



Ignis Asset Management Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

Registration number: SC200801



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Company Information

Directors S L MacLennan
 G J McBirnie

Company secretary abrdn Corporate Secretary Limited

Registered office 1 George Street
 Edinburgh
 Scotland
 EH2 2LL

Auditor KPMG LLP
 Chartered Accountants and Statutory Auditor
 Saltire Court
 20 Castle Terrace
 Edinburgh
 EH1 2EG

The Directors present their strategic report on Ignis Asset Management Limited (the "Company") for the year ended 31 December 2021, in accordance with section 414A of the Companies Act 2006.

Business review and future developments

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

Key performance indicators ("KPIs")

The Company's Directors are of the opinion that analysis using KPIs is not necessary because the Company does not perform any trading activities and operates solely as an intermediary investment holding company. The Directors review summary profit and loss and balance sheet figures on a quarterly basis 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 impact of the Company's operations on the community and the environment;
- c) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- d) 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 abrnn 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 abrnn 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.

Enhancing our governance (continued)

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 defence; the first being day-to-day risk management, 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 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. 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 integrated into the principal risks of the abrdn Group and are therefore not managed separately. The principal risks and uncertainties of abrdn plc, which include those of the Company, are detailed below:

Coronavirus (COVID-19)

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 Investments vector business plans, of which the Company is a part of, and enhancement of client focus.

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.

Financial management process

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 Audit Committee reviews, and where necessary challenges, reporting conclusions.

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. Geopolitical unrest and associated risks continue to be a key strategic risk and can impact the market in which we operate, impact our reputation and increase our capital exposure. Risks are mitigated by ongoing Board consideration of strategic risks.

The current conflict between Russia and Ukraine is impacting financial markets and operations and is likely to have substantial economic consequences. Events in Ukraine continue to evolve and are monitored through the enterprise risk management framework.

Financial risk

This is the risk of having insufficient resources or the failure or default of counterparties. It could be influenced by inflows and outflows, global market trends, as well as margins on investment mandates. Capital is held against identified risks which are reviewed by the Board.

Investment impairment

As an intermediary investment holding company the Company is exposed to the risk of investment impairments in underlying subsidiary companies. The risks of impairment are dependent upon a number of internal and external factors that could have a direct impact on the operating environment of the companies where investments are held. Management review the operating results of underlying subsidiary companies to determine if any indicators of impairment exist. Details of any investment impairments in the year can be found in note 5.

Environmental matters

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

Approved by the Board on 22 September 2022 and signed on its behalf by:



.....
S L MacLennan
Director

Directors' Report for the Year Ended 31 December 2021

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

Directors of the Company

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

S L MacLennan (appointed 22 November 2021)

S A E Winter (resigned 28 February 2022)

J B Aird (resigned 22 November 2021)

The following director was appointed after the year end:

G J McBirnie (appointed 1 March 2022)

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

Company secretary

The Company secretaries during the year, were as follows:

H S Kidd (resigned 31 July 2021)

abrdn Corporate Secretary Limited (formerly SLA Corporate Secretary Limited) (appointed 31 July 2021)

Independent Auditor

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

Going concern

The underlying trade of the Company's only trading subsidiary transferred to another entity within the abrdn Group on 31 August 2022. The Company now has no trading subsidiaries and there are no current plans to seek an alternative trading subsidiary at this time. Due to no longer having a trading subsidiary following cessation of trade, the Directors have concluded that the financial statements should be prepared on a basis other than going concern. There is no significant impact of this on the Company's financial position, performance, equity or total comprehensive income for either year ended 31 December 2021, or the comparative period ended 31 December 2020. Further information is available in Note 1.

Dividends

The Directors recommended and paid no dividend in 2021 (2020: £7,000k) to its immediate parent company, namely abrdn Investment (Holdings) Limited.

Political donations

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

Disclosure of information to the auditors

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.

Directors' Report for the Year Ended 31 December 2021 (continued)

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.

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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

Approved by the Board on 22 September 2022 and signed on its behalf by:



S L MacLennan
Director

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

Opinion

We have audited the financial statements of Ignis Asset Management Limited ('the Company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, Balance Sheet, 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 profit 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.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

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.

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

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-judgemental 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) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

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

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

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

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

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.



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

22 September 2022

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Dividends received		-	7,000
Operating profit		-	7,000
Net finance income	3	12	69
Profit before tax		12	7,069
Tax expense	4	(1)	(13)
Profit for the year		11	7,056

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.

