

Standard Life Oversea Holdings Limited

Annual report and accounts
for the year ended 31 December 2018

Registration number: SC299660

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Standard Life Oversea Holdings Limited

Directors and Officers

Directors

P D Bartlett
P McKenna

Secretary

K A Gilmour

Registered Office

1 George Street
Edinburgh
EH2 2LL

Registered Number

SC299660

Independent auditors

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

Strategic report

Principal and ongoing activity

The principal activity of the Company is to act as a holding company for overseas operations of the Standard Life Aberdeen Group (the Group).

Review of the business and future developments

The Company has historically acted as a holding company for overseas operations of the Group. The Company made a loss for the year ended 31 December 2018 of £178k (2017: £592k loss). The Company has not paid a dividend in the current year (2017: nil).

On 29 March 2017 the Company entered into an agreement to sell its wholly owned subsidiary, Standard Life (Asia) Limited to Heng An Standard Life (HASL), the Group's joint venture in China. The transaction is subject to regulatory and other approvals being obtained and is expected to complete during 2019.

On 11 May 2018 the Company issued 1,750,000 ordinary shares to Standard Life Aberdeen plc for a cash consideration of £1.75m.

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Brexit

While there remains unavoidable uncertainty due to Brexit, the Board consider the risk to the Company from Brexit to be low due to the nature of the business.

Corporate governance and risk management

The Standard Life Aberdeen Group, of which the Company is a part, has established a governance framework for monitoring and overseeing strategy, conduct of business standards and operations of the business across the Group that includes a clearly stated corporate organisational structure, appropriately delegated authorities and independent internal audit and risk management functions. Risk management for the Company operates within this governance framework.

The principal risks to which the Company is most specifically exposed are market risk and credit risk. From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's Annual Report and Accounts which does not form part of this report.

Capital management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, to ensure that there are adequate resources to meet the Company's external liabilities as they fall due, and to allocate capital efficiently to support growth and repatriate excess capital where appropriate. The Company's capital is managed in conjunction with that of other companies in the Standard Life Aberdeen Group. The Company manages its capital by measuring its resources and cash available on a regular basis. The Company's capital position and the movement in this from the prior year are disclosed within the Statement of changes in equity. The Company has no externally imposed capital requirements.

On behalf of the Board of Directors on 30 August 2019



Patrick Bartlett
Director

Report by the Directors

The Directors submit their audited Annual Report and Accounts of Standard Life Oversea Holdings Limited (the Company), registration number: Scotland Number SC299660, for the year ended 31 December 2018.

Results and dividend

The Company made a loss for the year ended 31 December 2018 of £178k (2017: £592k loss). The Directors consider the results to be satisfactory. The Company has not paid a dividend in the current year (2017: nil).

Directors

The current Directors of the Company are listed on page 2. The changes to directors during the year are shown below:

Alexander Begbie resigned as a director on 15 November 2018

The following directors resigned after the year-end:

Colin Walklin (resigned 27 May 2019)

William Rattray (resigned 31 May 2019)

The following director was appointed after the year-end:

Paul McKenna (appointed 26 June 2019)

The Directors are not subject to retirement by rotation. None of the Directors have a beneficial interest in the shares of the Company.

As per the Company's Articles of Association, the Company maintained a qualifying third party indemnity provision on behalf of its directors and officers to provide cover should any legal action be brought against them. This provision was in force at the date of signing.

Employees

The Company has no employees (2017: nil).

Auditors

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

Going concern

In assessing whether the Company is a going concern the directors have considered the Company's net assets, current results and the liquidity of the Company's assets. On this basis the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (being 12 months from the date of this report). Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Statement on disclosure of information to the independent auditor

In accordance with applicable company law, as the Company's directors, we certify that so far as each Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor are unaware. Having made enquiries of fellow Directors and the Company's auditor, each of the Directors have taken all the steps that they ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Board of Directors on 30 August 2019



Patrick Bartlett
Director

Statement of Directors' responsibilities in respect of 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 its profit for that period. In preparing the 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
- 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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report To The Members Of Standard Life Oversea Holdings Limited

Opinion

We have audited the financial statements of Standard Life Oversea Holdings Limited ("the company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position and 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 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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 5, 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.



