

**Aberdeen Asset Management Services  
Limited**

Annual report and financial statements

Registered number SC286781

For the year ended 30 September 2014

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## Contents

Strategic report	1
Directors' report	2
Statement of Directors' responsibilities in respect of the Directors' report and financial statements	3
Independent auditor's report to the members of Aberdeen Asset Management Services Limited	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7

## Strategic report

In accordance with section 414A(1) of the Companies Act 2006, we have set out in the strategic report a review of the company's business and future developments, key performance indicators and a description of the principal risks and uncertainties facing the company.

### Business review and future developments

The Company was set up to provide transitional services relating to the integration of certain fund management businesses which were acquired from Deutsche Bank AG and Credit Suisse. The acquired businesses have been integrated into various companies within the Aberdeen Asset Management Group ('AAM Group' or 'the Group'), and the Company is recharging the costs of providing transitional services to Aberdeen Asset Managers Limited ('AAML') over a six year period from the date of each acquisition ending September 2015. No change is expected to the activities of this Company.

The results for the year are set out on page 5 and show that the Company made a profit before taxation of £9.1m (2013: £9.0m). During the year the Company charged fees to a fellow subsidiary, Aberdeen Asset Managers Limited, for the costs they incurred during the transition period. No interim dividend was paid during the year (2013: £nil). The Directors recommended that no final dividend be paid for the year (2013: £nil).

### Key performance indicators

The Company uses a number of financial performance measures to monitor the performance of the business against budget and prior year throughout the year. These key performance indicators ('KPIs') are measured and reported to management on a monthly basis and are shown below:

	2014	2013
	£'000	£'000
Net turnover	6,837	6,838
Profit before tax	9,058	9,027

### Principal risks and uncertainties

Risks are managed from an Aberdeen Asset Management PLC ('AAM') Group point of view. All of the Group's risks are recorded within the AAM Group risk management database and are subject to the AAM Group risk management process. The Group's risk management framework is designed to meet business needs, regulatory requirements and align the Group with best practice in terms of corporate governance.

The principal risks and uncertainties facing the Company relate to its ability to generate positive cash flows to service and pay down its overdraft facility. All of the Company's cash flows are generated from fellow subsidiaries of AAM. AAM has considerable financial resources, a strong cash position and low gearing, which enable it to meet its business needs for the foreseeable future.

By order of the Board



For Aberdeen Asset Management PLC

Secretaries

10 Queen's Terrace

Aberdeen

AB10 1YG

13 January 2015

## **Directors' report**

The Directors present their report and audited financial statements for the year ended 30 September 2014.

### **Directors**

The Directors who held office during the year and up to the date of this report were as follows:

Tenon Nominees Limited  
S E Massie

### **Secretary**

Aberdeen Asset Management PLC held office during the year and up to the date of this report.

### **Disclosure of information to auditor**

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**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the Board



**For Aberdeen Asset Management PLC**

*Secretaries*  
10 Queen's Terrace  
Aberdeen  
AB10 1YG  
13 January 2015

## **Statement of Directors' responsibilities in respect of the Directors' report and financial statements**

The Directors are responsible for preparing the Strategic report and 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).

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of Aberdeen Asset Management Services Limited**

We have audited the financial statements of Aberdeen Asset Management Services Limited for the year ended 30 September 2014 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of Directors and auditor**

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.



**Emily Young (Senior Statutory Auditor)**  
for and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants  
37 Albyn Place  
Aberdeen  
AB10 1JB

13 January 2015

## Profit and loss account

For year ended 30 September 2014

	Notes	2014 £'000	2013 £'000
<b>Turnover</b>	1	6,837	6,838
Administrative expenses		<u>(10)</u>	<u>(10)</u>
<b>Operating profit</b>		6,827	6,828
Interest receivable and similar income	4	2,299	2,298
Interest payable and similar charges	5	(68)	(99)
<b>Profit on ordinary activities before taxation</b>	2	<u>9,058</u>	<u>9,027</u>
Tax on profit on ordinary activities	6	(1,927)	(1,989)
<b>Profit for the financial year</b>	11	<u>7,131</u>	<u>7,038</u>

Turnover and operating profit arise wholly from continuing operations.

There are no recognised gains or losses other than the profits for the financial years as above.

Notes on pages 7 to 11 form part of these financial statements.

## Balance sheet

As at 30 September 2014

	Notes	2014 £'000	2013 £'000
<b>Current assets</b>			
Debtors	7	<u>761</u>	<u>761</u>
<b>Creditors: amounts due within one year</b>	8	<u>(9,978)</u>	<u>(17,109)</u>
<b>Net liabilities</b>		<u>(9,217)</u>	<u>(16,348)</u>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account	10	<u>(9,217)</u>	<u>(16,348)</u>
<b>Shareholders' deficit</b>	11	<u>(9,217)</u>	<u>(16,348)</u>

The notes on pages 7 to 11 form part of these financial statements.

