

Elevate Portfolio Services Limited

Annual Financial Statements
for the year ended 31 December 2020

Registration no: 01128611



Contents

Directors and Officers	2
Report by the Directors	3
Strategic Report	5
Statement of Directors' responsibilities in respect of the financial statements	10
Independent Auditor's report to the members of Elevate Portfolio Services Limited	11
Profit and loss account for the year ended 31 December 2020	14
Balance sheet as at 31 December 2020	15
Statement of changes in equity for the year ended 31 December 2020	16
Notes to the financial statements	17

Directors and Officers

Directors

Aileen Gillan	Non-Executive Director
David Marock	Non-Executive Director
Brian McBride	Non-Executive Director
Carolyn Cathleen Raffaeli	Non-Executive Director & Chair
Noel Butwell	Director
Neil Machray	Director
Michael Tumilty	Director

Company Secretary

SLA Corporate Secretary Limited

Registered Office

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

Registered Number

01128611

Independent Auditors

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

Report by the Directors

The Directors present their report and the audited financial statements of Elevate Portfolio Services Limited (EPS Ltd) ("the Company") for the year ended 31 December 2020. The Company is an investment company incorporated in England (registration number 01128611) and is part of Standard Life Aberdeen plc ("SLA plc" or, together with its subsidiaries, "the Standard Life Aberdeen Group").

The Company's business review, key performance indicators, principal risks and uncertainties and companies act s172 summary are set out in the Strategic Report.

Results and dividend

The Directors paid no dividend in 2020 (2019: £nil) to the Company's immediate parent company, namely Standard Life Savings Limited.

Directors

The names of the current directors are listed on page 2. The changes to directors during the year, and subsequent to it, are shown below:

Neil Machray (appointed 7 February 2020)
Michael Tumilty (appointed 18 February 2020)
Brian McBride (appointed 11 May 2020)
Tanya Castell (resigned 31 December 2020)

The appointment of directors is not subject to retirement by rotation.

Company secretary

The change to the Company secretary during the year was as follows:

Wendy Smith (resigned 30 April 2020)
SLA Corporate Secretary Limited (appointed 30 April 2020)

Directors' liability insurance

During 2020, SLA plc 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.

Our people

The majority of the staff who manage the affairs of the Company are employed by Standard Life Employee Services Limited (SLES), a related party and their costs are recharged to the Company.

SLES takes pride in the high achieving, diverse and healthy working environment it has created, where all employees are valued, empowered and treated as individuals. It treats those with disabilities fairly in relation to job applications, training, promotion and career development. Adjustments are made to train and enable employees who become disabled whilst working in SLES to allow them to continue and progress in their role.

SLES is committed to an equal opportunities policy. The sole criterion for selection or promotion is the suitability of any applicant for the job regardless of ethnic origin, religion, sex, marital status or disablement.

SLES is committed to engaging with employee representatives on a broad range of issues, including consultation on any major business change.

SLES also uses its internal intranet to communicate with our staff on matters which may concern them as employees and to ensure that our employees are fully aware of any financial and economic factors which may affect the performance of the Company.

Report by the Directors *continued*

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.

Modern Slavery

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.

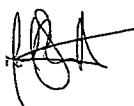
Statement of disclosure of information to the independent auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

The Director's report was approved by the Board and signed on its behalf by;



Noel Butwell
Director
14 April 2021

Strategic Report

Review of business and future developments

The principal activity of the Company is the provision of the Elevate wrap platform and associated services. The service enables financial advisers, on behalf of their clients, to buy and sell investments through appropriate tax wrappers via an on-line trading platform. The Company is also the manager of individual savings accounts ("ISAs") and Pension schemes. There are no plans to change the principal activity of the Company.

The Company is a Markets in Financial Instruments Directive investment firm and is regulated by the Financial Conduct Authority under the Capital Requirements Directive ("CRD IV"). The Company is within the scope of CRD IV country by country reporting obligations.

Key performance indicators

The Directors of SLA plc manage the Standard Life Aberdeen Group's operations on a business segment basis. The development and performance of the Company is discussed in the Adviser Vector section within the Strategic Report in SLA plc's Annual Report and Accounts which does not form part of this report. The performance of the Company's business is not discussed on a standalone basis, however the Company is an integral part of the Platforms and Advice proposition which makes a significant contribution to the overall profitability of the SLA plc business in the UK.