Mostyn Wilson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
30 August 2019

Statement of comprehensive income
For the year ended 31 December 2018

	Notes	2018 £k	2017 £k
Revenue			
Investment return	1	20	124
Total Revenue		20	124
Expenses			
Administrative expenses		(198)	(695)
Total Expenses		(198)	(695)
Loss before tax		(178)	(571)
Income tax expense	4	-	(21)
Loss for the year		(178)	(592)
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss:			
Fair value gain on available-for-sale financial assets		-	23
Other comprehensive income for the year		-	23
Total comprehensive loss for the year		(178)	(569)

The accounting policies and notes on pages 11 to 17 are an integral part of these financial statements

**Statement of financial position
As at 31 December 2018**

	Notes	2018 £k	2017 £k
Assets			
Interests in pooled investment funds	5	3,141	1,410
Other financial assets	6	2	-
Other assets	7	3	4
Operations held for sale	8	15,920	15,920
Cash and cash equivalents	9	3	4
Total assets		19,069	17,338
Equity			
Share capital	10	60,007	58,257
Retained earnings		(42,807)	(42,629)
Total equity		17,200	15,628
Liabilities			
Other financial liabilities	11	1,869	1,689
Other liabilities	12	-	21
Total liabilities		1,869	1,710
Total equity and liabilities		19,069	17,338

Approved on behalf of the Board of Directors on 30 August 2019



Patrick Bartlett
Director

The accounting policies and notes on pages 11 to 17 are an integral part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2018

	Notes	Share capital	Retained earnings	Total equity
2018		£k	£k	£k
At 1 January		58,257	(42,629)	15,628
Loss for the year		-	(178)	(178)
Issue of Share capital	10	1,750	-	1,750
At 31 December		60,007	(42,807)	17,200

	Share capital	Other reserves	Retained earnings	Total equity
2017	£k	£k	£k	£k
At 1 January	58,257	(23)	(42,037)	16,197
Loss for the year	-	-	(592)	(592)
Other comprehensive income for the year	-	23	-	23
At 31 December	58,257	-	(42,629)	15,628

The accounting policies and notes on pages 11 to 17 are an integral part of these financial statements.

Accounting policies

(a) Basis of preparation

These separate financial statements are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council (FRC). In the year ended 31 December 2018 the Company has adopted Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101) as issued by the FRC and has transitioned from reporting under International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as endorsed by the European Union (EU). Accordingly, these financial statements were prepared in accordance with FRS 101 incorporating the Amendments to FRS 101 issued by the FRC up to March 2018. This transition to FRS 101 had no impact on measurement or recognition in the financial statements. The financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss (FVTPL).

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions available under that standard:

- A cash flow statement and related notes
- Capital management
- Effect of IFRSs issued but not effective
- Related party transactions with wholly owned subsidiaries

As equivalent disclosures are given in the consolidated financial statements of Standard Life Aberdeen plc, we have also applied the disclosure exemptions for financial instruments.

The principal accounting policies set out below have been consistently applied to all financial reporting periods presented in these financial statements.

(a)(i) New standards, interpretations and amendments to existing standards that have been adopted by the Company

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Company's annual accounting.

IFRS 9 *Financial Instruments*

On 1 January 2018 the Company adopted IFRS 9 *Financial Instruments: Recognition and Measurement*. IFRS 9 allows two measurement categories for financial assets in the statement of financial position: amortised cost and fair value. Financial assets are classified at initial recognition based on whether their contractual cash flows are solely payments of principal and interest (SPPI) and the nature of the business model they are managed under. This has resulted in the Company's interests in pooled investment funds as at 1 January 2018 being classified as fair value through profit or loss (FVTPL) and the Company's other financial assets at this date including receivables and cash and cash equivalents being classified as financial assets measured at amortised cost.