These financial statements were approved by the Board of Directors on 13 January 2015 and were signed on its behalf by:

  
**Tenon Nominees Limited**  
 Director



## Notes to the financial statements

### 1 Accounting policies

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

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historic cost accounting rules.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of Aberdeen Asset Management PLC, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties). The consolidated financial statements of Aberdeen Asset Management PLC, within which this Company is included, can be obtained from 10 Queen's Terrace, Aberdeen, AB10 1YG.

#### *Going concern*

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

The Company has a large overdraft facility of £8.0m (2013: £15.1m). This is as a result of incurring the transitional costs arising from the acquisition of business from Deutsche Bank in 2005 and Credit Suisse in 2009. These transitional costs ceased in December 2009 and consequently the Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The Directors, having assessed the responses of the Directors of the Company's parent, Aberdeen Asset Management PLC, to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Aberdeen Asset Management group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of the Company's ultimate parent undertaking, Aberdeen Asset Management PLC, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. The Directors have received a letter of support from the Directors of Aberdeen Asset Management PLC as evidence of this support. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### *Turnover*

Turnover represents fees earned from the recharge of the costs of providing transitional services to fellow group companies over a six year period from the date of acquisition. Turnover excludes VAT and is recognised on an accruals basis.

#### *Interest*

Interest payable is expensed through the profit and loss account as incurred. Interest receivable is recognised through the profit and loss account as recharged to fellow subsidiary, AAML.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### *Taxation*

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised in the statement of total recognised gains and losses. 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.

### 2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

<i>Auditor's remuneration:</i>	2014 £'000	2013 £'000
Audit of these financial statements	<u>10</u>	<u>10</u>

### 3 Directors' remuneration and staff numbers

No remuneration was paid to the Directors in either year. The Company employed no staff in the current year or previous year.

### 4 Interest receivable and similar income

	2014 £'000	2013 £'000
Interest receivable and similar income	<u>2,299</u>	<u>2,298</u>

This balance represents interest receivable from a recharge to fellow subsidiary, AAML, for historic interest incurred over the years on the bank overdraft held on behalf of that Company.

## Notes to the financial statements (continued)

### 5 Interest payable and similar charges

	2014 £'000	2013 £'000
On bank overdraft	<u>68</u>	<u>99</u>

### 6 Taxation

#### Analysis of tax charge in the year

	2014 £'000	2013 £'000
Current tax		
UK corporation tax on profits for the year	<u>1,927</u>	<u>1,989</u>
Total current tax	<u>1,927</u>	<u>1,989</u>
Tax on profit on ordinary activities	<u>1,927</u>	<u>1,989</u>

#### Factors affecting the tax charge for the current year

The rate of corporation tax in the UK was reduced from 23% to 21% (effective 1 April 2014) was substantively enacted on 2 July 2013. The composite rate applied during the year is 22%. The current tax charge for the year is lower than (2013: lower than) the standard rate of corporation tax in the UK of 22% (2013: 23.5%). The differences are reconciled below:

	2014 £'000	2013 £'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	<u>9,058</u>	<u>9,027</u>
Current tax at 22% (2013: 23.5%)	<u>1,992</u>	<u>2,121</u>
<i>Effects of:</i>		
Other timing differences and adjustments	<u>(65)</u>	<u>(132)</u>
Total current tax charge	<u>1,927</u>	<u>1,989</u>

#### Factors affecting the future tax charge

A reduction in the UK corporation tax rate from 23% to 21% (effective 1 April 2014) was substantively enacted on 2 July 2013. A further reduction to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. This will reduce the Company's future current tax charge accordingly.

## Notes to the financial statements (continued)

### 7 Debtors

	2014 £'000	2013 £'000
Amounts due from group undertakings	761	761
	<u>761</u>	<u>761</u>

### 8 Creditors: amounts due within one year

	2014 £'000	2013 £'000
Bank overdraft	8,037	15,103
Accruals and deferred income	13	16
Amounts due to group undertakings	1,928	1,990
	<u>9,978</u>	<u>17,109</u>

Details of security on the bank overdraft are set out in note 12.

### 9 Share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid Ordinary Shares</i>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 10 Reserves

	Profit and loss account £'000
At 1 October	(16,348)
Profit for the year	<u>7,131</u>
At 30 September	<u>(9,217)</u>

### 11 Reconciliation of movement in shareholders' deficit

	2014 £'000	2013 £'000
At 1 October	(16,348)	(23,386)
Profit for the year	7,131	7,038
At 30 September	<u>(9,217)</u>	<u>(16,348)</u>

## **Notes to the financial statements** *(continued)*

### **12 Contingent liabilities**

The Company's bank balance is part of a group working capital facility in support of which cross guarantees are provided by the parent company, the Company and certain fellow subsidiary undertakings. At 30 September 2014 the net amount guaranteed under this arrangement was £nil (2013: £nil).

### **13 Ultimate parent company**

The Company's immediate and ultimate parent company is Aberdeen Asset Management PLC, which is incorporated in the United Kingdom and registered in Scotland. The largest group in which the results of the Company are consolidated is that headed by Aberdeen Asset Management PLC. The consolidated accounts of Aberdeen Asset Management PLC are available to the public and may be obtained from 10 Queen's Terrace, Aberdeen, AB10 1YG. No other group accounts include the results of the Company.