abrdn Investments Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2024

Registration number: SC108419

Contents

Company Information

Directors	P Branner X B M Meyer I S Jenkins
Company secretary	abrdn Corporate Secretary Limited
Registered office	1 George Street Edinburgh Scotland EH2 2LL
Auditor	KPMG LLP Chartered Accountants and Statutory Auditor Saltire Court 20 Castle Terrace Edinburgh EH1 2EG

Registration number: SC108419

Strategic Report for the Year Ended 31 December 2024

The Directors present their strategic report on abrdn Investments Limited ("the Company") for the year ended 31 December 2024, in accordance with section 414A of the Companies Act 2006.

Business review and future developments
The Company's principal activity is the provision of investment management services across a number of asset classes and is part of Aberdeen Group plc ("Aberdeen" or, together with its subsidiaries, "Aberdeen Group"). There are no plans to change the principal activity of the Company.

On 1 February 2024, the Company transferred mandates to another Aberdeen Group company, later sold to Patria Investments on 26 April 2024 for a cash consideration of £6,386k. Prior to the transfer, no intangible net book value was held on the Company's balance sheet in relation to these mandates and consequently the financial results include a gain on disposal of intangibles assets (£6,386k) in relation to these transfers. The mandates transferred did not represent a separate major line of business for the Company.

On 27 March 2024, the Company issued 630m ordinary shares at a nominal value of £0.10 per share to its parent company abrdn Holdings Limited (aHL) for a total consideration of £63m.

On 20 February 2025, the Company issued 130m ordinary shares at a nominal value of £0.10 per share to its parent company aHL for a total consideration of £13m. The capital injections of £63m and £13m were provided in order to support ongoing regulatory capital and liquidity requirements.

During the year the Company has incurred and received allocations of costs relating to wider abrdn strategic initiatives to simplify the business operating model and realise operating efficiencies. Costs associated with this strategic review are considered to be restructuring in nature and are not part of operating profit. See note 6 for further context on the nature of these costs.

The Company is regulated by the Financial Conduct Authority ("FCA") and operates under the Investments Firm Prudential Regime.

Key performance indicators ("KPIs")
The Company uses a number of KPIs to monitor the performance of the business throughout the year. These KPIs are shown below:

	2024 **£ 000**	**2023** **£ 000**
Assets under management ("AUM")	111,698,968	113,775,720
Revenue	279,217	275,852
Operating loss before restructuring and amortisation	(2,694)	(25,173)
Equity attributable to equity holders of the parent	184,362	134,087
Regulatory capital surplus	24,047	41,208

AUM
AUM has decreased by £2,076,752k (2%) largely as a result of client flows during the year.

Strategic Report for the Year Ended 31 December 2024 (continued)

Key Performance Indicators ("KPIs") (continued)

Revenue
Revenue has increased by £3,365k (1%) largely due to re-positioning of investment management delegations to aIL for funds previously managed by private equity vehicles which were sold to Patria in April 2024.

Operating loss before restructuring and amortisation
Operating loss before restructuring and amortisation has decreased by £22,479k (89%) primarily due to a reduction in administrative expenses. This improvement is attributed to the business's ongoing efforts to reduce costs through decreased headcount, third-party outsourcing and the simplification of key service providers.

Equity attributable to equity holders of the parent
Equity attributable to equity holders of the parent has increased by £50,275k (37%) primarily due to a £63m increase in share capital that has been partly offset by a £12.8m loss for the year.

Regulatory capital surplus
The regulatory capital surplus at 31 December 2024 has decreased by £17,161k (42%). The decrease in surplus is primarily driven by an increase in the regulatory capital requirement from £63.4m at 31 December 2023 to £117m at year end, an increase in intangible assets deducted from own funds and the loss for the year. These factors were partially offset by the £63m capital injection from the company's parent, provided to support ongoing regulatory capital and liquidity requirements.

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 long-term decision-making and how the Company operates as a subsidiary within the wider Aberdeen Group of companies.

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

Strategic Report for the Year Ended 31 December 2024 (continued)

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 Aberdeen business plan, which considers the long term success of the Company and the Aberdeen Group as a whole, and the likely long term consequences of any decisions by the Company are taken into account. The Directors have determined that there are no Company specific matters appropriate to disclose in relation to long term decisions made by the Company.

The interests of the Company's employees -
The Company has direct employees. Within the Aberdeen Group, engagement with employees is considered at Aberdeen Group level and employee engagement matters have been disclosed in the Aberdeen 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 in relation to engagement with employees.

The need to foster the Company's business relationships with suppliers, customers and others -
Supplier relationships within the Aberdeen Group of companies are managed under the Outsourcing and Third Party Management Policies, which apply to all subsidiary companies. Engagement with suppliers, customers and others is considered at Aberdeen Group level and engagement matters have been disclosed in the Aberdeen Annual Report and Accounts which does not form part of this report. The Company's Board of Directors receives reports from the Distribution function, the function within the Aberdeen which engages with clients and customers, as part of its regular meetings. The Directors have determined that there are no Company specific matters appropriate to disclose in relation to suppliers, customers and others.

The impact of the Company's operations on the community and the environment -
Engagement on environmental and community matters is considered at Aberdeen level and such matters have been disclosed in the Aberdeen Annual Report and Accounts which does not form part of this report. Matters relevant to the Company are considered as part of this review and the Directors have determined there are no Company specific matters appropriate to disclosure in relation to community and environmental impacts.

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 Aberdeen Group, including the Company.

The need to act fairly as between members of the Company -
The Company has a single member, and is a wholly owned subsidiary of Aberdeen.

Risk management
A strong risk and compliance culture underpins the Aberdeen Group's commitment to put clients and customers first and safeguard the interests of our shareholders. The Aberdeen Group, of which the Company is a part, has responsibility for risk management and oversees the effectiveness of the Enterprise Risk Management Framework ("ERMF").