The Company's financial liabilities at 1 January 2018 were classified as financial liabilities measured at amortised cost.

IFRS 9 also introduced a new impairment model, an expected credit loss model which replaced the current incurred loss model in IAS 39. An expected credit loss impairment model is applied to financial assets measured at amortised cost. The expected credit losses at 1 January 2018 were less than £1k.

The adoption of IFRS 9 has not had a significant impact on the profit or net assets of the Company.

As well as presentation and measurement changes, IFRS 9 also introduced additional disclosure requirements. However under the permitted exemptions under FRS 101 the Company is exempt from providing these additional disclosures.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 replaces IAS 18 Revenue and provides a new five-step revenue recognition model for determining recognition and measurement of revenue from contracts with customers. The Company's revenue generated from the following contracts is exempt from this standard:

- Lease contracts within scope of IAS 17 *Leases*
- Financial instruments within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* or IFRS 9 *Financial Instruments*.

In its normal course of business the Company has no revenue within the scope of this standard and the adoption of this standard has had no significant impact on the Company's financial statements

Accounting policies *continued*

(a)(i) New standards, interpretations and amendments to existing standards that have been adopted by the Company *continued*

Interpretations and amendments to other standards

- IFRIC 22 *Foreign Currency Transactions and Advanced Consideration*
- Annual Improvements 2014-2016 cycle

The Company's accounting policies have been updated to reflect these. Management considers the implementation of the above interpretations and amendments to existing standards has had no significant impact on the Company's financial statements. The Company's accounting policies have been updated to reflect these.

(a)(ii) Critical accounting estimates and judgement in applying accounting policies

The preparation of financial statements requires management to make estimates and assumptions and exercise judgements in applying the accounting policies that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses arising during the year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where judgements, estimates and assumptions have the most significant effect on the amounts recognised in the financial statements are as follows:

Financial statement area	Critical accounting judgements, estimates or assumptions	Related accounting policies and notes
Operations held for sale	Determination of the recoverable amount (fair value less costs to sell)	(k) and Note 8

(b) Basis of consolidation

The Company has taken advantage of the exemption within IFRS 10, paragraph 4 whereby it is not required to prepare consolidated financial statements as it meets the following criteria:

- The Company is a wholly owned subsidiary of Standard Life Aberdeen plc
- The Company has no debt or equity instruments that are traded in a public market
- The Company has not filed, and is not in the process of filing, its financial statements with any securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market
- The Company's immediate and ultimate parent, Standard Life Aberdeen plc, produces consolidated financial statements that are available for public use and comply with International Financial Reporting Standards as endorsed by the EU

(c) Foreign currency translation

The financial statements are presented in thousand pounds Sterling, which is the Company's presentation currency.

Foreign currency transactions are translated into the functional currency at the exchange rate prevailing at the date of the transaction. Gains and losses arising from such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the relevant line in the statement of comprehensive income.

(d) Investment return

Gains and losses resulting from changes in both market value and foreign exchange on investments classified at fair value through profit or loss are recognised in the statement of comprehensive income in the period in which they occur. The gains and losses include investment income received such as interest payments but exclude dividend income. Dividend income is separately recognised in the statement of comprehensive income when the right to receive payment is established.

Interest income on financial instruments measured at amortised cost is separately recognised in the statement of comprehensive income using the effective interest rate method.

Accounting policies *continued*

(e) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, at least at each reporting date. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its net selling price (fair value less costs to sell) and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit, or group of units, to which the asset belongs.

(f) Financial assets

Financial assets are classified at initial recognition based on whether their contractual cash flows are solely payments of principal and interest (SPPI) and the nature of the business model they are managed under. Where they do not meet the SPPI test, the financial assets are classified as fair value through profit or loss (FVTPL). The Company has not elected to recognise any financial assets as fair value through other comprehensive income.

Financial assets are initially recognised at their fair value.