Adjusted profit and its component parts are the key performance indicators used by the Company's Board and executive management to explain the financial performance by the Company. Adjusted profit excludes impacts arising from restructuring costs and corporate transactions and items which are one-off and, due to their size or nature, are not indicative of long-term operating performance.

	2020 £'000	2019 £'000
Income	37,267	40,785
Expenses	(27,609)	(32,595)
Profit before tax	9,658	8,190

The following table shows adjusted profit for the Company reconciled to IFRS profit before tax for the year:

	2020 £'000	2019 £'000
Adjusted profit before tax	10,846	9,158
Restructuring and corporate transactions	(1,188)	(968)
Total adjusting items	(1,188)	(968)
Profit before tax	9,658	8,190

Income has decreased by £3,518k (9%), largely as a result of the full year impact of competitive re-pricing in April 2019, and the impact of COVID-19 on average UK equity market levels and platform activity.

Adjusted profit before tax has increased by £1,688k (18%) following a decrease in central costs and the repricing of a key supplier contract, partly offset by the aforementioned decrease in revenue.

In addition CRD IV requires disclosure of return on assets, calculated as the profit after tax divided by total average assets (calculated as the average of the opening and closing asset position on the balance sheet), which decreased to 10.7% (2019: 11.7%).

Strategic Report *continued*

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 interests of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly between different members of the Company.

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

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

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

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 Standard Life Aberdeen plc ("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. For example, the Company has determined that it is in the long term interests of the member to combine the technology stacks for the Wrap and Elevate platforms operated by the Company and its immediate parent company Standard Life Savings Limited.
the interests of the Company's employees	The Company does not have any direct employees. Within the Standard Life Aberdeen Group, engagement with employees is considered at group level and employee engagement matters have been disclosed in the SLA plc Annual Report and Accounts which does not form part of this report. During the year the Board discussed the impact of COVID-19 on employees. The majority of employees who provide services to the Company are working from home and we have put in place controls to safeguard critical workers who are in our offices. During 2020, the Board also considered and discussed the impact on employees of the outsourcing of services which resulted in colleagues transferring to FNZ in early 2021.
the need to foster the Company's business relationships with suppliers, customers and others	Supplier relationships within the Standard Life Aberdeen Group are managed under the Procurement, Outsourcing and Third Party Management Policy, which applies 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. In addition the Board of Directors receives reports regarding customer services as part of its regular meetings, and regularly discusses engagement with key suppliers in particular FNZ.
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 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, which is Standard Life Savings Limited and is a wholly owned subsidiary of SLA plc.

Strategic Report *continued*

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 Enterprise Risk Management Framework and operates a 'three lines of defence' model in the management risk. A strong risk and compliance culture is fundamental to managing our business, and effective, risk-based decision-making is essential for delivering the right outcomes for our clients and other stakeholders.

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

Principal risks to our business	Our approach to managing these risks:
COVID 19: COVID-19 has had a major impact on the operating environment that will extend well into 2021. The commercial environment also remained challenging during 2020, exacerbated by the impact of the pandemic.	The Company has shown resilience in dealing with the effects of the pandemic and continues to manage its market, operational and financial impact. The majority of our colleagues are working from home and we have put in place processes and controls to safeguard critical workers who are in our offices. Other risks impacted by COVID-19 are highlighted below.
Brexit: The Company has considered the impact of Brexit and does not consider there to be any material impact on the Company's financial statements during 2020 and beyond.	The customers using the platform are mainly UK based. Brexit is not expected to have a significant impact on the structure or operations of the Company.
Strategic Risk: These are risks that could prevent the Company 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 (ELT) has been reorganised to align with SLA plc's vectors of growth. There are specific actions that will deliver against the strategic plan for the Adviser vector. Our ability to deliver for clients will depend on the progress we make against the strategic plan and our relationships with strategic partners.
Financial risk: This is the risk of having insufficient resources, suffering losses from adverse markets or the failure or default of counterparties. Our business is exposed to the overall level of revenue margins on our platforms services; and financial discipline is required to manage our cost base and align it to our revenue outlook.	This is managed through financial discipline and stressing our financial resilience. Our capital and liquidity position remains strong despite the economic effects of the pandemic. Capital is also held against identified risks which are reviewed on an ongoing basis. We maintain external liquidity as part of our liquidity management framework.
Conduct risk: Our business relies on our ability to deliver fair client outcomes. There is a risk that we fail to achieve this in our strategies, decisions and actions which could lead to customer and client harm, reputational damage and loss of income.	In response to COVID-19 we prioritised running our business while maintaining an effective control environment for remote working. Our ERM framework supports the management of conduct risk with clear expectations around conduct goals and responsibilities. In 2020 we refreshed our Global Code of Conduct.
Regulatory and legal risk: High volumes of regulatory change can present interpretation and implementation challenges. This can lead to a risk of failing to comply with, or allow for changes in, law and legislation, contractual requirements or regulations, globally. This in turn could lead to sanctions, reputational damage and loss of income. The risk of regulatory uncertainty arising from Brexit was another important issue to manage.	With the impact of COVID-19, we engaged closely with our regulator throughout 2020 and were able to provide assurance around our ability to serve our customers and clients. We monitor the regulatory landscape so that we can engage in potential areas of change early. We also invest in compliance and monitoring activity across the business. Our relationship with our regulator is based on trust and transparency and our Legal team provides support across our business.