Strategic Report for the Year Ended 31 December 2024 (continued)

ERM framework
The ERMF underpins risk management throughout the Aberdeen Group. This involves operating a ‘three lines of defence’ model with defined roles and responsibilities. The ERMF is continually evolving to meet the changing needs of the Aberdeen Group to make sure it keeps pace with industry best practice. In 2024, improvements to the framework included:

• Delivering a new approach to Risk and Control Self Assessments, focussed on key business outcomes and executive accountability.
• Implementing the Aberdeen Group’s risk appetite monitoring process.
• Simplification of the Aberdeen Group’s risk taxonomy, adopting a single version taxonomy.
• Delivering improved risk reporting through the adoption of consistent risk dashboards.
• Improved accessibility of the ERMF and its supporting materials.

Business Risk Environment
Business planning assumptions are more prone to external market developments than before.

The global political and economic environment has the potential for surprise. Regime change in the US brings a period of greater policy uncertainty in the area of global trade, strategic competition with China, developments in conflicts in Europe and the Middle East and sovereign debt management. Both energy costs and cross-border trade costs could be adversely impacted leading to upward pressure on inflation and stalling central banks’ plans to further ease their target interest rates. This increases the range of potential outcomes across all asset classes.

Increasing equity market value concentration in a small number of technology stocks (the so-called ‘Magnificent Seven’ phenomenon) poses challenges for both passive and active asset management which could manifest as increased market volatility at some stage.

Developments in technology and continued competitive pressure mean that investment firms must continue to transform operating models in order to preserve margins and/or build capital to reinvest for the future.

Operational resilience is a key focus as the risks from cyber, technology and third-parties continue to evolve. The Aberdeen Group continues to build capabilities and develop mitigation plans to deal with areas of vulnerability in order to minimise (and if necessary, mitigate) the risk of disruption to clients and customers.

Global regulators have extensive policy and supervisory agendas which need to be addressed. The Aberdeen Group works diligently and steadfastly to understand regulators’ expectations, especially in the areas of consumer duty, operational resilience and anti-financial crime.

Evolving and emerging risks
The Aberdeen Group is vigilant to risks that could crystallise over different horizons and impact strategy, operations and clients. These risks vary in nature as they cover geopolitical, economic, societal, technological, legal, regulatory and environmental themes. Internal and external research is reviewed to consider how risks could emerge and evolve.

Some notable risks (and opportunities) for the Aberdeen Group include adoption of modern technologies, uncertainty driven by geo-politics, unprecedented market shifts, evolving cyber threats and climate change.

Strategic Report for the Year Ended 31 December 2024 (continued)

ESG risks

The Aberdeen Group has a responsibility to shareholders, clients, customers and all stakeholders to assess, report on, manage and mitigate sustainability risks. As an investment firm, the impact of corporate activities is considered while making investments in line with client mandates. The Aberdeen Group continues to deepen its understanding of these risks for the benefit of all stakeholders and use these insights to advocate for positive policy change.

Aberdeen is also mindful of the different political and regulatory perspectives on investing with ESG considerations in mind.

Principal risks and uncertainties

The Aberdeen Group categorises risks across fewer principal risk categories in the current year which have both internal and external drivers. This reduction from previous years ensures continued focus on key exposures and supports the corporate priority of simplifying how the Aberdeen Group thinks about and manages its business.

The principal risks and uncertainties facing the Company are integrated into the principal risks of the Aberdeen Group and are therefore not managed separately. The principal risks and uncertainties of Aberdeen, which include those of the Company, are detailed below:

Strategic risk

These are risks that could prevent the Aberdeen Group from achieving its strategic aims and successfully delivering business plans. These could include failing to meet client expectations, poor strategic decision-making or failure to adapt. A key external risk which could impact on the achievement of the strategy relates to geopolitical and macroeconomic developments. These risks are managed through simplification of business operating models and diversification of the revenue base. This includes the disposal of noncore activities. Informed by analysis of the key market segments in which the Aberdeen Group operates, specific acquisition possibilities are explored with a view to strengthening capabilities. Focus is also maintained on geopolitical and macroeconomic developments to understand and manage implications.

Financial risk

This is the risk of having insufficient financial resources, suffering losses from adverse markets or the failure or default of counterparties. It is impacted by flows experience, global market conditions and the fees charged on investment mandates. Business planning is focussed on generating sustainable capital growth. Risks to that plan are informed by projections of financial resources under a range of stress scenarios that help calibrate buffers that ensure financial resilience at the Aberdeen Group and company level. The Aberdeen Group Capital and Dividend Policy ensures that optimal levels of financial resources are held across the Aberdeen Group having regard, inter alia, for regulatory requirements that apply at the Aberdeen Group and company level.

Strategic Report for the Year Ended 31 December 2024 (continued)

Principle risks and uncertainties (continued)

Conduct risk

With a mission to help clients and customers be better investors, there is focus on meeting clients' expectations for good investment performance and service delivery. There is a risk this is not achieved through operational activities or through the implementation of change programmes. The Aberdeen Group is organised to ensure clear focus on clients and customers in Investments. This translates into a client-first culture and the focus on operational and change plans. The ERM framework supports the management of conduct risk with clear expectations around conduct goals and responsibilities. There is a clear Global Code of Conduct and the FCA's Consumer Duty has been implemented.

Regulatory and legal risk

High volumes of regulatory change can create interpretation, operational and implementation risks, especially with divergences between different regulators. Compliance failures can lead to poor customer and client outcomes, sanctions, reputation damage and income loss. As the Aberdeen Group engages with a wide number of external parties, there is vigilance to the risk that these parties are connected with criminal behaviour, or subject to sanctions by national or global authorities. Relationships with regulators are based on trust and transparency with compliance and legal teams supporting senior managers across the business. The three lines of defence model supports the embedding of compliance expectations across the business and oversight with these expectations. Compliance advisory, monitoring and testing activity has been established across the Aberdeen Group. Developments are actively monitored and there is engagement with regulators and industry groups on new regulatory policy initiatives.

Process execution

This is the risk that processes, systems or external events could produce operational errors that impact client, customer or shareholder outcomes. This includes risks that the wider Aberdeen Group transformation programme adversely impacts key business outcomes. The Aberdeen Group instils a culture of 'getting things right first time' to minimise the cost of 'failure demand'. Processes are established for reporting and managing incidents, risk events and issues. Underlying causes of error are monitored to identify areas for action, promoting a culture of accountability and continuously improving how issues are addressed. Incidents are reviewed using established incident management processes. Regarding business transformation activity there is an established transformation programme to ensure that risks are assessed and managed.