The statutory audit fee of £17,955 (2020: £17,777) has been paid by fellow abrdn Group undertaking.

The notes on pages 14 to 21 form an integral part of these financial statements.

Balance Sheet as at 31 December 2021

	Note	2021 £ 000	2020 £ 000
Assets			
Non-current assets			
Investments in subsidiaries	5	79,073	79,073
Investment securities	6	<u>1</u>	<u>1</u>
Total non-current assets		<u>79,074</u>	<u>79,074</u>
Current assets			
Trade and other receivables	7	17	3
Cash and cash equivalents		<u>17,882</u>	<u>15,804</u>
		<u>17,899</u>	<u>15,807</u>
Total current assets		<u>17,899</u>	<u>15,807</u>
Total assets		<u>96,973</u>	<u>94,881</u>
Equity and liabilities			
Equity			
Share capital	8	30,001	30,001
Share premium reserve		49,999	49,999
Profit and loss account		<u>14,877</u>	<u>14,866</u>
Equity attributable to equity holders of the parent		<u>94,877</u>	<u>94,866</u>
Total non-current liabilities		<u>-</u>	<u>-</u>
Current liabilities			
Trade and other payables	9	<u>2,096</u>	<u>15</u>
Total current liabilities		<u>2,096</u>	<u>15</u>
Total equity and liabilities		<u>96,973</u>	<u>94,881</u>

Approved by the Board on 22 September 2022 and signed on its behalf by:



.....
S L MacLennan
Director

Registration number: SC200801

The notes on pages 14 to 21 form an integral part of these financial statements.

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2020	30,001	49,999	14,810	94,810
Profit for the year	-	-	7,056	7,056
Total comprehensive income	-	-	7,056	7,056
Dividends	-	-	(7,000)	(7,000)
At 31 December 2020	30,001	49,999	14,866	94,866

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2021	30,001	49,999	14,866	94,866
Profit for the year	-	-	11	11
Total comprehensive income	-	-	11	11
At 31 December 2021	30,001	49,999	14,877	94,877

The notes on pages 14 to 21 form an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2021

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

The Company meets the definition of a qualifying entity under Application of Financial Reporting Requirements 100 as issued by the Financial Reporting Council. Accordingly, the financial statements for period ended 31 December 2021 have been prepared in accordance with 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 Standard ("IAS") 1 Presentation of Financial Statements disclosures in respect of capital management;
- IAS 1 Presentation of Financial Statements requirement for comparative period reconciliations for share capital;
- IAS 7 Statement of Cash Flows and related notes;
- IAS 8 Accounting Policies requirement to disclose the effects of new but not yet effective International Financial Reporting Standards ("IFRSs"); and
- IAS 24 Related Party disclosures in respect of transactions with wholly owned subsidiaries.

As the consolidated financial statements of 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.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

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.

The underlying trade of the Company's only trading subsidiary transferred to another entity within the abrdn Group on 31 August 2022. The Company now has no trading subsidiaries and there are no current plans to seek an alternative trading subsidiary at this time. Due to no longer having a trading subsidiary following cessation of trade, the Directors have concluded that the financial statements should be prepared on a basis other than going concern. There is no significant impact of this on the Company's financial position, performance, equity or total comprehensive income for either year ended 31 December 2021, or the comparative period ended 31 December 2020. Further information is available in Note 1.

Changes in accounting policy

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

Dividends

Dividend income from subsidiaries is recognised as received.

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

Net finance income

Interest income is derived on cash and cash equivalents and is recognised on an accrual basis using the effective interest rate method.

Financial assets

(i) 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 non-current and current assets and consist of amounts owed by abrdn Group undertakings and accrued interest. These instruments are initially recognised at fair value, net of any transaction costs, and subsequently at amortised cost using the effective interest rate method.

The Company has adopted trade date accounting. Accordingly, a financial asset is recognised on the date the Company commits to its purchase and derecognised on the date on which the Company commits to its sale.

Financial liabilities

(i) Amortised cost

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

Investment in subsidiaries

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

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

1 Accounting policies (continued)

Impairment of non-financial assets

In respect of investments in subsidiaries an impairment loss is recognised when events or changes in circumstances indicate that the recoverable amount of the asset may not exceed its carrying value. If any such indication exists, the asset's recoverable amount is estimated and any provision for impairment recognised. 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, if no impairment loss had been recognised.

