The Company has one class of Ordinary shares. These shares carry equal rights to voting and to the distribution of dividends.

In December 2021 the Company issued 40,000,000 Ordinary shares at a nominal value of £1 per share. Consideration of £1 per share was received by the Company.

### 15 Post balance sheet events

On 1 January 2022 CP transferred its financial advice business to aFPAL, its fellow group company, for a consideration equal to the book value of the net assets relating to this business. The employees were also transferred to aFPAL.

In June 2022, the Company made a capital injection of £6,000k into (aFPAL).

# ABRDN FINANCIAL PLANNING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 16 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.

#### ***Transactions with key management personnel and their close family members***

Certain members of key management personnel hold investments in investment products which are managed by abrdn Group. None of the amounts concerned are material in the context of funds managed by abrdn Group. All transactions between key management and their close family members and abrdn Group during the year are on terms which are equivalent to those available to all employees of abrdn Group.

### 17 Parent and ultimate parent undertaking

The Company's immediate parent and its ultimate parent is abrdn plc, which is incorporated in the United Kingdom and registered in Scotland.

The most senior parent entity producing publicly available financial statements is abrdn 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.abrdn.com](http://www.abrdn.com).