People

People are the Aberdeen Group's greatest asset and the engagement and stability of the workforce is critical to the delivery of key business outcomes. Attrition in key teams can be disruptive and costly. Through ongoing management activities and periodic staff surveys, close focus is maintained on employee engagement, morale and attrition levels. The Aberdeen Group aims to ensure that compensation and benefits remain competitive in labour markets where operations exist. Targeted approaches are used to support retention and recruitment for key business functions.

Strategic Report for the Year Ended 31 December 2024 (continued)

Principle risks and uncertainties (continued)

Technology security and resilience

There is a risk that technology may fail to keep pace with business needs. With the increasing sophistication of external threat actors, there is also the significant risk of unauthorised access to systems and cyber attacks. Third-party suppliers also present risks to the Aberdeen Group technology estate. These risks are relevant to a wide range of potential threats to the business including internal failure, external intrusion, supplier failure and weather events. There is an ongoing programme to invest in and enhance IT infrastructure controls. The Aberdeen Group benchmarks the IT systems environment to identify areas for improvement and further investment. Heightened vigilance is maintained for cyber intrusion, with dedicated teams monitoring and managing cyber security risks. Regular testing is performed on penetration and crisis management. Mindful of internal (business) changes and the evolution of the external (threat) landscape, there is focus to strengthen operational resilience and cyber defences. Crisis management and contingency planning processes are regularly reviewed and tested. Changes will be implemented related to the UK Operational Resilience Regulations (in March 2025) and the EU Digital Operational Resilience Act (in January 2025).

Third party

There is reliance on third parties to deliver key business activities and services and are exposed to a variety of delivery, operational, regulatory and reputational risks as a result. The Third Party Risk Management framework is well established. There are clear processes for the oversight, monitoring and management of third party relationships, especially strategic suppliers.

Sustainability

ESG risks include environmental, socio-economic and governance risks, which can lead to material impacts for business, clients, customers, suppliers and communities. Climate change can lead to material disruption thereby impacting clients, customer, staff and suppliers. Disclosure-based regulatory frameworks are currently not interoperable globally, which lead to risks to ensure compliance in different jurisdictions and ensure no inadvertent risk of "greenwashing". The politicisation of the sustainability agenda can add complexity to business operations. The Aberdeen Group monitors channels through which climate risk can impact the business. The most material corporate environmental impacts, including carbon footprint, are measured and managed. There are well established investment processes to ensure that investment portfolios are run in line with client promises. The content of corporate and client disclosures are carefully monitored and there is engagement with policymakers, clients, customers, suppliers, employees and communities to ensure expectations are understood and data can be gathered as required.

Strategic Report for the Year Ended 31 December 2024 (continued)

Principle risks and uncertainties (continued)

Environmental matters

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

Approved by the Board and signed on its behalf by:

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X B M Meyer
Director
24 April 2025

Directors' Report for the Year Ended 31 December 2024

The Directors present their annual report together with the audited financial statements of the Company for the year ended 31 December 2024.

Directors of the Company
The Directors, who held office during the year, were as follows:

P Branner

X B M Meyer

M Hardiman (resigned 27 February 2024)

I S Jenkins (appointed 3 July 2024)

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

Company secretary
The Company secretary during the year was abrdn Corporate Secretary Limited.

Going concern
The Board's assessment of going concern is underpinned in Company forecasts that model market shocks to ensure the Company could continue to satisfy ongoing operating, liquidity and regulatory capital requirements. During 2024, the Company received a capital injection of £63m and in February 2025, an additional capital injection of £13m was received, to help satisfy ongoing regulatory capital and liquidity requirements. The Directors are satisfied that the Company 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 available in Note 1.

Dividends
The Directors recommended and paid dividends of £nil in 2024 (2023: £nil) to the Company's immediate parent, namely aHL.

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

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

Disclosure of information to the auditors
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Directors' Report for the Year Ended 31 December 2024 (continued)

Modern slavery act

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

Engagement with suppliers

The s172 statement in the Strategic Report references that engagement with suppliers is considered at the Aberdeen level where full details can be found in the Aberdeen annual report and accounts.

People

The Company 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, religious belief, sex, sexual orientation, marital status or disablement. The Company will continue to employ, arrange for retraining, or retire on disability pension, any member of staff who becomes disabled, as may be appropriate. The Company communicates with its employees on a regular basis, with an emphasis on listening and responding to staff aspirations and development needs, making it clear how their role contributes to the Aberdeen Group's goals, either through the Aberdeen Group's intranet facility or through regular meetings with management. All employees are encouraged to participate in the Aberdeen Group's share schemes.

Additional details relating to employees are disclosed within the Aberdeen Annual Report and Accounts.

Directors' Report for the Year Ended 31 December 2024 (continued)

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

The Directors are responsible for preparing the Annual Report, 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 Financial Reporting Standard 101 ("FRS 101") *Reduced Disclosure Framework*.

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board and signed on its behalf by:

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X B M Meyer
Director
24 April 2025

Independent Auditor's Report to the Members of abrdn Investments Limited

Opinion

We have audited the financial statements of abrdn Investments Limited ("the Company") for the year ended 31 December 2024 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 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.

Going concern

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

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

Our conclusions based on this work:

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

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

Independent Auditor's Report to the Members of abrdn Investments Limited (continued)

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board minutes to assess for any discussion of fraud; and
- 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 our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the relative simplicity of the calculation of the most significant revenue streams and the segregation of duties between management and third-party service providers.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on high-risk criteria and comparing the identified entries to supporting documentation. These included journal entries posted by senior finance management and those posted to unusual accounts, as well as those which comprised unexpected posting combinations. We have also tested all material 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 through discussion with the directors and others 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.

Independent Auditor's Report to the Members of abrdn Investments Limited (continued)

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 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: Key areas of financial services regulations, including Client Assets, Anti-Money Laundering and market abuse regulations 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.

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 fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the Members of abrdn Investments Limited (continued)

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 12, 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.

Independent Auditor's Report to the Members of abrdn Investments Limited (continued)

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.

