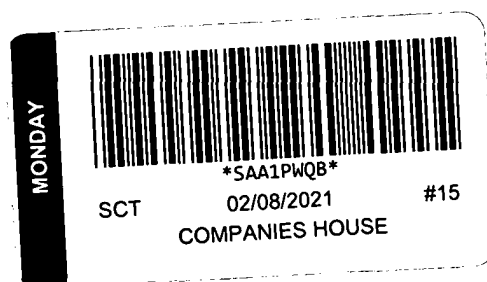


# Ignis Asset Management Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Registration number: SC200801



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**Company Information**

**Directors** J B Aird  
S A E Winter

**Company secretary** H S Kidd

**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

## Strategic Report for the Year Ended 31 December 2020

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

### Business review and future developments

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

### Key performance indicators ("KPIs")

The Company's Directors are of the opinion that analysis using KPIs is not necessary because the Company does not perform any trading activities and operates solely as an intermediary investment holding company. The Directors review 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 need to foster the Company's business relationships with suppliers, customers and others;
- c) the impact of the Company's operations on the community and the environment;
- d) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- e) the need to act fairly between different members of the Company.

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

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

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

### Enhancing our governance (continued)

**The need to foster the Company's business relationships with suppliers, customers and others** - Supplier relationships within the Standard Life Aberdeen Group of companies 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 group level and engagement matters have been disclosed in the SLA plc Annual Report and Accounts which does not form part of this report. The Board of Directors receives reports from the Distribution function, the function within the Standard Life Aberdeen 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 SLA plc level and such matters have been disclosed in the SLA plc Annual Report and Accounts which does not form part of this report. The Directors have determined that there are no company specific matters appropriate to disclose, as the Company has no direct environmental or community impact beyond the impact of the wider Standard Life Aberdeen 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 Standard Life Aberdeen 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 SLA plc.

### Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a number of risks.

The Standard Life Aberdeen Group, of which the Company is a part, has an established Risk Enterprise Management framework. This has been strengthened in the year by introducing new risk tolerances to support governance and risk management; extending and refining risk taxonomy to describe risk more accurately.

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

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

### *Coronavirus (COVID-19)*

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

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

### Principal risks and uncertainties (continued)

#### *Brexit*

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

#### *Strategic risk*

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

#### *Financial risk*

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

#### *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.

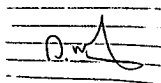
#### *Financial management process*

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

#### *Environmental matters*

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

Approved by the Board on 29 July 2021 and signed on its behalf by:



S A E Winter  
Director

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

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

### **Directors of the Company**

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

J B Aird

S A E Winter

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

### **Company secretary**

The Company secretary during the year, was as follows:

H S Kidd

### **Going concern**

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

### **Dividends**

The Directors recommended and paid dividend of £7,000k in 2020 (2019: £10,000k) to its immediate parent company, namely Standard Life Investment (Holdings) Limited.

### **Political donations**

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

### **Independent auditor**

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

### **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 2020 (continued)

### Modern slavery act

As a global investment company, SLA 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. SLA plc has published a modern slavery statement, reinforcing its commitment to this important issue. This can be found on the SLA plc website.

### Statement of Directors' Responsibilities

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

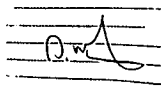
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting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

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 29 July 2021 and signed on its behalf by:



S A E Winter  
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 2020, 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 2020 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

### Going concern

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

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

Our conclusions based on this work:

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

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

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

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

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

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

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

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

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

On this audit we have rebutted the fraud risk related to revenue recognition because the calculation of the revenue is non-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](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

29 July 2021

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

	Note	2020 £ 000	2019 £ 000
Dividends received		7,000	10,000
<b>Operating profit</b>		<b>7,000</b>	<b>10,000</b>
Net finance income	3	69	140
<b>Profit before tax</b>		<b>7,069</b>	<b>10,140</b>
Tax expense	4	(13)	(27)
<b>Profit for the year</b>		<b>7,056</b>	<b>10,113</b>

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

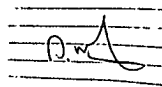
The statutory audit fee of £17,777 (2019: £9,719) has been paid by fellow Standard Life Aberdeen Group undertaking.

The notes on pages 14 to 19 form an integral part of these financial statements.

**Balance Sheet as at 31 December 2020**

	Note	2020 £ 000	2019 £ 000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	5	79,073	79,073
Investment securities	6	1	1
<b>Total non-current assets</b>		<b>79,074</b>	<b>79,074</b>
<b>Current assets</b>			
Trade and other receivables	7	3	10
Cash and cash equivalents		15,804	15,754
		15,807	15,764
<b>Total current assets</b>		<b>15,807</b>	<b>15,764</b>
<b>Total assets</b>		<b>94,881</b>	<b>94,838</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	8	30,001	30,001
Share premium reserve		49,999	49,999
Profit and loss account		14,866	14,810
<b>Equity attributable to equity holders of the parent</b>		<b>94,866</b>	<b>94,810</b>
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Current liabilities</b>			
Trade and other payables	9	15	28
<b>Total current liabilities</b>		<b>15</b>	<b>28</b>
<b>Total equity and liabilities</b>		<b>94,881</b>	<b>94,838</b>

Approved by the Board on 29 July 2021 and signed on its behalf by:



S A E Winter  
Director

Registration number: SC200801

The notes on pages 14 to 19 form an integral part of these financial statements.

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

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	30,001	49,999	14,697	94,697
Profit for the year	-	-	10,113	10,113
Total comprehensive income	-	-	10,113	10,113
Dividends	-	-	(10,000)	(10,000)
<b>At 31 December 2019</b>	<b>30,001</b>	<b>49,999</b>	<b>14,810</b>	<b>94,810</b>

	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)
<b>At 31 December 2020</b>	<b>30,001</b>	<b>49,999</b>	<b>14,866</b>	<b>94,866</b>

The notes on pages 14 to 19 form an integral part of these financial statements.

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

### 1 Accounting policies

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

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

#### Basis of preparation

The Company meets the definition of a qualifying entity under Application of Financial Reporting Requirements 100 as issued by the Financial Reporting Council. Accordingly, the financial statements for period ended 31 December 2020 have been prepared in accordance with 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 SLA plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 7 Financial Instrument Disclosures.

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



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

### 1 Accounting policies (continued)

#### Going concern

In preparing these financial statements, the Directors have considered the uncertainty created by COVID-19, concluding this will have no impact on the financial statements as the Company does not trade and is expecting to receive regular dividends from subsidiary companies. While there is the possibility that subsidiary companies may require financial support in the future, the Directors believe this is unlikely over the next 12 months given one subsidiary is no longer trading and the other is a going concern. As a result of the existing cash and reserves position in the Company, coupled with the expected receipt of dividends, the Board is satisfied that the Company remains a going concern for the next 12 months.

#### Changes in accounting policy

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

#### Dividends

Dividend income from subsidiaries is recognised as received.

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

#### Net finance income

Interest income is derived on cash and cash equivalents and is recognised on an accrual basis.

#### 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 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.

#### Financial liabilities

##### (i) Amortised cost

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

#### Investment in subsidiaries

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

#### 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.

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

### 1 Accounting policies (continued)

#### Current tax

Tax is recognised in the profit and loss account except to the extent that it relates to items recognised in comprehensive income.

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 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:

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

### 3 Net finance income

	2020 £ 000	2019 £ 000
<b>Finance income</b>		
Interest income	69	140
<b>Net finance income</b>	<u>69</u>	<u>140</u>

### 4 Tax expense

Analysis of tax charge in the year:

	2020 £ 000	2019 £ 000
<b>Current taxation</b>		
UK corporation tax	<u>13</u>	<u>27</u>

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

### 4 Tax expense (continued)

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

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Profit before tax	7,069	10,140
Corporation tax at standard rate	1,343	1,927
Income not taxable	(1,330)	(1,900)
<b>Total tax expense</b>	<b>13</b>	<b>27</b>

The standard UK corporation tax rate for the accounting period is 19%. In the Spring Budget 2020, the government announced that the standard UK corporation tax rate would remain at 19% from 1 April 2020 rather than reducing to 17% as previously enacted. This new legislation was substantively enacted on 17 March 2020 to repeal the planned reduction in the standard UK corporation tax rate and maintain the rate at 19%. This will impact both current tax in the UK going forward and also the valuation of deferred tax assets and liabilities in the UK, which have been revalued at the balance sheet date to take account of this change.

On 3 March 2021, the UK Government announced its intention to increase the rate of UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The proposed increase in the rate of UK corporation tax is expected to be enacted in Finance Act 2021. As the rate change was not substantively enacted as at 31 December 2020, it has not been taken account of in computing the UK deferred tax liability which is reflected in the statement of financial position for that date. However, the rate change is expected to be substantively enacted during 2021. There would be no impact if this rate change had been substantively enacted at 31 December 2020.

### 5 Investments in subsidiaries

	2020 £ 000	2019 £ 000
As at 1 January	79,073	79,073
<b>As at 31 December</b>	<b>79,073</b>	<b>79,073</b>

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:

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

6 Investments in securities (continued)

	2020 £ 000	2019 £ 000
<b>Presented as:</b>		
Seed capital investments	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

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

7 Trade and other receivables

	2020 £ 000	2019 £ 000
<b>Current trade and other receivables:</b>		
Accrued interest	<u>3</u>	<u>10</u>
<b>Total current trade and other receivables</b>	<u>3</u>	<u>10</u>

8 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	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

	2020 £ 000	2019 £ 000
<b>Current trade and other payables:</b>		
Amounts owed to Standard Life Aberdeen Group undertakings	<u>15</u>	<u>28</u>
<b>Total current trade and other payables</b>	<u>15</u>	<u>28</u>

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

All trade and other payables are expected to be settled within 12 months.

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

### 10 Parent and ultimate parent undertaking

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

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

### 11 Events after the balance sheet date

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

### 12 Related party transactions

In the normal course of business, the Company enters into transactions with related parties in respect of investment management business.

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 2020 are as follows:

Name of subsidiary	Registered office	Proportion of ownership interest and voting rights held	
		2020	2019
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%