Company Registration No. 09756952 (England and Wales)

ABRDN FINANCIAL PLANNING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

ABRDN FINANCIAL PLANNING LIMITED

COMPANY INFORMATION

Directors	G J McBirnie R S Wilson S Deaves
Secretary	abrdn Corporate Secretary Limited
Company number	09756952
Registered office	280 Bishopsgate London EC2M 4AG United Kingdom
Independent Auditor	KPMG LLP 20 Castle Terrace Saltire Court Edinburgh United Kingdom EH1 2EG

ABRDN FINANCIAL PLANNING LIMITED

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STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their strategic report for abrdn Financial Planning Limited ("the Company") for the year ended 31 December 2022.

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 is part of the abrdn plc Group ("abrdn plc", together with its subsidiaries, "the Group").

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

In June 2022, the Company made a capital injection of £6,000k into abrdn Financial Planning and Advice Limited ("aFPAL").

On 21 September 2022, share capital of the Company was reduced through share cancellation from £191,204,262 shares in issue to £50,000,000 shares in issue creating additional distributable reserves of £141,204k.

The Company recognised impairments of £37,349k in respect of the Company's investments. Further information is available in Note 9.

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. 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.

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 ("ERM") framework comprising three lines of defense.

The ERM framework 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. In 2022, improvements to the framework included refinements to the risk appetite framework, extending our risk taxonomy, refocussing Risk and Control Self Assessments, reviewing our Conflicts of Interest framework and reviewing our policy register.

Business Risk Environment
The commercial environment was challenging during 2022 as the Russian/Ukraine conflict led to a surge in energy prices, higher inflation and a rapid tightening of monetary policy by central banks thereby putting pressure on asset prices. These conditions impacted market levels and client flows over the year.

Though we started 2022 dealing with the effects of Omicron, the impact of COVID-19 on our operating environment was much less pronounced as 'blended working' became the default arrangement for our people.

We continue to manage a lot of change across the business which creates operational stretch on top of our core client servicing activities. An additional challenge in this area is an uptick in staff turnover across various skillsets in the financial services industry post-COVID. That said, this also creates opportunities in the management and development of talent.

We maintain heightened vigilance over risks to our operations from financial crime and cyber intrusion. Our dedicated in-house teams monitor and manage these risks as they evolve, with the support of external specialists.

Client and customer interests are at the heart of our business. We keep close focus on the outcomes which we deliver across our businesses. During 2022, we progressed the company-wide programme to implement the FCA's new Consumer Duty.

Evolving and emerging risks
We are vigilant to risks that could crystallise over different horizons and impact our strategy and operations. These risks vary in nature as they cover geopolitical, economic, societal, technological, legal, regulatory and environmental themes. We distil internal and external research to consider how risks could emerge and evolve.

Evolving and emerging risks (continued)
Some notable risks (and opportunities) for our business include tightness in labour markets, rising input costs, evolving cyber threats, disruptive financial technologies, unprecedented market shifts and climate change.

The principal risks and uncertainties facing the Company are integrated into the principal risks of the abdrn Group and are therefore not managed separately. The principal risks and uncertainties of abrdn plc, which include those of the Company, are detailed below:

Principal risks to our business	Our approach to managing these risks:
Strategic Risk: 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.	We continued to develop our single global brand during 2022. These risks have been managed through assessing emerging risks so that action can be taken in a timely and proportionate manner to mitigate these, including detailed stakeholder engagement plans to manage the transition to the new brand and ensuring the Company has a clear organic growth strategy.
Conduct risk: Our business relies on our ability to deliver good service and fair client and customer outcomes, and there is a risk that we fail to achieve this through our operational activities and the implementation of our change programmes. This could lead to customer and client harm, reputational damage and loss of income.	Being client and customer-led is an essential aspect of our culture. This means having a continuous focus on client and customer outcomes in all that we do. Our ERM framework supports the management of conduct risk with clear expectations around conduct goals and responsibilities. In 2022 we refreshed our framework for managing conflicts of interest and launched a programme to implement the FCA's new Consumer Duty.
Process execution and trade errors: This is the risk that processes, systems, or external events could produce operational errors.	Underlying causes of error are monitored to identify areas for action, promoting a culture of accountability and continuously improving how issues are addressed.
Technology: 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.	We have an ongoing programme to invest in and enhance our IT infrastructure controls. We benchmark our IT systems environment to identify areas for improvement and further investment. We maintain heightened vigilance for cyber intrusion, with dedicated teams monitoring and managing cyber security risks. We carry out regular testing on penetration and crisis management.
Business resilience and continuity: 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. As COVID-19 has continued to test business resilience, the business has adapted effectively to blended working.	The operational resilience framework continues to be enhanced, as well as strengthened responses to disruption. Crisis management and contingency planning processes are regularly reviewed and tested, enabling us to minimise disruption as the balance of hybrid working has shifted over the year.
Fraud and financial crime: 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.	During 2022 there was extensive work to define and implement consistent anti-money laundering standards across the company globally and in each growth vector. Sound processes are in place to identify client activity linked with financial crime, globally. These include controls for anti-money laundering, anti-bribery, fraud and other areas of financial crime. There is a business-wide programme to invest in controls and processes to improve monitoring of these risks. There continues to be work with the financial authorities and industry peers to assist those targeted by scams.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties (continued)

Principal risks to our business	Our approach to managing these risks:
***Change management*:** We are continually implementing change to improve our business or meet regulatory expectations. As well as being costly, failure to deliver change effectively, can lead to poor client and customer outcomes and/or regulatory non-compliance.	For major change projects. we have established govemance processes with ring-fenced project resources and clearly defined roles across the three lines of defense.
Third party management: 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.	Our Third Party Risk Management framework is well embedded and continues to evolve in line with extemal developments, industry practice and regulatory developments.
Financial management process: We have extensive financial reporting obligations to clients, customers, shareholders, regulators and other stakeholders. Failures in these processes could impact decision-making and lead to regulatory and litigation risk.	Our financial reporting activities align to external reporting standards and industry best practice. These activities are subject to extensive Intemal control and external assurance.

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

This report was approved by the board and signed on its behalf.

Graeme McBirnie
Director

Date: 28 June 2023

ABRDN FINANCIAL PLANNING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their annual report and financial statements for the year ended 31 December 2022.

Results and dividends
The results for the year are set out on page 11.

No ordinary dividends were paid (2021: £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:

G J McBirnie	
S Deaves	(Appointed 24 February 2022)
P J Titterton	(Appointed 24 February 2022, Resigned 31 May 2023)
R S Wilson	(Appointed 1 August 2022)
C M Connellan	(Resigned 1 August 2022)
C M Dyer	(Resigned 17 February 2023)
K L Clews	(Resigned 17 February 2023)

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

abrdn Corporate Secretary Limited

Directors' liability insurance
During 2022, 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 contributions
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.

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.

This report was approved by the board and signed on its behalf

Graeme McBirnie

Graeme McBirnie
Director
Date: 28 June 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 – adopted international accounting standards and applicable law and have elected to prepare the Company financial statements in accordance with UK accounting standards and applicable law, 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

Opinion

We have audited the financial statements of abrdn Financial Planning Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the 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 2022 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.

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 to abrdn's group wide 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 conduct of business sourcebook and specific areas of regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form.

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.

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; or

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.

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.

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.

M. Humphrey.

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

28 June 2023

ABRDN FINANCIAL PLANNING LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
		£'000	£'000
Revenue	**3**	**6,241**	8,919
Administrative expenses		**(514)**	(16,402)
Restructuring expenses	**6**	**-**	(706)
Impairment of investments	**9**	**(37,349)**	(7,194)
Operating loss		**(31,622)**	(15,383)
Loss before taxation		**(31,622)**	(15,383)
Tax credit	**7**	**98**	1,284
Loss before taxation		**(31,524)**	(14,099)

The notes on pages 14 to 23 form part of these financial statements.

The Company has not recorded any other comprehensive income during the years to 31 December 2022 or 31 December 2021. 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 2022

	Notes	2022 £'000	2021 £'000
Non-current assets			
Intangible assets	8	652	1,099
Investments	9	78,852	111,071
		79,504	112,170
Current assets			
Trade and other receivables	11	8,882	24,970
Cash and cash equivalents		5,948	14,296
		14,830	39,266
Current liabilities			
Trade and other payables	12	(6,384)	(31,962)
Net current assets/(liabilities)		8,446	7,304
Total assets less current liabilities		87,950	119,474
Net assets		87,950	119,474
Equity			
Called up share capital	13	50,000	191,204
Retained earnings		37,950	(71,730)
Total equity		87,950	119,474

The notes on pages 14 to 23 form part of these financial statements.