....

Megan Fuller (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

24 April 2025

Profit and Loss Account for the Year Ended 31 December 2024

	Note	2024 £ 000	2023 £ 000
Revenue	3	279,217	275,852
Administrative expenses		(281,911)	(301,025)
Operating loss before restructuring and amortisation		**(2,694)**	**(25,173)**
Restructuring costs	6	(15,734)	(18,410)
Amortisation and impairment of intangibles	10	(7,818)	(8,236)
Gain on disposal of intangible asset	10	6,386	1,400
Operating loss		**(19,860)**	**(50,419)**
Net finance income	7	3,919	3,072
Loss before tax		**(15,941)**	**(47,347)**
Tax credit for the year	8	3,171	10,105
Loss for the year		**(12,770)**	**(37,242)**

The notes on pages 22 to 46 form an integral part of these financial statements.

Statement of Comprehensive Income for the Year Ended 31 December 2024

	2024 £ 000	2023 £ 000
Loss for the year	**(12,770)**	**(37,242)**
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	43	42
Other comprehensive income	**43**	**42**
Total comprehensive losses for the year	**(12,727)**	**(37,200)**

The notes on pages 22 to 46 form an integral part of these financial statements.

Balance Sheet as at 31 December 2024

	Note	2024 £ 000	2023 £ 000
Non-current assets			
Property, plant and equipment	9	1,289	1,490
Intangible assets	10	34,806	25,154
Deferred tax assets	11	8,464	10,855
		44,559	37,499
Current assets			
Trade and other receivables	12	114,798	138,874
Cash and cash equivalents		94,220	60,808
		209,018	199,682
Total assets		**253,577**	**237,181**
Equity			
Called up share capital	13	96,778	33,778
Share premium reserve		27,779	27,779
Foreign currency translation reserve		(118)	(161)
Merger reserve		(77)	(77)
Retained earnings		60,000	72,768
		184,362	134,087
Non-current liabilities			
Leases	19	1,232	1,436
Current liabilities			
Trade and other payables	14	67,150	99,072
Provisions	15	833	2,586
		67,983	101,658
Total liabilities		**69,215**	**103,094**
Total equity and liabilities		**253,577**	**237,181**

Approved by the Board and signed on its behalf by:

....
X B M Meyer
Director
24 April 2025

Registration number: SC108419

The notes on pages 22 to 46 form an integral part of these financial statements.

Statement of Changes in Equity for the Year ended 2024

	Share capital £ 000	Share premium £ 000	Foreign currency translation reserve £ 000	Merger reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2023	33,778	27,779	(203)	(77)	109,993	171,270
Loss for the year	-	-	-	-	(37,242)	(37,242)
Foreign currency translation reserve gains	-	-	42	-	-	42
Total comprehensive losses	-	-	42	-	(37,242)	(37,200)
Tax taken to equity	-	-	-	-	17	17
At 31 December 2023	**33,778**	**27,779**	**(161)**	**(77)**	**72,768**	**134,087**
At 1 January 2024	33,778	27,779	(161)	(77)	72,768	134,087
Loss for the year	-	-	-	-	(12,770)	(12,770)
Foreign currency translation reserve gains	-	-	43	-	-	43
Total comprehensive losses	-	-	43	-	(12,770)	(12,727)
Issue of shares	63,000	-	-	-	-	63,000
Tax taken to equity	-	-	-	-	2	2
At 31 December 2024	**96,778**	**27,779**	**(118)**	**(77)**	**60,000**	**184,362**

The notes on pages 22 to 46 form an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2024

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

The Company meets the definition of a qualifying entity under Application of Financial Reporting Requirements 100 as issued by the Financial Reporting Council. Accordingly, the financial statements for period ended 31 December 2024 have been prepared in accordance with FRS 101 Reduced Disclosure Framework as issued by the Financial Reporting Council.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (adopted IFRS), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

Summary of disclosure exemptions

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

- International Accounting Standards ("IAS") 1 Presentation of Financial Statements disclosures in respect of capital management:

- IAS 1 Presentation of Financial Statements requirement for comparative period reconciliations for share capital, tangible fixed assets and intangible assets;

- 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 Reporting Standards ("IFRSs");

- IFRS 15 Revenue from Contracts with Customers;

- IAS 24 Related Party disclosures in respect of transactions with wholly owned subsidiaries;

- IAS 24 Related Party disclosures in respect of the compensation of Key Management Personnel; and

- IAS 24 Related Party disclosures of transactions with a management entity that provides key management personnel services to the Company.

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

1 Accounting policies (continued)

Summary of disclosure exemptions (continued)

As the consolidated financial statements of Aberdeen include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share-based Payments in respect of group settled share-based payments;
- Certain disclosures required by IFRS 7 Financial Instrument Disclosures;
- International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12.

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

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 losses in the financial year and further losses are forecast in 2025 which will adversely impact financial resources. In preparing these financial statements, the Directors have also considered the impact of moderate market shocks on Company forecasts, focussing specifically on:

- the current level of regulatory capital, which was £24,047k in excess of capital requirements at 31 December 2024;
- the level of liquid resources, including cash and cash equivalents;
- the potential impact of potential downside scenarios on revenue, assets flows and costs, including potential management actions;
- the effectiveness of the Company's operational resilience processes including the ability of key outsourcers to continue to provide services; and
- consideration of the going concern assessment of the Aberdeen Group.

On 27 March 2024 the Company received a capital injection of £63m from its parent to ensure the regulatory capital and liquidity surpluses are maintained within internal monitoring thresholds. An additional capital injection of £13m was received on 20 February 2025.

Following receipt of the aforementioned capital injections, the Board is satisfied that the Company 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. Consequently, the financial statements have been prepared on a going concern basis.

Changes in accounting policies

No new standards, interpretations and amendments effective for the first time from 1 January 2024 are deemed to have had an impact on the Company.

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

1 Accounting policies (continued)

Revenue recognition
Management fees are generated through investment management agreements and are generally based on agreed rates as a percentage of AUM and are shown net of rebates. The fees are recognised when it is highly probable that a significant reversal will not be required.