Taxation

The Company's tax expense comprises both current tax and deferred tax expense.

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.

A deferred tax asset represents a tax deduction that is expected to arise in a future period. It is only recognised to the extent that there is expected to be future taxable profit or investment return to offset the tax deduction. A deferred tax liability represents taxes which will become payable in a future period as a result of a current or prior year transaction.

Where local tax law allows, deferred tax assets and liabilities are netted off on the statement of financial position. The tax rates used to determine deferred tax are those enacted or substantively enacted at the balance sheet date that are expected to apply when the deferred tax asset or liability are realised.

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

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Cash and cash equivalents

Cash and cash equivalents are basic financial instrument and include cash at bank and investments in money market funds. Cash and cash equivalents are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

2 Critical accounting judgements and key sources of estimation uncertainty

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. There are not considered to be any critical judgements, and key estimates are disclosed beneath:

Critical estimates:

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Investment in subsidiaries - Investments in subsidiaries are assessed for indicators of impairment or impairment reversal each year. 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. Where there are indicators of impairment or impairment reversal the determination of the recoverable amount involves the use of estimates, such as profit projections and discount rates. There were no indicators of impairment or impairment reversal at 31 December 2021.

3 Net finance income

	2021 £ 000	2020 £ 000
Finance income		
Interest income	12	69
Net finance income	<u>12</u>	<u>69</u>

4 Tax expense

Analysis of tax charge in the year:

	2021 £ 000	2020 £ 000
Current taxation		
UK corporation tax	2	13
UK corporation tax adjustment to prior periods	(1)	-
Total current income tax	<u>1</u>	<u>13</u>

The tax charge 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
Profit before tax	12	7,069
Corporation tax at standard rate	2	1,343
Income not taxable	-	(1,330)
Adjustment in respect to prior years	(1)	-
Total tax expense	<u>1</u>	<u>13</u>

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

4 Tax expense (continued)

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.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

5 Investments in subsidiaries

	2021 £ 000	2020 £ 000
As at 1 January	79,073	79,073
As at 31 December	79,073	79,073

The particulars of the Company's subsidiary undertakings as at the statement of financial position date are in note 13.

6 Investments in securities

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

	2021 £ 000	2020 £ 000
Presented as:		
Seed capital investments	1	1
	1	1

The Company has one investment security, UK Equity High Income Fund Platform 1 Inc.

7 Trade and other receivables

	2021 £ 000	2020 £ 000
Current trade and other receivables:		
Amounts owed by abrdn Group undertakings	12	-
Accrued interest	5	3
Total current trade and other receivables	17	3

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

8 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No. 000	£ 000	No. 000	£ 000
Ordinary Shares of £1 each	<u>30,001</u>	<u>30,001</u>	<u>30,001</u>	<u>30,001</u>

9 Trade and other payables

	2021	2020
	£ 000	£ 000
Current trade and other payables:		
Amounts owed to abrdn Group undertakings	<u>2,096</u>	<u>15</u>
Total current trade and other payables	<u>2,096</u>	<u>15</u>

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

10 Parent and ultimate parent undertaking

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

The most senior parent entity producing publicly available financial statements is 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.

11 Events after the balance sheet date

On 18 August 2022, pursuant to section 641 of the Companies Act 2006, the share capital of the Company was reduced from £30,001,000 to £1 (by reducing the number of shares of the Company in issue to one share of £1.00) and the share premium of the Company was reduced from £49,999,000 to £nil, with the amounts so reduced being credited to retained earnings of the Company.

On 31 August 2022, the business and assets of Ignis Investment Services Ltd, a wholly owned subsidiary of the Company, were transferred to another abrdn Group undertaking, abrdn Investment Management Limited. The consideration for the transfer was the book value of the assets. The transfer is expected to result in the Company recognising an impairment in relation to the Company's investment in Ignis Investment Services Ltd, of approximately £25m.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

12 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.

13 Supplementary information

Details of the subsidiaries as at 31 December 2021 are as follows:

Name of subsidiary	Registered office	Proportion of ownership interest and voting rights held	
		2021	2020
Ignis Investment Services Limited	1 George Street, Edinburgh, Lothian, EH2 2LL Scotland	100%	100%
Ignis Fund Managers Limited	1 George Street, Edinburgh, Lothian, EH2 2LL Scotland	100%	100%