<p>Process execution and trade errors: This is the risk that processes, systems or external events could produce operational errors. Events requiring investigation and remediation have not led to material adverse impacts on clients.</p>	<p>We have reviewed the impact of COVID-19 on our processes and the underlying causes of errors to identify areas for action, promoting a culture of continuously improving our processes.</p>
<p>People: Engaging with our people, and supporting their wellbeing, is critical to our strategy and the overall success of the business. During the pandemic, new risks emerged including the potential impacts on the physical and emotional wellbeing of our colleagues.</p>	<p>From the early stages of the pandemic, we successfully established new ways of operating with most colleagues moving to home working. We provided tools to support remote working and collaboration and moved our learning and development online. We provided support and resources to promote colleague wellbeing.</p>
<p>Technology: There is a risk that technology may fail to adapt to business needs. There is also a risk of unauthorised users accessing systems and cyber attacks. This risk is relevant to a wide range of potential threats including weather events, internal failure, external intrusion and supplier failure.</p> <p>The current IT estate is complex and will remain so until separation from Phoenix is complete. Dependence on third party suppliers also needs to be managed in a dedicated way.</p>	<p>There are programmes of work to deliver Platform Transformation and controlled separation from Phoenix. We continue to invest in and enhance IT infrastructure controls. The IT systems environment is benchmarked to identify areas for improvement and IT resilience is monitored. We maintain a state of heightened vigilance for cyber intrusion, with dedicated teams actively monitoring and managing cyber risks. This includes regular testing on penetration and crisis management, and in 2020 this included a reverse stress test of a cyber-attack.</p>
<p>Business resilience and continuity: A wide range of internal and external incidents can impact business resilience and continuity. Environmental issues, terrorism, economic instabilities, cyber-attacks and operational incidents could all threaten our business.</p> <p>The risk of disruption from inside the organisation remains broadly stable. However, tools for exploiting IT vulnerabilities are becoming more widely available externally.</p>	<p>We continue to enhance our operational resilience framework and strengthen our response to disruption. Business continuity and contingency planning processes are regularly reviewed and tested, and have enabled us to minimise disruption for people working from home. We also implemented protective controls to allow critical workers to be in our offices.</p> <p>COVID-19 has been a real test of our business resilience. We have had to adapt ways of working to protect client interests while working effectively from home.</p>
<p>Fraud and financial crime: As we engage with a wide number of external parties, we have to be vigilant to the risk that these parties are connected with criminal behaviour, or subject to sanctions by national or global authorities.</p>	<p>Processes are in place to identify activity linked with financial crime. These include controls for anti-money laundering, anti-bribery, fraud and other areas of financial crime. We are investing further in systems and processes to improve our monitoring of these risks and commissioned an independent review to identify areas for improvement.</p>
<p>Change management: This is the risk of failing to manage strategic and operational change initiatives effectively. There is an ongoing programme of investment through delivery of Platform Transformation. In 2020 we closely monitored and managed the impact of the pandemic on platform transformation timelines.</p>	<p>We manage major change projects with clear governance processes and consolidation of our change workload. Second and third lines have clear roles in overseeing progress, and we deliver projects in ways that help us to protect client outcomes.</p>
<p>Third party management: We outsource activities to suppliers with specialist capabilities, which means we are exposed to the risk of third parties failing to deliver in line with contractual obligations. It's the Company's responsibility to make sure these firms deliver, so that we continue to streamline delivery and reduce complexity for advisers and clients.</p>	<p>During 2020, we strengthened our contractual and oversight arrangements with key suppliers and continued to monitor and manage our third party management risks. Our aim is to maintain strong relationships with suppliers.</p> <p>In 2020, the potential impacts of COVID-19 were monitored, as well as the impact of Brexit on supply chains, to minimise the risk of disruption in the business to our advisers and customers.</p>
<p>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</p>	<p>In 2020, the majority of colleagues 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 Board reviews and where necessary, challenges reporting outputs.</p>

Strategic Report *continued*

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.

On behalf of Board of Director

A handwritten signature in black ink, appearing to be 'NB', with a horizontal line extending to the right.

Noel Butwell
Director
14 April 2021

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

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

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

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. 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 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.

The Directors are responsible for preparing the CBCR information in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013. In preparing the CBCR Information, the Directors are responsible for:

- interpreting the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013;
- determining the acceptability of the basis of preparation of the CBCR information;
- making judgements and estimates that are reasonable and prudent; and
- establishing such internal control as the Directors determine is necessary to enable the preparation of CBCR Information that is free from material misstatement, whether due to fraud or error.

The CBCR information does not constitute the Company's statutory accounts for the financial year ended 31 December 2020.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELEVATE PORTFOLIO SERVICES LIMITED

Opinion

We have audited the financial statements of Elevate Portfolio Services Limited ("the company") for the year ended 31 December 2020 which comprise the Profit and Loss Account, the Balance Sheet, 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 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.

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 management and inspection of policy documentation 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.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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 possible pressures to meet profit targets/ our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Company management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELEVATE PORTFOLIO SERVICES LIMITED *(continued)*

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included post year-end closing journals.

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, and 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.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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 license to operate. We identified the following areas as those most likely to have such an effect: anti-bribery, data protection, anti-money laundering, market abuse regulations and financial services regulations including Client Assets, 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 other management 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:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELEVATE PORTFOLIO SERVICES LIMITED *(continued)*

- 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 10, 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.



**Eilidh McGowan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
14 April 2021

**Profit and loss account
for the year ended 31 December 2020**

	Notes	2020 £'000	2019 £'000
Income			
Fee income	3	36,333	39,690
Other income	4	-	(188)
Finance Income	5	934	1,283
Income		37,267	40,785
Expenses			
Administration expenses		27,609	32,595
Total expenses		27,609	32,595
Profit before tax		9,658	8,190
Tax expense	7	1,462	267
Profit for the year		8,196	7,923

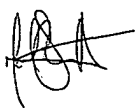
The Company has no comprehensive income or expense other than the profit recognised in the current and prior year. Accordingly a separate statement of total comprehensive income is not presented in these financial statements. All results derive from continuing operations.

The notes on pages 17 to 22 form an integral part of these financial statements.

Balance sheet as at 31 December 2020

	Notes	2020 £'000	2019 £'000
Assets			
Deferred acquisition costs	9	1,322	1,811
Trade and other receivables	10	7,773	6,921
Deferred Tax assets	8	776	695
Cash and cash equivalents		70,668	62,835
Total assets		80,539	72,262
Equity			
Share capital	11	219,275	219,275
Retained earnings		(147,735)	(155,931)
Total equity		71,540	63,344
Liabilities			
Trade and other payables	12	8,999	8,918
Total liabilities		8,999	8,918
Total liabilities and equity		80,539	72,262

Approved by the Board of Directors and signed on its behalf by the following Director:



Noel Butwell
Director
14 April 2021

The notes on pages 17 to 22 form an integral part of these financial statements.

**Statement of changes in equity
for the year ended 31 December 2020**

	Share capital 2020 £'000	Retained earnings 2020 £'000	Total equity 2020 £'000
At 1 January	219,275	(155,931)	63,344
Profit for the financial year		8,196	8,196
At 31 December	219,275	(147,735)	71,540

	Share capital 2019 £'000	Retained earnings 2019 £'000	Total equity 2019 £'000
At 1 January	219,275	(163,854)	55,421
Profit for the financial year	-	7,923	7,923
At 31 December	219,275	(155,931)	63,344

The notes on pages 17 to 22 form an integral part of these financial statements.