Performance fees are earned where the actual performance of the clients' assets exceed defined benchmarks or target returns over a set time period. Performance fees are recognised when it is highly probable that a significant reversal will not be required.

Other revenue mainly represents income from the recharge of costs to other Aberdeen Group companies. Other revenue is recognised when it is highly probable that a significant reversal will not be required.

Net finance income
Interest income and costs are derived on cash and cash equivalents and leases. Interest is recognised on an accruals basis using the effective interest rate method.

Administrative expenses
Expenditure incurred by the Company is recognised in the month to which it relates. Expenses relating to a month that have not been invoiced are accrued, while invoices received and paid as expenses relating to future periods are recognised as prepayments.

Restructuring costs
Where the Company incurs significant expenditure arising from a reorganisation of a function or team, and which are sufficiently material to warrant separate disclosure, then the expenditure incurred is separately presented on the face of the profit and loss account. Restructuring costs are recognised on an accruals basis.

Foreign currency transactions and balances

(i) Functional currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in thousands of Pound Sterling, which is the Company's presentational and functional currency.

(ii) Transactions and balances
Transactions in foreign currencies are translated to the functional currency at the exchange rate ruling at the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date and any exchange differences arising are taken to the profit and loss account.

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

1 Accounting policies (continued)

Financial assets

(i) Amortised cost
These instruments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These instruments are included in current assets and consist of cash and cash equivalents, trade receivables, amounts owed by Aberdeen Group undertakings, accrued income and other receivables. These instruments are initially recognised at fair value, net of any transaction costs, and subsequently at amortised cost using the effective interest rate method.

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

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.

Financial liabilities

(i) Amortised cost
These instruments include trade payables, accruals and deferred income, amounts owed to Group undertakings, taxes and social security and other payables. These instruments are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

1 Accounting policies (continued)

Intangible assets

(i) Management contracts
Management contracts are capitalised where it is probable that future economic benefits attributable to the assets will flow to the Company. The Company has recognised management contract intangible assets for the following:

Management contracts which are acquired as part of a business combination. These are recorded initially at fair value. The fair value at the date of acquisition is typically calculated using discounted cash flow methodology and represents the valuation of the net residual income stream arising from the management contracts in place at the date of acquisition.

Management contracts which are acquired from other asset management companies but not as part of a wider business combination, are recognised as the cost of obtaining customer contacts at the amount paid to the other asset management company and other incremental costs incurred to obtain the contracts.

Management contracts are considered to have a definite life and are therefore amortised over their estimated useful lives which currently range from 9 to 10 years. The remaining useful lives for the Company's management contracts are between 3 and 10 years. Amortisation is recognised on either a straight line basis or using the reducing balance method depending on the basis that the future economic benefits attributable to the management contracts are expected to the Company.

Where management contracts are transferred or sold to another party including other Group entities, the Company recognises a gain or loss in profit and loss equal to the consideration less any net book value at the date of sale or transfer (where an intangible asset had been recognised as set out above) and any transaction costs.

Impairment of non-financial assets
In respect of definite useful life intangible assets an impairment loss is recognised when events or changes in circumstances indicate that the recoverable amount of the asset may not exceed its carrying value. If any such indication exists, the asset's recoverable amount is estimated and any provision for impairment recognised. Any impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation, if no impairment loss had been recognised.

Cash and cash equivalents
Cash and cash equivalents are basic financial instruments and include cash at bank and highly liquid investments.

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

1 Accounting policies (continued)

Current & deferred tax
The tax expense comprises both current tax and deferred tax expense.

Current tax is the expected tax payable on taxable profit for the year and is calculated using tax rates and laws substantively enacted at the balance sheet date.

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

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

Deferred tax is recognised on temporary differences arising from investments in subsidiaries and associates unless the timing of the reversal is in our control and it is expected that the temporary difference will not reverse in the foreseeable future.

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

The Company and the Group apply the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

1 Accounting policies (continued)

Leases
A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. However, the Company used the practical expedient permitted under IFRS 16 to apply the new standard at transition solely to leases previously identified in accordance with IAS 17 and IFRIC 4 Determining whether an Arrangement Contains a Lease.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses and are presented in property, plant and equipment. The Company does not revalue its right-of-use assets. This applies to all right-of-use assets, including those that are assessed as meeting the definition of investment property. The cost comprises the amount of the initial measurement of the lease liability plus any initial direct costs and expected restoration costs not relating to wear and tear. Costs relating to wear and tear are expensed over the term of the lease. Depreciation is charged on right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company assesses right-of-use assets for impairment when such indicators exist, and where required, reduces the value of the right-of-use asset accordingly.

Right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses.

In determining the value of the right-of-use assets and lease liabilities, the Company considers whether any leases contain lease extensions or termination options that the Company is reasonably certain to exercise. Where a leased property has been sublet, the Company assesses whether the sublease has transferred substantially all the risk and rewards of the right-of-use asset to the lessee under the sublease. Where this is the case, the right-of-use asset is derecognised and a net investment in finance lease is recognised, calculated as the present value of the future lease payments receivable under the sublease.

Any difference between the initial value of the net investment in finance leases and the right-of-use asset derecognised is recognised in the profit and loss account (within other income or expenses). Interest is calculated on the net investment in finance lease using the discount rate and is recognised in the profit and loss account as interest income.

Where the sublease does not transfer substantially all the risk and rewards of the right-of-use assets to the lessee under the sublease, the Company continues to recognise the right-of-use asset. The sub-lease is accounted for as an operating lease with the lease payments received recognised as property rental income in other income in the profit and loss account. Lease incentives granted are recognised as an integral part of the property rental income and are spread over the term of the lease.

The Company does not recognise right-of-use assets and lease liabilities for short-term leases (less than 1 year from inception) and leases where the underlying asset is of low value.

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

1 Accounting policies (continued)

Property, plant and equipment
Property, plant & equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Expenditure on property, plant & equipment is capitalised on initial recognition. Subsequent expenditure is only capitalised when it is probable that there will be future economic benefits attributable to the item and the cost of the item can be measured reliably. All other expenditure is recognised as an expense in the profit and loss account as incurred.