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

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Graeme McBirnie
Director
Date: 28 June 2023

Company Registration No. 09756952

ABRDN FINANCIAL PLANNING LIMITED

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2022

	Notes	Share capital	Retained earnings	Total
		£'000	£'000	£'000
Balance at 1 January 2021:		151,204	(57,631)	93,573
Year ended 31 December 2021:				
Loss for the year		-	(14,099)	(14,099)
Issue of share capital		40,000	-	40,000
Balance at 31 December 2021		191,204	(71,730)	119,474
Year ended 31 December 2022:				
Loss for the year		**-**	**(31,524)**	**(31,524)**
Share capital reduction	**13**	**(141,204)**	**141,204**	**-**
Balance at 31 December 2022		**50,000**	**37,950**	**87,950**

The notes on pages 14 to 23 form part of these financial statements.

1 Accounting policies

Company information
The Company is a private company limited by shares incorporated in England and Wales. The registered office is 280 Bishopsgate, London United Kingdom EC2M 4AG.

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 2022 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 Polices 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 2022 have had an impact on the Company.

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 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 aFPL Group of companies. Its principal operations are in the United Kingdom.

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

Dividend income from subsidiaries is recognised as received in a year in which they are approved.

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.

1 Accounting policies (Continued)

Cash and cash equivalents
Cash and cash equivalents are basic financial instruments and include cash at bank and highly liquid investments. Cash and cash equivalents are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

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 and accruals. These instruments are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

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:

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

Revenue analysed by class of business	2022 £'000	2021 £'000
Recharges to subsidiaries	-	8,919
Dividend income	6,241	-
	6,241	8,919

4. Directors' remuneration

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

5. Operating loss

Operating loss for the year is stated after charging	2022 £'000	2021 £'000
Auditor's remuneration	47	41
Amortisation of intangible assets (note 8)	447	481
Other operating expenses	64	15,880
Impairment of investments (note 9)	37,349	7,194

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

	2022 £'000	2021 £'000
Employee costs	-	156
Redundancy	-	544
Other restructuring	-	6
	-	706

The Company has no direct employees and these costs represented a proportion of costs recharged from employing entities in relation to the restructure of aFPL Group.

7. Taxation

Current tax	**2022 £'000**	**2021 £'000**
UK corporation tax on loss for the current period	**(98)**	(1,556)
Adjustments in respect of prior periods	**-**	272
Total tax credit	**(98)**	(1,284)

Factors that may affect future tax charges
The standard UK Corporation Tax rate for the accounting period is 19%. The rate will increase to 25% with effect from 1 April 2023, following the UK Government enactment in May 2021. This will impact the current tax in the UK going forward.

The tax credit assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are reconciled below:

	2022 £'000	**2021 £'000**
Loss before taxation	**(31,622)**	(15,383)
Expected tax credit based on a corporation tax rate of 19.00% (2021: 19.00%)	**(6,008)**	(2,923)
Effect of expenses not deductible	**7,096**	1,367
Income not taxable	**(1,186)**	-
Adjustment in respect of prior years	**-**	272
Total tax credit for the year	**(98)**	(1,284)

8 Intangible fixed assets

	Software £'000
Cost	
At 31 December 2021	2,237
At 31 December 2022	**2,237**
Amortisation	
At 31 December 2021	1,138
Charge for the year	447
At 31 December 2022	**1,585**
Carrying amount	
At 31 December 2022	**652**
At 31 December 2021	1,099

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

9 Investments

	Note	2022 £'000	2021 £'000
Investments in subsidiaries	10	78,852	111,071

Movements in non-current investments

	Shares in group undertakings £'000
Cost or valuation	
At 1 January 2022	130,448
Additions	6,000
Disposal	(870)
At 31 December 2022	**135,578**
Impairment	
At 1 January 2022	(19,377)
Impairment losses	(37,349)
At 31 December 2022	**(56,726)**
Carrying amount	
At 31 December 2022	**78,852**
At 31 December 2021	111,071

9 Investments (Continued)

On 24 June 2022 the Company increased its investments in aFPAL by £6,000k.

On 27 December 2022, Baigrie Davies Holding Limited ("BDHL") has been dissolved via voluntary strike off. Prior to dissolution, the carrying value of the Company's interest in BDHL was £870k and the Company received final distribution in specie of £870k.

The Company recognised impairments in respect of the Company's investments as follows:

aFPAL

The Company recognised an impairment of £28,385k in its investment in aFPAL. The impairment resulted from the impact of macroeconomic conditions, markets and level of 2022 profitability and outflows on valuation expectations for the business. The carrying value of aFPAL prior to impairment was £105,978k. This included £3,600k transferred at 1 January 2022 from the carrying value of abrdn Portfolio Solutions Limited ("aPSL") (formerly named Cumberland Place Financial Management Limited) following the transfer of the advice business and assets of aPSL to aFPAL at this date.