Notes to the financial statements *continued*

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 Financial Reporting Standard 100 as issued by the Financial Reporting Council. Accordingly, the financial statements for the year ended 31 December 2020 have been prepared in accordance with Financial Reporting Standard 101 FRS 101 Reduced Disclosure Framework ("FRS 101") as issued by the Financial Reporting Council.

Summary of disclosure exemptions

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

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

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 Company has made profits in the financial year and has sufficient financial resources. In preparing these financial statements, the Directors have also considered the following matters and have taken into account the uncertainty created by COVID 19:

- the current level of regulatory capital, which was £33.2m in excess of capital requirements at 31 December 2020;
- the level of liquid resources, including cash and cash equivalents, which far exceed the level of creditors;
- the potential impact of downside scenarios on revenue, assets, flows and costs, including potential management actions. These scenarios assume substantial falls in key market indices, and include a scenario where equity market levels fall to substantially below that experienced during the COVID-19 outbreak and remain at this level during 2022;
- the effectiveness of the Company's operational resilience processes. The Company's processes have operated effectively during the period including the provision of services by key outsource providers. The Company has put in place additional processes to monitor key external outsource providers during this COVID-19 remote working environment; and
- consideration of the going concern assessment of the Standard Life Aberdeen plc Group.

Based on a review of the above factors the Board is satisfied that the Company remains well capitalised and has sufficient liquidity to withstand reasonably possible downside scenarios.

Consequently 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. Accordingly, the financial statements have been prepared on a going concern basis.

Fee income

Fee income represents provision of investment management and administration services from fund platforms and investment contracts. This income is recognised as services are provided and it is almost certain that the fee income will be received.

Other income

Retirement Wealth Account ("RWA") migration relates to the Company's role as Scheme Operator for the RWA pension. The Company ceased to be the scheme operator for RWA in April 2018. The project costs incurred by the Company in relation to this migration activity are recharged to Phoenix Group Holdings and recorded as RWA migration income.

Notes to the financial statements *continued*

1. Accounting policies *continued*

Finance income

Interest income is earned on cash and cash equivalents and is recognised in the financial statements as it is earned.

Administrative expenses

Administrative expenses are recognised on an accruals basis.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and highly liquid investments measured at amortised cost.

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 or they relate to trade receivables in which case lifetime expected losses are recognised.

Deferred acquisition costs

Under IFRS 15 incremental costs that are directly attributable to securing a contract to provide access to investment services are deferred.

Deferred acquisition costs are amortised over the life of the contract, estimated to be 5 years, as the related revenue is recognised. After initial recognition deferred acquisition costs are reviewed and are written off to the extent that they are no longer considered to be recoverable.

Taxation

The tax expense comprises both current tax and deferred tax expense (where applicable).

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. 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.

Pension costs and other post-retirement benefits

The Company contributes to a group personal pension plan operated by SLA plc. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the income statement represents the contributions payable to the scheme in respect of the accounting year.

Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle that obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of 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 losses for the period.

The Company has made the following changes to critical judgements and estimates compared to the prior year:

Under IFRS 15 incremental costs that are directly attributable to securing a contract to provide access to investment services are deferred. The incremental costs deferred in 2020 were not material and this is no longer considered a key accounting policy judgement.

Notes to the financial statements *continued***3. Fee income**

	2020 £'000	2019 £'000
Fee income from Elevate fund platform	36,333	39,690
Total income	36,333	39,690

4. Other income

	2020 £'000	2019 £'000
RWA migration	-	(188)
Total other income	-	(188)

5. Finance Income

	2020 £'000	2019 £'000
Interest income	934	1,283
Total finance income	934	1,283

6. Auditor remuneration

Auditors' remuneration in respect of the audit of the Company's financial statements amounted to £79k (2019: £62k). 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 SLA plc.

7. Tax expense**(a) Tax expense**

	2020 £'000	2019 £'000
Current tax:		
Current tax expense	1,543	1,224
Adjustments in respect of previous periods	-	(262)
Total current tax	1,543	962
Deferred tax:		
Deferred tax credit arising in the current year	(81)	(695)
	(81)	(695)
Total tax expense	1,462	267

(b) Reconciliation of tax expense

	2020 £'000	2019 £'000
Profit before tax	9,658	8,190
Tax at 19% (2019: 19%)	1,835	1,556
Permanent differences	(291)	(332)
Recognition of previously unrecognised losses	-	(695)
Adjustments to current tax charge in respect of prior periods	-	(262)
Effect of rate change	(82)	-
Total tax expense for the year	1,462	267

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 assets which are reflected in the statement of financial position for that date. However, the rate change is expected to be substantively enacted during 2021. The effect of this change in the rate of UK corporation tax if it had been substantively enacted at 31 December 2020 would have been to increase the deferred tax assets in the statement of financial position by £245k and increase the tax credit in the income statement by £245k.

Notes to the financial statements *continued***8. Deferred tax asset**

	2020 £'000	2019 £'000
At 1 January	695	-
Amounts credited to income statement	81	695
Total deferred tax asset at 31 December	776	695

The deferred tax asset recognised is in respect of cumulative tax losses and capital allowances. Deferred tax assets are recognised to the extent that it is probable that the losses and capital allowances will be capable of being offset against future taxable profits. A deferred tax asset has been recognised in respect of the remaining losses carried forward of £4,066k (2019: £4,066k) and capital allowances of £19k (2019: £23k).

9. Deferred acquisition costs

	2020 £'000	2019 £'000
At 1 January	1,811	1,699
Additions during the year	6	529
Amortisation charge	(495)	(417)
At 31 December	1,322	1,811

All of the deferred acquisition costs above are costs deferred on investment contracts (known as deferred origination costs).

The amount of deferred acquisition costs expected to be recovered after more than 12 months is £797k (2019: £1,317k). The amount of deferred acquisition costs expected to be recovered in the next 12 months is £525k (2019: £494k).

10. Trade and other receivables

	2020 £'000	2019 £'000
Accrued income	1,578	1,657
Other	5,622	5,264
Prepayments	273	-
Amounts due from SLA group Undertakings	300	-
Total Trade and other receivables	7,773	6,921

The 'Other' balance consists of client money funding £3,296k (2019: 3,303k), client prefunding £1,886k (2019: £1,562k) and other receivables £440k (2019: £399k).

All trade and other receivables are expected to be recovered within 12 months.

11. Share capital**Authorised and fully paid share capital**

The authorised share capital of the Company at the year end was:

	2020 Number	2020 £'000	2019 Number	2019 £'000
At 1 January	219,275,000	219,275	219,275,000	219,275
Share issue	-	-	-	-
At 31 December	219,275,000	219,275	219,275,000	219,275

Notes to the financial statements *continued***12. Trade and other payables**

	2020 £'000	2019 £'000
Trade payables	4,510	3,625
Provisions	-	59
Group relief	1,613	1,258
Other	1,168	1,101
Amounts owed to Standard Life Aberdeen Group undertakings	1,708	2,875
Total Trade and other payables	8,999	8,918

The movement in provisions during the year was as follows:

	2020 £'000	2019 £'000
At 1 January	59	100
Used during the year	(59)	(41)
At 31 December	-	59

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

13. Related party transactions**(a) Transaction with and balances due from/to related parties**

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

The following are details of significant transactions with other related parties during the year:

	2020 £'000	2019 £'000
Revenue:		
Other related parties	-	(188)
Total revenue	-	(188)

The revenue from other related parties relates to RWA income received for the period that Phoenix Group Holdings (of which RWA is part) was an associate of SLA plc.

All transactions between key management and their close family members and the Company during the year are on terms which are equivalent to those available to all employees of SLA plc.

14. Parent and Ultimate parent undertaking

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

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

15. Events after the balance sheet date

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

Notes to the financial statements *continued***Country by country reporting**

Country	Name	Nature of activities	Number of employees	Turnover £k	Profit/(loss) before tax £k	Corporation tax paid £k
United Kingdom	Elevate Portfolio Services Limited	Fund management	-	37,267	9,658	-

Companies	The Company highlighted in bold is CRD IV regulated.
Country	We have determined the country based on tax residence.
Nature of activities	We have classified our activities into fund management.
Number of employees	The number of employees reported is the average number of full time employees who were permanently employed by the entity during the period. Contractors are excluded.
Turnover	The approach to turnover disclosed in these CBCR disclosures is consistent with that applied in the underlying financial statements of the entity. It should be noted however that the disclosures have been prepared including inter-company transactions.
Profit/(loss) before tax	This is the accounting profit or loss before tax. As noted above for 'turnover', these numbers include inter-company transactions.
Tax paid	This is the amount of corporation tax paid during the period to taxation authorities.
Public subsidies received	There were no public subsidies received by any of the entities during the period.