Property, plant & equipment is depreciated so as to write off the cost of assets, on a straight line basis, over their estimated useful lives as follows:

Asset Class	**Depreciation method and rate**
Leasehold Property	Straight-line basis over the shorter of estimated useful life or the term of the lease
Right of use asset	Straight-line basis over the shorter of estimated useful life or the term of the lease

Deferred income
Where the Company receives fees in advance (front-end fees) for services it is providing, including investment management services, these fees are initially recognised as a deferred income liability and released to the profit and loss account over the period services are provided.

Provisions and contingent liabilities
Provisions are obligations of the Company which are of uncertain timing or amount. They are recognised when the Company has a present obligation as a result of a past event, it is probable that a loss will be incurred in settling the obligation and a reliable estimate of the amount can be made.

Contingent liabilities are disclosed if the future obligation is less than probable but greater than remote or if the obligation is probable but the amount cannot be reasonably estimated.

Reserves
Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising from translation differences on non-monetary assets such as equities classified at fair value through other comprehensive income.

Merger reserve
The merger reserve is used to record share premium on shares issued by way of consideration for acquisitions. The merger reserve can be used to offset impairments of investments in subsidiaries charged to the profit and loss account and is not distributable.

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

Employee benefits

Defined contribution pension obligation
The Company contributes to a group personal pension plan operated by Aberdeen. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting year.

Employee shared-based payments
Aberdeen Group operates share incentive plans for its employees. These generally take the form of an award of options, conditional awards or restricted shares in Aberdeen (equity-settled share-based payments) but can also take the form of a cash award based on the share price of Aberdeen (cash-settled share-based payments). Aberdeen Group also incentivises certain employees through the award of units in Group managed funds (deferred fund awards) which are cash-settled. All Aberdeen Group's incentive plans have conditions attached before the employee becomes entitled to the award. These can be performance and/or service conditions (vesting conditions) or the requirement of employees to save in the save-as-you-earn scheme (non-vesting condition). The period over which all vesting conditions are satisfied is the vesting period and the awards vest at the end of this period.

For all share-based payments services received for the incentive granted are measured at fair value.

For equity-settled share-based payment transactions, the fair value of services received is measured by reference to the fair value of the equity instruments at the grant date. The fair value of the number of instruments expected to vest is charged to the profit and loss account over the vesting period with a corresponding amount recognised as due to Aberdeen. The charge in respect of the services received is recharged by the Company to the subsidiary which receives the services of the employees. At each period end Aberdeen Group reassesses the number of equity instruments expected to vest and recognises any difference between the revised and original estimate in the profit and loss account with a corresponding adjustment to the amount due to Aberdeen.

For cash-settled share-based payment and deferred fund awards transactions, services received are measured at the fair value of the liability. The fair value of the liability is remeasured at each reporting date and any changes in fair value are recognised in the profit and loss account.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements can necessitate the use of key estimates and judgements. These estimates and judgements can affect the reported amounts of assets and liabilities, contingent or otherwise, at the balance sheet date as well as affecting the reported profit or loss for the year. In the process of applying the Company's accounting policies, management has made no key estimates or judgements.

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

3 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2024 £ 000	2023 £ 000
Management fees	227,491	219,707
Performance fees	3,214	488
Other revenue	48,512	55,657
Total revenue	**279,217**	**275,852**

4 Operating loss

Arrived at after charging:

	2024 £ 000	2023 £ 000
Foreign exchange losses	719	3,235
Audit of the financial statements	243	226

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 Aberdeen.

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

5 Employees & Directors

The average number of persons employed by the Company during the year, analysed by category was as follows:

	2024 No.	2023 No.
Fund management and administration	399	514

The aggregate payroll costs of these persons were as follows:

	2024 £ 000	2023 £ 000
Salaries and bonuses	45,654	55,588
Social security costs	7,738	6,781
Pension costs	5,656	7,060
Share-based payment expenses	2,948	2,281
Redundancy costs	127	-
Other employee expense	95	(40)
	62,218	71,670

Directors' aggregate remuneration and pension for the year was £315k (2023: £nil) and £28k (2023: £nil). During year ending 31 December 2024, this amount includes estimated recharges for remuneration and pension contributions to the Company and its subsidiaries for the costs incurred by other Group companies for directors not employed by the Company. None of these directors receive any incremental remuneration for being a director of the Company. During year ending 31 December 2023, only direct costs (£nil) were disclosed and due to board composition changes during 2023, it is not considered practical to restate on the same basis.

There were 4 directors accruing benefits under defined contribution pension plans. In addition, 3 directors received share awards in the year for shares of the Company's ultimate parent company, Aberdeen Group plc and 1 director exercised share options over Aberdeen Group plc shares in the year.

Of the aggregate remuneration and pension contributions above, £139k and £21k related to the highest paid director. The highest paid director received share awards in 2024 and 2023 and has not exercised options in 2024.

Termination payments of £46k were paid during the year.

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

6 Restructuring costs

Restructuring costs incurred during the year is as follows:

	2024 £ 000	2023 £ 000
Third party administrative costs	122	2,404
Professional and consultancy fees	36	176
Redundancy	4,709	11,020
Other restructuring costs	10,867	4,810
	15,734	18,410

Other restructuring costs relate to restructuring costs recharged from other Group companies.

7 Net finance income

	2024 £ 000	2023 £ 000
Finance income		
Interest income on bank deposits	3,941	3,100
Finance expense		
Interest on bank overdrafts and borrowings	(3)	(6)
Interest expense on leases	(19)	(22)
	(22)	(28)
Net finance income	**3,919**	**3,072**

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

8 Current taxation

Analysis of tax charge in the year:	**2024 £ 000**	**2023 £ 000**
Current taxation		
UK corporation tax	(5,555)	(13,341)
UK corporation tax adjustment to prior year	418	(977)
	(5,137)	(14,318)
Foreign tax		
Foreign tax	4	-
Foreign tax adjustment to prior year	(415)	312
	(411)	312
Total current income tax credit	**(5,548)**	**(14,006)**
Deferred taxation		
Arising from origination and reversal of temporary differences	2,366	3,901
Arising from adjustments in respect of prior year	11	-
Total deferred taxation	2,377	3,901
Tax credit in the profit and loss account	**(3,171)**	**(10,105)**

The tax charge assessed for the year is lower (2023: higher) than the standard rate of corporation tax in the UK of 25% (2023: 23.5%). The differences are reconciled below:

	2024 £ 000	**2023 £ 000**
Loss before tax	(15,941)	(47,347)
Corporation tax at standard rate	(3,985)	(11,127)
Adjustment in respect of prior year	14	(977)
Change in UK tax rates on deferred tax balances	-	(78)
Non-deductible expenses	2,465	1,977
Income not taxable	(1,668)	(329)
Increase from deferred shares and funds	-	117
Effect of tax rates applicable in foreign jurisdictions	3	312
	814	1,022
Total tax credit	**(3,171)**	**(10,105)**

The standard UK Corporation Tax rate for the accounting period is 25% (2023: 23.5%).