The recoverable amount of aFPAL which is its fair value less cost of disposal ("FVLCD") at 31 December 2022 was £77,593k. 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 2022 and AUAdv was based on actuals at 31 December 2022. 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.

A 20% reduction in recurring revenue and AUAdv would result in a further impairment of £17,153k.
A 20% reduction in market transaction multiples, adjusted to be appropriate to the abrdn financial planning business, would result in a further impairment of £17,153k.

abrdn Digital Solutions Limited ("aDSL")

The Company recognised an impairment of £8,503k in its investment in aDSL, aDSL is currently in liquidation. The impairment resulted from the payment of a dividend from aDSL to the Company and losses incurred during the year. The recoverable amount of aDSL which was determined based on FVLCD was £1. The FVLCD considered a number of valuation approaches, with the primary approach being based on the net assets of aDSL. This is a level 3 measurement as it is measured using inputs which are not based on observable market data.

aPSL

The Company recognised an impairment of £461k in its investment in aPSL. The impairment resulted from losses incurred by aPSL's remaining DFM business during the year. The carrying value of aPSL prior to impairment was £1,720k. which reflected the reduction of £3,600k transferred to aFPAL noted above. The recoverable value of aPSL which was determined based on FVLCD was £1,259k. The FVLCD considered a number of valuation approaches, with the primary approach being based on the net assets of aPSL. This is a level 3 measurement as it is measured using inputs which are not based on observable market data.

10 Subsidiaries

Direct and indirect holdings of the Company as at 31 December 2022 are listed below:

Name of undertaking	Registered office	% Held Direct	% Held Indirect	Nature of business
The Munro Partnership Ltd.	d)	100.00		In liquidation
abrdn Financial Planning and Advice Limited	a)	100.00		Advice business
Fraser Heath Financial Management Limited	a)	100.00		Dormant
abrdn Portfolio Solutions Limited	a)	100.00		Advice business
abrdn Digital Solutions Limited	b)	100.00		In liquidation
Pearson Jones Nominees Limited	a)		100.00	Dormant
Pearson Jones & Company (Trustees) Limited	a)		100.00	Dormant
Parnell Fisher Child Holdings Limited	a)		100.00	Dormant
North East Trustees Limited	a)		100.00	Dormant
Parnell Fisher Child & Co Limited	a)		100.00	Dormant
Serin Wealth Limited	c)		100.00	In liquidation

Registered addresses:

a) 280 Bishopsgate, London, United Kingdom, EC2M 4AG
b) 7 Castle Street, Edinburgh, EH2 3AH
c) 30 Finsbury Square, London, EC2A 1AG
d) 1 George Street, Edinburgh, United Kingdom, EH2 2LL

Shares held in all subsidiaries are Ordinary shares.

On 27 December 2022 below listed subsidiaries were dissolved via voluntary strike off:

Baigrie Davies Holdings Limited
Baigrie Davies and Company Limited
Jones Sheridan Holdings Limited
Jones Sheridan Financial Consulting Limited
PACE Mortgage Solutions Ltd
PACE Financial Solutions Limited

The following subsidiaries were disposed of after the balance sheet date:

Serin Wealth Limited was dissolved on 6 January 2023.
The Munro Partnership Ltd was dissolved on 21 February 2023.

11 Trade and other receivables

Amounts falling due within one year:	2022 £'000	2021 £'000
Group relief receivable	**1,754**	1,556
Amounts due from abrdn Group companies	**7,128**	23,414
	8,882	24,970

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.

12 Trade and other payables

	2022 £'000	2021 £'000
Amounts due to abrdn Group companies	**6,384**	31,958
Accruals	**-**	4
	6,384	31,962

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

13 Share Capital

Ordinary share capital *Issued and fully paid*	2022 £'000	2021 £'000
50,000,000 Ordinary shares of £1 each (2021: 191,204,262 Ordinary shares of £1 each)	**50,000**	191,204
	50,000	191,204

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

On 21 September 2022, share capital of the Company was reduced through share cancellation from £191,204,262 shares in issue to £50,000,000 shares in issue creating additional distributable reserves of £141,204k.

14 Post balance sheet events

On 24 February 2023 the Company issued 10,500,000 ordinary shares at a nominal value of £1 per share. Consideration of £1 per share was received by the Company.

On 24 February 2023 the Company made a capital injection of £14,500,000 into aFPAL.

On 21 April 2023 the Company issued £1,650,000 ordinary shares at a nominal value of £1 per share. Consideration of £1 per share was received by the Company.

On 21 April 2023 the Company made a capital injection of £1,650,000 into aPSL.

15 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.

16 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.