The Company's equity securities including interests in pooled investments are subsequently measured at FVTPL. Fair values are based upon the current quoted bid price where an active market exists. Where a quoted price in an active market cannot be obtained an appropriate market consistent valuation technique (for example discounted cash flows and recent market transactions) is used to determine fair value.

All other financial assets including receivables and cash and cash equivalents are subsequently measured at amortised cost less impairment. Cash and cash equivalents include demand and term deposits and other short-term investments with less than three months to maturity from the date of acquisition.

Amortised cost is calculated using the effective interest method. 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 in which case lifetime expected losses are recognised.

(g) Financial liabilities

Financial liabilities are initially recognised at their fair value and subsequently measured at amortised cost calculated using the effective interest method.

(h) Income tax

The current tax expense is based on the taxable profits for the year, after adjustments in respect of prior years.

Deferred tax is provided using the statement of financial position liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

The income tax expense is determined using rates enacted or substantively enacted at the reporting date.

Accounting policies *continued*

(i) Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Shares are classified as equity instruments when there is no contractual obligation to deliver cash or other assets to another entity on terms that may be unfavorable. The difference between the proceeds received on issue of the shares and the nominal value of the shares issued is recorded in the share premium reserve. Incremental costs directly attributable to the issue of new equity instruments are shown in the share premium reserve as a deduction from the proceeds, net of tax. Incremental costs directly attributable to the issue of equity instruments in a business combination are excluded from the cost of acquisition.

(j) Structured entities including interests in pooled funds

Structured entities are structured in such a way that voting or similar rights are not the dominant factor in deciding who controls the entity and as such are classified as structured entities. The Company's ownership interest in these vehicles can vary from day to day based on the Company and third party participation in them. The control assessment of each of these entities considers the rights of the Company to direct the relevant activities of the vehicle, its exposure to variability of returns and the ability to affect those returns using its power. In addition, the removal rights of other investors that may affect the capacity of the Company to direct the relevant activities are also taken into account. Where the Company has an investment but not control over these types of entities, the investment is classified as an investment in associate where the Company has significant influence, or as interests in pooled funds in the balance sheet.

(k) Operations held for sale

Assets of operations which have been classified as held for sale are presented separately in the statement of financial position. Operations are classified as held for sale when their carrying amount will be recovered principally through a sale transaction.

An operation classified as held for sale is measured at the lower of its aggregate carrying amount and its aggregate fair value, less the estimated incremental costs that are directly attributable to the disposal (excluding finance costs and income tax expense). No depreciation or amortisation is charged on assets of an operation once it has been classified as held for sale.

Notes to the financial statements

1. Investment Return

	2018 £k	2017 £k
Interest and similar income from cash and cash equivalents	-	60
Gains on debt securities	-	42
Dividend income from interests in pooled investments funds	6	-
Gains/(Losses) on financial instruments at fair value through profit and loss (other than dividend income)	14	(4)
Foreign exchange gains on instruments other than those at fair value through profit and loss	-	26
Total investment return	20	124

2. Auditors' remuneration

The auditors' remuneration amounted to £9,000 (2017: £4,000) in respect of the audit of the Company's financial statements. Auditors' remuneration for services other than the statutory audit of the Company are not disclosed in the Company's financial statements since the consolidated financial statements of Standard Life Aberdeen plc, the Company's ultimate controlling party, are required to disclose fees in respect of non-audit services on a consolidated basis. The auditors' remuneration was borne on behalf of the Company by Standard Life Aberdeen plc.

3. Directors' remuneration

No amounts (2017: £nil) are payable to the Directors in respect of their services to the Company.

4. Income tax expense

Current year tax expense:

	2018 £k	2017 £k
Current tax expense from continuing operations	-	21
Total income tax expense	-	21

Reconciliation of tax expense:

	2017 £k	2017 £k
Loss before tax from continuing operations	(178)	(571)
Tax at 19% (2017: 19.25%)	(34)	(110)
Permanent differences	34	131
Total tax expense for the year	-	21

5. Structured entities including interests in pooled funds

A structured entity is defined as an entity where control is not necessarily held through voting rights linked to ownership stake but rather through rights arising from contractual agreements that give power to direct the relevant activities. The Company's only interests in structured entities are its interests in pooled funds.