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

9 Property, plant and equipment

	Leasehold property £ 000	Right of use assets £ 000	Computer equipment £ 000	Total £ 000
Cost or valuation				
At 1 January 2024	275	2,119	-	2,394
Additions	-	-	73	73
Foreign exchange movements	(13)	(97)	-	(110)
At 31 December 2024	262	2,022	73	2,357
Depreciation				
At 1 January 2024	120	784	-	904
Charge for the year	39	115	10	164
At 31 December 2024	159	899	10	1,068
Net book value				
At 31 December 2024	**103**	**1,123**	**63**	**1,289**
At 31 December 2023	155	1,335	-	1,490

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

10 Intangible assets

	Internally generated software development costs £ 000	Management contracts £ 000	Total £ 000
Cost or valuation			
At 1 January 2024	-	222,422	222,422
Additions	119	17,351	17,470
At 31 December 2024	119	239,773	239,892
Amortisation			
At 1 January 2024	-	197,268	197,268
Amortisation	59	7,759	7,818
At 31 December 2024	59	205,027	205,086
Net book value			
At 31 December 2024	**60**	**34,746**	**34,806**
At 31 December 2023	-	25,154	25,154

On 1 February 2024 the Company transferred mandates to another Aberdeen Group company, later sold to Patria Investments on 26 April 2024 for a cash consideration of £6,386k. Prior to the transfer, no intangible net book value was held on the Company's balance sheet in relation to these mandates and consequently the financial results include a gain on disposal of intangibles assets (£6,386k) in relation to these transfers.

Intangible assets have increased by £9.6m in the year, due to additional management contracts recognised following the transfer of management contracts (£17.3m) as part of a joint purchase with abrdn Inc, offset by ongoing amortisation.

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

11 Deferred tax

	Accelerated capital allowances £000	Employee benefits £ 000	Intangibles £ 000	Net deferred tax asset/(liability) £ 000
At 1 January 2023	61	8,584	6,103	14,748
Amounts charged/(credited) to the profit and loss account	-	(3,393)	(508)	(3,901)
Amounts charged/(credited) to equity	-	8	-	8
At 31 December 2023	61	5,199	5,595	10,855
Amounts charged/(credited) to the profit and loss account	(36)	(1,833)	(509)	(2,378)
Amounts charged/(credited) to equity	-	(13)	-	(13)
At 31 December 2024	25	3,353	5,086	8,464

The deferred tax asset can be analysed as follows:

	2024 £ 000	2023 £ 000
Employee benefits	3,353	5,199
Temporary differences - Fixed Assets	25	61
Intangible assets	5,086	5,595
Deferred tax assets	8,464	10,855

Deferred tax assets are recognised as it is probable that sufficient future taxable profits will be available across the Aberdeen Group against which the deferred tax assets can be recovered. Their recoverability is measured against anticipated taxable profits and gains based on business plans cross the Aberdeen Group.

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

12 Trade and other receivables

Current trade and other receivables:	2024 £ 000	2023 £ 000
Trade receivables	3,642	6,054
Amounts owed by Group undertakings	94,596	115,638
Prepayments and accrued income	16,123	16,873
Other receivables	437	309
Total current trade and other receivables	**114,798**	**138,874**

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand and as such they have been classified as current based on expected settlement date.

13 Share capital

Allotted, called up and fully paid shares

	2024		2023	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.10 each	967,779	96,778	337,779	33,778

On 27 March 2024, the Company issued 630,000,000 Ordinary shares at a nominal value of £0.10 per share for a total consideration of £63m.

The Company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is: 1 George Street, Edinburgh, EH2 2LL, United Kingdom

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

14 Trade and other payables

Current trade and other payables:	2024 £ 000	2023 £ 000
Trade payables	-	46
Accruals and deferred income	21,417	25,629
Amounts owed to Aberdeen Group undertakings	39,902	67,578
Taxes and social security	3,158	2,988
Other payables	2,673	2,831
Total current trade and other payables	**67,150**	**99,072**

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

15 Provisions

	Redundancy provisions £ 000
At 1 January 2024	2,586
Additional provisions	651
Provisions used	(2,114)
Unused provision reversed	(290)
At 31 December 2024	833

The redundancy provisions relate to current restructuring activities the Company is undertaking and are generally expected to be settled within 12 months of the year end.

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

16 Employee share-based payments

The Company does not operate any share-based payment schemes. During the year the Company's ultimate parent company, Aberdeen, operated a number of share-based payment schemes for employees across the Aberdeen Group, the majority of which are equity settled. Details of these arrangements affecting the Company's employees are set out below.

The following plans made awards during the year ended 31 December 2024:

Plan	Options	Conditional awards	Restricted awards	Vesting period (years)	Contractual life for options	Recipients	Conditions which must be met prior to vesting
Aberdeen Deferred Share Plan/Discretionary Share Plan	Yes	Yes	No	1 - 3 years	Up to 10 years from date of grant	Executives and senior management	Service, or service and performance conditions. These can be tailored to the individual award.
Sharesave (Save-as-you-earn)	Yes	No	No	3 or 5	Up to six months after vesting	UK	Service only
Share incentive plan	No	No	Yes	3	Not applicable	UK and Irish employees	Service only

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

16 Employee share-based payments (continued)

All of the awards made under these plans are equity-settled except for a small number of cash-settled awards for the deferred and discretionary share plans.

The fair value of awards granted under the Group's incentive schemes is determined using a relevant valuation technique, such as the Black Scholes option pricing model. The fair value of awards is recharged to employing entities over the life of the awards.

The awards made under the deferred and discretionary share plans include awards for deferred bonuses of the prior year. The deferred bonus awards generally still have service conditions of one, two or three years after the date of the award but have no outstanding performance conditions.

The awards made include the awards for executive Directors under the Executive LTIP plan and certain awards under the deferred and discretionary share plans to senior management with specific performance conditions. The deferred and discretionary share plans also made a number of deferred fund awards in the year end 31 December 2024.

Options and conditional awards are all at nil cost with the exception of Sharesave where eligible employees in the UK save a monthly amount from their salaries, over either a three or five year period, which can be used to purchase shares in the Company at a predetermined price.

The share incentive plan allows employees the opportunity to buy up to £1,800 of shares from their salary each year with the Group matching up to £600 per year. The matching shares awarded are granted each month but are restricted for three years (two years for Ireland).

In addition, the Group operates the following plans for which there are outstanding awards but for which no awards were made during the year ended 31 December 2024:

Plan	Options	Conditional awards	Restricted awards	Vesting period (years)	Contractual life for options	Recipients	Conditions which must be met prior to vesting
abrdn Asset Management Deferred Share Plan 2009	Yes	No	No	1-3 (3-5 for executive management)	Up to 10 from date of grant	Executives and senior management	Service only. There are no outstanding performance conditions at date of grant.

(a) Options granted under incentive plans and Sharesave

The number and weighted average remaining contractual life of options outstanding during the year, along with the weighted average share price at time of exercise price are as follows:

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

16 Employee share-based payments (continued)

	Deferred and discretionary share plans	Sharesave
Outstanding at 31 December 2024	2,906,152	1,378,488
Weighted average remaining contractual life of outstanding options (years)	5.22	2.72
Weighted average share price at time of exercise during the year ended 31 December 2024	147.44p	147.82p

	Deferred and discretionary share plans	Sharesave
Outstanding at 31 December 2023	1,687,914	1,221,969
Weighted average remaining contractual life of outstanding options (years)	6.47	2.83
Weighted average share price at time of exercise during the year ended 31 December 2023	206.61p	200.36p

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

16 Employee share-based payments (continued)

(b) Number of Sharesave options outstanding by exercise price

	2024 Number of options outstanding	2023 Number of options outstanding
Sharesave		
118p	611,315	863,800
120p	571,328	-
132p	156,957	209,235
189p	19,859	74,704
199p	9,026	28,583
206p	10,003	33,979
257p	-	11,668
Outstanding at 31 December	**1,378,488**	**1,221,969**

17 Related party transactions

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

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

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 Aberdeen.

The following are details of significant transactions with related parties (excluding fellow wholly owned subsidiaries and key management personnel) during the year and the year end balances arising from such transactions. Of these related party management fees, transactions amounting to £0.5m (2023: £nil) were with abrdn Investments Deutschland AG in which the Aberdeen Group has an 89.9% ownership. At the year end amounts included within trade and other receivables due from abrdn Investments Deutschland AG was £1.4m (2023: £nil).

	2024	
	Revenue £ 000	Receivables £ 000
Management fees	4,253	2,473
Administrative expenses	(926)	-
	3,327	**2,473**

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

17 Related party transactions (continued)

	2023	
	Revenue £ 000	Receivables £ 000
Management fees	5,058	1,658
Administrative expenses	(776)	-
	4,282	**1,658**

18 Parent and ultimate parent undertaking

The Company's immediate parent is aHL and its ultimate parent company is Aberdeen, both of which are incorporated in the United Kingdom and registered in Scotland.

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

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

19 Leases

(i) Leases where the Company is lessee

	2024 £ 000	2023 £ 000
Property	1,232	1,436

The Company has a lease for office buildings. Leases are generally for fixed periods but may be subject to extensions or early termination clauses. The remaining period for the current leases is 8 years. The Company reviews its property use on an ongoing basis.

Lease liabilities maturity analysis

The following table provides analysis of the maturity analysis of the contractual undiscounted cash flows for the lease liabilities:

	2024 £ 000	2023 £ 000
< 1 year	159	162
1 to 2 years	164	167
2 to 3 years	169	172
3 to 4 years	174	177
4 to 5 years	179	183
5 to 10 years	455	666
Total lease liabilities (undiscounted)	1,300	1,527

Details of the movements in the Company’s right-of-use assets including additions and depreciation are included in Note 9. The interest on lease liabilities is included in Note 7.

The Company does not recognise right-of-use assets and lease liabilities for short-term leases and leases where the underlying asset is of low value.

Total cash outflow for leases for the year ended 31 December 2024 was £154,830 (2023: £181,813).

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

20 Contingent liabilities

The Company is subject to regulation in all of the territories in which it operates its investment businesses. In the UK, where the Aberdeen Group primarily operates, the FCA has broad powers, including powers to investigate marketing and sales practices.

The Company, like other financial organisations, is subject to legal proceedings, complaints and regulatory discussions, reviews and challenges in the normal course of its business. All such material matters are periodically reassessed, with the assistance of external professional advisers where appropriate, to determine the likelihood of the Company incurring a liability. Where it is concluded that it is more likely than not that a material outflow will be made a provision is established based on management's best estimate of the amount that will be payable. In some cases it will not be possible to form a view, for example because the facts are unclear or because further time is needed to properly investigate, and no provisions are held for such matters. It is not possible to predict with certainty the extent and timing of the financial impact of legal proceedings, complaints and related regulatory matters.

21 Investment holdings

Direct and indirect holdings of the Company are listed below. Holdings are at 100%, unless stated otherwise. The carrying value of investments held directly by the Company is £nil (2023: £nil).

Description	Country	Direct / Indirect	Percentage owned if not 100%
Griffin Nominees Limited	United Kingdom	Direct	

Registered Office
280 Bishopsgate, London, EC2M 4AG.

22 Events after the balance sheet date

On 20 February 2025, the Company issued 130,000,000 Ordinary shares at a nominal value of £0.10 per share for a total consideration of £13m.