The Company has not provided any non-contractual financial or other support to any structured entities and there are no current intentions to do so.

The Company's maximum exposure to loss in respect of the interests presented above is the carrying value of the Company's investment.

6. Other financial assets

	2018 £k	2017 £k
Dividends receivable on interests in pooled investment funds	2	-
Total other financial assets	2	-

Notes to the financial statements *continued***7. Other assets**

	2018 £k	2017 £k
Group relief	3	-
Other	-	4
Total other assets	3	4

8. Operations held for sale

On 29 March 2017, the Group announced the proposed sale of its wholly owned Hong Kong insurance business, Standard Life (Asia) Limited to the Group's Chinese joint venture business, Heng An Standard Life Insurance Company Limited. The transaction is subject to obtaining local regulatory and other approvals in mainland China and Hong Kong. The completion of the transaction is also subject to the continuing intention of Heng An Standard Life Insurance Company Limited to proceed, which is expected. This was reclassified in the 2017 accounts as an operation held for sale.

	2018 £k	2017 £k
Operations held for sale	15,920	15,920
Total assets held for sale	15,920	15,920

The held for sale asset has been measured at the lower of its carrying amount and its fair value less costs to sell, being its carrying amount. Fair value has been determined by reference to the expected sale price.

There are no financial liabilities held for sale at 31 December 2018 (2017:nil).

9. Cash and cash equivalents

The Company holds £3k cash and cash equivalents at 31 December 2018 (2017: £4k).

10. Share capital

The movement in the issued ordinary share capital of the Company during the year was:

Ordinary shares at £1 each:	2018 Number	2018 £k	2017 Number	2017 £k
At 1 January	58,256,512	58,257	58,256,512	58,257
Shares issued to Standard Life Aberdeen plc in exchange for cash	1,750,000	1,750	-	-
At 31 December	60,006,512	60,007	58,256,512	58,257

All ordinary shares in issue rank pari passu and carry the same voting rights and the rights to receive dividends and other distributions declared or paid by the Company.

11. Other financial liabilities

	2018 £k	2017 £k
Due to related parties	1,869	1,689
Total other financial liabilities	1,869	1,689

All other financial liabilities are expected to be settled within 12 months.

Notes to the financial statements *continued*

12. Other liabilities

	Notes	2018 £k	2017 £k
Group relief		-	21
Total other liabilities		-	21

All other liabilities at 31 December 2017 were expected to be settled within 12 months.

The carrying amounts disclosed above reasonably approximate the fair values as at the year end.

13. Related party transactions

(a) Parent and ultimate controlling party

The Company's parent and ultimate controlling party is Standard Life Aberdeen plc, a company incorporated in Scotland, which owns 100% of the Company's shares. Copies of the Annual Report and Accounts of the ultimate controlling party can be obtained at www.standardlifeaberdeen.com.

(b) Transactions with and balances from/to related parties

The Company has taken advantage of the exemption under FRS 101 not to disclose transactions with its parent company, Standard Life Aberdeen plc, and fellow wholly owned subsidiaries within the Standard Life Aberdeen Group.

(c) Transactions with/from and balances from/to key management personnel

Certain members of key management personnel hold investments in investments products which are managed by the Group. None of the amounts concerned are material in the context of funds managed by the Group. All transactions between key management and their close family members and the Group during the year are on terms which are equivalent to those available to all employees of the Group.

14. Related undertakings

The particulars of the Company's subsidiary undertaking at 31 December 2018 are listed below:

(a) Direct Subsidiary

Name of related undertaking	Country of incorporation or residence	Share class	% interest held	Registered address
Standard Life (Asia) Limited	Hong Kong	Ordinary shares	100%	40th Floor, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong