Elevate Portfolio Services Limited

Annual Financial Statements
for the year ended 31 December 2022

Registration no: 01128611

Contents

Directors and Officers

Directors

Jonathan Black	Director
Noel Butwell	Director
Stuart Maclennan	Director
Aileen Gillan	Non-Executive Director
Hannah Grove	Non-Executive Director
David Marock	Non-Executive Director
Carolyn Cathleen Raffaeli	Non-Executive Director & Chair

Company Secretary

abrdn Corporate Secretary Limited

Registered Office

280 Bishopsgate
London, United Kingdom
EC2M 4AG

Registered Number

01128611

Independent Auditor

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

Directors' Report

The Directors present their report and the audited financial statements of Elevate Portfolio Services Limited ("the Company") for the year ended 31 December 2022. The Company is an investment company incorporated in England (registration number 01128611) and is part of abrdn plc ("abrdn plc" or, together with its subsidiaries, "the Group").

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

Results and dividend

The Directors paid no dividend in 2022 (2021: £nil) to the Company's immediate parent company, namely Standard Life Savings Limited.

Directors

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

Jonathan Black (appointed 23 February 2023)
Grant Hotson (resigned 30 December 2022)
Hannah Grove (appointed 24 May 2022)
Brian McBride (resigned 19 May 2022)
Neil Machray (resigned 07 February 2022)
Stuart Maclennan (appointed on 29 March 2023)
Michael Tumilty (resigned 19 April 2022)

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

Company secretary

The Company secretary details are listed on page 2.

Directors' liability insurance

During 2022, abrdn plc maintained Directors' and Officers' liability insurance on behalf of its Directors and Officers to provide cover should any legal action be brought against them. This liability insurance qualifies as a third party indemnity and was in force at the date of signing.

Our people

The majority of the staff who manage the affairs of the Company are employed by Aberdeen Corporate Services Limited ("ACSL"), a related party and their costs are recharged to the Company.

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

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

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

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

Directors' Report *continued*

Going concern

The Company has made profits in the financial year and is forecast to make profits for the next 12 months, has sufficient financial resources and a strong cash position. The Board's assessment of going concern is underpinned in Company forecasts that model severe market shocks to ensure the Company could continue to satisfy ongoing operating, liquidity and regulatory capital requirements. Based on their assessment, the Board is satisfied that the Company has and will maintain sufficient resources to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Further information is provided in Note 1.

Political contributions

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

Modern slavery act

As a global investment company, abrdn plc wants to do all it can to help tackle human trafficking, forced labour, bonded labour and child slavery by focusing on its operations, supply chain and investment process. abrdn plc has published a modern slavery statement, reinforcing its commitment to this important issue. This can be found on the abrdn plc website.

Statement of disclosure of information to the independent auditor

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

Independent auditor

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

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

Noel Butwell
Director
3 April 2023

Strategic Report

Review of business and future developments

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

The Company, in partnership with its parent company, is delivering a significant transformation project. This includes a strategic partnership with FNZ to provide a long-term arrangement for platform custody services and back office administration. As part of the programme, the Company exited transitional service arrangements with Phoenix Group in 2021 and will subsequently deliver an increasingly personalised and efficient service to clients as part of the Adviser Experience Programme – an overarching programme of activity to make it easier for advisory businesses to partner with the Company to serve more clients and reduce friction in key client facing processes. Further costs related to the Adviser Experience programme will be incurred in 2023.

The Company is a Markets in Financial Instruments Directive investment firm and is regulated by the Financial Conduct Authority under the Investment Firms Prudential Regime.

Key performance indicators

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

Adjusted profit and its component parts are the key performance indicators used by the Company's Board and executive management to explain the financial performance by the Company. Adjusted profit excludes impacts arising from restructuring costs and corporate transactions and items which are one-off and, due to their size or nature, are not indicative of long-term operating performance. Restructuring and corporate transaction expenses predominantly relate to the Adviser Experience Programme above. These costs reflect staff costs and third party costs specifically relating to the transformation programme and are included within administrative expenses in the profit and loss account on page 14.

	2022 **£'000**	**2021** **£'000**
Income	42,683	40,870
Expenses	(33,235)	(35,320)
Profit before tax	**9,448**	**5,550**

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

	2022 **£'000**	**2021** **£'000**
Adjusted profit before tax	**18,174**	**15,103**
Restructuring and corporate transactions	(8,726)	(9,553)
Profit before tax	**9,448**	**5,550**

Income has increased by £1,813k (4%) largely due to improved cash margin, aligned with increases to Bank of England ("BoE") interest rates in 2022. This is partly offset by lower assets under administration following negative market movements despite continued positive net inflows.

Adjusted profit before tax has increased by £3,071k (20%) largely due to the aforementioned increase in revenue as well as a decrease in administrative expenses (excluding restructuring costs) driven by disciplined cost management.

Strategic Report *continued*

Enhancing our governance

Section 172 of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, among other matters, to:

a) the likely consequences of any decision in the long term;
b) the interests of the company's employees;
c) the need to foster the company's business relationships with suppliers, customers and others;
d) the impact of the company's operations on the community and the environment;
e) the desirability of the company maintaining a reputation for high standards of business conduct; and
f) the need to act fairly between different members of the company.

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

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

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

the likely consequence of any decision in the long term	The Board of Directors of the Company operate the Company in accordance with the Company's Articles, the Board Charter and the overall abrdn plc business plan, which considers the long term success of the Company, Vector and the Group as a whole, and the likely long term consequences of any decisions by the Company are taken into account. For example, the Company has determined that it is in the long term interests of the member to combine the back-end administration technology stacks for the Wrap and Elevate platforms operated by the Company and its immediate parent company Standard Life Savings Limited.
The interests of the Company's employees	The Company does not have any direct employees. Within the abrdn plc group, engagement with employees is considered at group level and employee engagement matters have been disclosed in the abrdn plc Annual Report and Accounts which does not form part of this report. Since the onset of the pandemic we have successfully adapted, providing online tools to support collaboration and moving our learning and development offering online. We have responded to increased competition for talent in our industry, using targeted approaches to support retention and recruitment for our key business functions
the need to foster the Company's business relationships with suppliers, customers and others	Supplier relationships within the Group are managed under the Procurement, Outsourcing and Third Party Management Policy, which applies to all subsidiary companies. Engagement with suppliers, customers and others is considered at group level and engagement matters have been disclosed in the abrdn plc Annual Report and Accounts which does not form part of this report. In addition the Board of Directors receives reports regarding customer services as part of its regular meetings, and regularly discusses engagement with key suppliers in particular Phoenix and FNZ.
The impact of the Company's operations on the community and the environment	Engagement on environmental and community matters is considered at abrdn plc level and such matters have been disclosed in the abrdn plc Annual Report and Accounts which does not form part of this report. The Directors have determined that there are no company specific matters appropriate to disclose, as the Company has no direct environmental or community impact beyond the impact of the wider group.
The desirability of the Company maintaining a reputation for high standards of business conduct	Maintaining a reputation for, and upholding, high standards of business conduct is vital to the ongoing success of the Group, including the Company.
The need to act fairly as between members of the Company.	The Company has a single member, which is Standard Life Savings Limited and is a wholly owned subsidiary of abrdn plc.

Strategic Report *continued*

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

The abrdn Group, of which the Company is a part, has an Enterprise Risk Management ("ERM") framework comprising 'three lines of defence'; the first being day-to-day risk management, including identification and mitigation of risks and maintaining appropriate controls; the second being oversight from the abrdn Group Risk and Compliance function, which reports to the Chief Risk Officer; and the third being the Internal Audit function, reporting to the Chief Internal Auditor, which independently verifies systems of control.

The ERM framework underpins risk management throughout the abrdn Group, including the Company, which has evolved to ensure it keeps pace with industry best practice and risk profile of the abrdn Group. Improvements in 2022 include refinements to risk appetite, extending our risk taxonomy, refocussing Risk and Control Self Assessments, reviewing our Conflicts of Interest frameworks and reviewing our policy register.

Business Risk environment
The commercial environment was challenging during 2022 as the Russian/Ukraine conflict led to a surge in energy prices, higher inflation and a rapid tightening of monetary policy by central banks thereby putting pressure on asset prices, and retail investors propensity to save and invest for the future. These conditions impacted market levels and client flows over the year.

Though we started 2022 dealing with the effects of Omicron, the impact of COVID-19 on our operating environment was much less pronounced as 'blended working' became the default arrangement for our people.

We continue to manage a lot of change across the business which creates operational stretch on top of our core client servicing activities. An additional challenge in this area is an uptick in staff turnover across various skillsets in the financial services industry post-COVID. This also creates opportunities in the management and development of talent.

We maintain heightened vigilance over risks to our operations from financial crime and cyber intrusion. Our dedicated in-house teams monitor and manage these risks as they evolve, with the support of external specialists.

Client and customer interests are at the heart of our business. We keep close focus on the outcomes which we deliver across our businesses. During 2022, we progressed the company-wide programme to implement the FCA's new Consumer Duty.

Evolving and emerging risks
We are vigilant to risks that could crystallise over different horizons and impact our strategy and operations. These risks vary in nature as they cover geopolitical, economic, societal, technological, legal, regulatory and environmental themes. We distil internal and external research to consider how risks could emerge and evolve. Some notable risks (and opportunities) for our business include tightness in labour markets, rising input costs, evolving cyber threats, disruptive financial technologies, unprecedented market shifts and climate change.

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

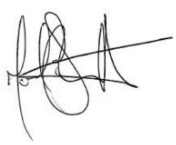
Principal risks to our business	Our approach to managing these risks:
Strategic Risk: These are risks that could prevent the achievement of strategic aims and successfully delivering business plans. These could include failing to meet client expectations, poor strategic decision-making, poor implementation or failure to adapt.	The abrdn Group continued to develop its single global brand during 2022. These risks have been managed through assessing emerging risks so that action can be taken in a timely and proportionate manner to mitigate these, including detailed stakeholder engagement plans to manage the transition to the new brand and ensuring the Company has a clear organic growth strategy. The Adviser Experience Programme is designed with client need and feedback in mind to ensure client needs are met.

Financial risk: This is the risk of having insufficient financial resources, suffering losses from adverse markets or the failure or default of counterparties. It could be influenced by inflows and outflows, global market trends, as well as margins on platforms.	Business planning and stress testing is used to project our financial resources under a range of scenarios and confirm the financial resilience of our business. During 2022 we had the first year of operation of the UK Investment Firms Prudential Regime which determines regulatory capital and liquidity requirements for the group and its key entities. Our Treasury Policy includes minimum standards for managing liquidity, market and counterparty risks, including the credit quality of our counterparties.
Conduct risk: Our business relies on our ability to deliver good service and fair client and customer outcomes, and there is a risk that we fail to achieve this through our operational activities and the implementation of our change programmes. This could lead to customer and client harm, reputational damage and loss of income.	Being client and customer-led is an essential aspect of our culture. This means having a continuous focus on client and customer outcomes in all that we do. Our ERM framework supports the management of conduct risk with clear expectations around conduct goals and responsibilities. In 2022 we refreshed our framework for managing conflicts of interest and launched a programme to implement the FCA's new Consumer Duty.
Regulatory and legal risk: High volumes of regulatory change can create interpretation and implementation risks. Compliance failures can lead to poor customer and client outcomes, sanctions, reputation damage and income loss.	During 2022 the company managed a heavy programme of regulatory implementation, including in relation to ESG investment, operational resilience, and the new Consumer Duty. We monitor the regulatory landscape globally so that we can engage in potential areas of change early. We also invest in compliance and monitoring activity across the business. The evolution of regulatory divergence between the UK and EU rulebooks is a particular focus for the group in view of our business footprint. Our relationships with key regulators are based on trust and transparency while our compliance and legal teams support senior managers across our business.
Process execution and trade errors: This is the risk that processes, systems or external events could produce operational errors.	During 2022 there was continued management focus on process execution and trade errors. Potentially important systems outages were managed using established incident management processes. Underlying causes of error are monitored to identify areas for action, promoting a culture of accountability and continuously improving how issues are addressed.
People: In line with the wider economy, employee turnover has increased in all regions as a consequence of tight labour markets conditions, increases in the cost of living and continued labour market adjustment following the pandemic. Engaging with our people, and supporting their wellbeing, is critical to our strategy and the success of our business.	Since the onset of the pandemic we have successfully adapted, providing online tools to support collaboration and moving our learning and development offering online. We have responded to increased competition for talent in our industry, using targeted approaches to support retention and recruitment for our key business functions.
Technology: There is a risk that technology fails to adapt to business needs, as well as unauthorised users accessing systems and carrying out cyber attacks. This risk is relevant to a wide range of potential threats to the business including weather events, internal failure, external intrusion and supplier failure. Our current IT estate is complex and there are dependencies on third party suppliers that need to be managed in a dedicated way.	There continues to be a programme of work to deliver the Adviser Experience Programme and continue to invest in, and enhance, IT infrastructure controls. We benchmark our IT systems environment to identify areas for improvement and further investment. We maintain heightened vigilance for cyber intrusion, with dedicated teams monitoring and managing cyber security risks. We carry out regular testing on penetration and crisis management.

Security and resilience: Incidents that can impact business resilience and continuity include environmental issues, terrorism, economic instabilities, cyber attacks and operational incidents. The risk of disruption from inside the organisation remains broadly stable, but tools for exploiting IT vulnerabilities are becoming more widely available externally.	The operational resilience framework continues to be enhanced, as well as strengthened responses to disruption. Crisis management and contingency planning processes are regularly reviewed and tested, enabling us to minimise disruption as the balance of hybrid working has shifted over the year. We completed our programme to implement FCA/PRA Operational Resilience regulations, which came into force during 2022.
Fraud and financial crime: As a business that handles clients' money there is an exposure to the risk of fraudulent and dishonest activity. Engagement with a wide number of external parties means there has to be vigilance to the risk that these parties are connected with criminal behaviour, or subject to sanctions by national or global authorities.	Processes are in place to identify client activity linked with financial crime, globally. These include controls for anti-money laundering, anti-bribery, fraud and other areas of financial crime. A company-wide programme to invest in systems, controls and processes to improve our management of these risks is in progress. During 2022 significant work was carried out globally to revise and implement consistent anti-money laundering and sanctions policies and standards. This included a targeted remediation, to these standards, of the due diligence information held for high risk customers. We continue to work with the financial authorities and our industry peers to assist those targeted by scams.
Change management: We are continually implementing change to improve our business or meet regulatory expectations. As well as being costly, failure to deliver change effectively, can lead to poor client and customer outcomes and/or regulatory non-compliance.	For major change projects, we have established governance processes with ring-fenced project resources and clearly defined roles across the three lines of defence. Second and third lines have clear roles in overseeing progress and projects are delivered in ways that help protect client outcomes.
Third party management: Activities to suppliers are outsourced with specialist capabilities which means there is exposure to the risk of third parties failing to deliver in line with contractual obligations.	Our Third Party Risk Management framework is well embedded and continues to evolve in line with external developments, industry practice and regulatory developments.
Financial management process: We have extensive financial reporting obligations to clients, customers, shareholders, regulators and other stakeholders. Failures in these processes could impact decision-making and lead to regulatory and litigation risk.	Our financial reporting activities align to external reporting standards and industry best practice. These activities are subject to extensive Internal control and external assurance.

Environmental matters
The Company follows the environmental strategy of the Group which is disclosed within the abrdn plc Annual Report and Accounts which does not form part of this report.

On behalf of Board of Director



Noel Butwell
Director
3 April 2023

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

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

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

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

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

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

The Directors are responsible for 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.

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

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

The CBCR information does not constitute the Company's statutory accounts for the financial year ended 31 December 2022.

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

Opinion

We have audited the financial statements of Elevate Portfolio Services Limited ("the Company") for the year ended 31 December 2022 which comprise the Profit and loss account, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of management and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

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

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

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included 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, and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

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

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, 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 Company's license to operate. We identified the following areas as those most likely to have such an effect: data protection laws, anti-bribery, anti-money laundering, market abuse regulations and financial services regulations including Client Assets, and specific areas of regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as 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.

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

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 10, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

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

M. Humphrey.

Matthew Humphrey (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
3 April 2023

Profit and loss account
for the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Income			
Fee income and cash margin	3	42,086	40,838
Finance income	4	597	32
Income		**42,683**	**40,870**
Expenses			
Administration expenses		33,235	35,320
Total expenses		**33,235**	**35,320**
Profit before tax		**9,448**	**5,550**
Tax expense	6	1,803	1,195
Profit for the year		**7,645**	**4,355**

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

The notes on pages 17 to 23 form an integral part of these financial statements.

Balance sheet
as at 31 December 2022

	Notes	2022 £'000	2021 £'000
Non-current assets			
Deferred acquisition costs	8	366	797
Deferred tax assets	7	5	253
Total non-current assets		371	1,050
Current assets			
Trade and other receivables	9	11,324	9,726
Cash and cash equivalents		85,284	79,289
Total current assets		96,608	89,015
Total assets		**96,979**	**90,065**
Current liabilities			
Trade and other payables	11	13,439	14,170
Total liabilities		**13,439**	**14,170**
Capital and reserves			
Share capital	10	219,275	219,275
Retained earnings		(135,735)	(143,380)
Total equity		**83,540**	**75,895**
Total liabilities and equity		**96,979**	**90,065**

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

Noel Butwell
Director
3 April 2023

The notes on pages 17 to 23 form an integral part of these financial statements.

Statement of changes in equity
for the year ended 31 December 2022

	Share capital 2022 £'000	Retained earnings 2022 £'000	Total equity 2022 £'000
At 1 January	**219,275**	**(143,380)**	**75,895**
Profit for the financial year	-	7,645	7,645
At 31 December	**219,275**	**(135,735)**	**83,540**

	Share capital 2021 £'000	Retained earnings 2021 £'000	Total equity 2021 £'000
At 1 January	**219,275**	**(147,735)**	**71,540**
Profit for the financial year	-	4,355	4,355
At 31 December	**219,275**	**(143,380)**	**75,895**

The notes on pages 17 to 23 form an integral part of these financial statements.

Notes to the financial statements *continued*

1. Accounting policies

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

Basis of preparation
The Company meets the definition of a qualifying entity under Application of Financial Reporting Requirements 100 as issued by the Financial Reporting Council. Accordingly, the financial statements for the year ended 31 December 2022 have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") as issued by the Financial Reporting Council.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 (Adopted IFRSs), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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

- International Accounting Standard ("IAS") 1 Presentation of Financial Statements requirement for comparative period reconciliations for share capital;
- IAS 1 Presentation of Financial Statements disclosures in respect of capital management;
- IAS 7 Statement of Cash Flows and related notes;
- IAS 8 Accounting Polices requirement to disclose the effects of new but not yet effective International Financial Reporting Standards ("IFRSs");
- IFRS 15 Revenue from Contracts with Customers;
- IAS 24 Related Party disclosures in respect of transactions with wholly owned subsidiaries; and
- IAS 24 Related Party disclosures in respect of the compensation of Key Management Personnel.

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

- Certain disclosures required by IFRS 7 Financial Instrument Disclosures.

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

The Company has made profits in the financial year and has sufficient financial resources. In preparing these financial statements, the Directors have also considered the impact of severe market shocks on Company forecasts, focussing specifically on:

- the current level of regulatory capital, which was £48.6m in excess of capital requirements at 31 December 2022;
- the level of liquid resources, including cash and cash equivalents, which far exceed the level of liquidity requirements;
- 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 abrdn plc Group.

Based on a review of the above factors the Board is satisfied that the Company remains well capitalised and has sufficient liquidity to withstand potential severe market shocks.

Consequently, the Board is satisfied that the Company has and will maintain sufficient resources to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Notes to the financial statements *continued*

1. Accounting policies *continued*

New interpretations and amendments to existing standards that have been adopted by the Company
No new standards, interpretations and amendments effective for the first time from 1 January 2022 have had an impact on the Company.

Revenue recognition
Fee income from fund platforms arises from the provision of investment management and administration services as well as investment contracts and cash margin, being the share of client money interest to which the entity is entitled. Cash margin related to the retained interest income derived from surplus client cash and is recognised on an accruals basis using the effective interest rate method. This income is recognised as services are provided i.e. as the performance obligation is satisfied and it is highly probable that a significant reversal will not occur in future periods.

Finance income
Interest income is derived on cash and cash equivalents and is recognised on an accruals basis using the effective interest rate method.

Administrative expenses
Administrative expenses are recognised on an accruals basis.

Restructuring costs
Restructuring costs are recognised on an accruals basis, and mainly relate to ongoing transformation costs.

Cash and cash equivalents
Cash and cash equivalents are basic financial instruments and includes cash at bank and highly liquid investments. Cash and cash equivalents are initially measured at fair value and subsequently at amortised cost using the effective interest rate method.

Financial assets
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 accrued income, other debtors, prepayments and amounts due from abrdn plc group undertakings. 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.

At 31 December 2022, the Company does not hold financial assets at amortised cost that it regards as credit-impaired or for which it considers the probability of default would result in material expected credit losses.

Financial liabilities
Amortised cost
These instruments include trade payables, group tax relief, other payables and amounts owed to abrdn plc group undertakings. These instruments are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

Contingent Liabilities
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. At 31 December 2022, there are no identified contingent liabilities expected to lead to a material exposure.

Notes to the financial statements *continued*

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

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

Taxation
The Company's 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.

Provisions
Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

2. Critical accounting judgements and key sources of estimation uncertainty
The preparation of financial statements can necessitate the use of key estimates and judgements. These estimates and judgements can affect the reported amounts of assets and liabilities, contingent or otherwise, at the balance sheet date as well as affecting the reported profit or losses for the period. There are no critical judgements and estimates. This is consistent with the prior year.

3. Fee income and interest on client money

	2022	**2021**
	£'000	**£'000**
Fee income from Elevate fund platform	38,616	40,314
Cash margin	3,470	524
Total income	**42,086**	**40,838**

2021 figure of £524k was previously included in Fee income from Elevate fund platform. Cash margin is the share of client money interest to which the entity is entitled. This has increased from prior year due to a rise in interest rates in 2022. Fee income from Elevate fund platform is driven by assets under administration which have fallen in 2022 due to negative market movements despite continued positive net inflows.

Notes to the financial statements *continued*

4. Finance income

	2022 £'000	2021 £'000
Interest income	597	32
Total finance income	**597**	**32**

Interest income has increased due to a rise in interest rates in 2022.

5. Auditor's remuneration

Auditor's remuneration in respect of the audit of the Company's financial statements amounted to £114k (2021: £102k). 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 abrdn plc.

6. Tax expense

(a) Tax expense

	2022 £'000	2021 £'000
Current tax:		
Current tax expense	1,554	531
Adjustments in respect of previous periods	1	141
Total current tax	**1,555**	**672**
Deferred tax:		
Deferred tax credit arising in the current year	249	523
Adjustments in respect of previous periods	(1)	-
	248	**523**
Total tax expense	**1,803**	**1,195**

(b) Reconciliation of tax expense

	2022 £'000	2021 £'000
Profit before tax	**9,448**	**5,550**
Tax at 19% (2021: 19%)	**1,795**	**1,055**
Permanent differences	8	-
Adjustments to current tax charge in respect of prior periods	-	141
Effect of rate change	-	(1)
Total tax expense for the year	**1,803**	**1,195**

The standard UK Corporation Tax rate for the accounting period is 19%. On 3 March 2021, the UK Government announced its intention to increase the rate of UK Corporation Tax from 19% to 25% with effect from 1 April 2023. This change was substantively enacted on 24 May 2021. The increased rate for future periods has been taken into account in the calculation of UK deferred tax balances.

Notes to the financial statements *continued*

7. Deferred tax asset

	2022 £'000	2021 £'000
At 1 January	253	776
Amounts charged to the profit and loss account	(248)	(523)
Total deferred tax asset at 31 December	**5**	**253**

The deferred tax asset recognised is in respect of cumulative tax losses and capital allowances. Deferred tax assets are recognised to the extent that it is probable that the losses and capital allowances will be capable of being offset against future taxable profits. A deferred tax asset has been recognised in respect of the remaining losses carried forward of £nil (2021: £1,314k) and capital allowances of £18k (2021: £15k).

8. Deferred acquisition costs

	2022 £'000	2021 £'000
At 1 January	**797**	**1,322**
Amortisation charge	(431)	(525)
At 31 December	**366**	**797**

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

The amount of deferred acquisition costs expected to be recovered after more than 12 months is £130k (2021: £366k). The amount of deferred acquisition costs expected to be recovered in the next 12 months is £236k (2021: £431k).

9. Trade and other receivables

	2022 £'000	2021 £'000
Trade and other receivables	7,424	7,351
Accrued income	3,720	1,956
Prepayments	180	240
Amounts due from abrdn plc group undertakings	-	179
Total Trade and other receivables	**11,324**	**9,726**

The 'Trade and other receivables' balance consists of client money funding £5,364k (2021: £5,075k), client prefunding £1,794k (2021: £2,063k) and other receivables £266k (2021: £213k).

Amounts owed by abrdn plc 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.

10. Share capital

Allotted, called up and fully paid shares:	2022 Number	£'000	2021 Number	£'000
Ordinary shares of £1 each	**219,275,000**	**219,275**	**219,275,000**	**219,275**

Notes to the financial statements *continued*

11. Trade and other payables

	2022 £'000	2021 £'000
Trade payables	5,365	5,674
Amounts owed to abrdn plc group undertakings	4,969	6,237
Other payables	1,623	1,728
Group relief	1,482	531
Total Trade and other payables	**13,439**	**14,170**

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Amounts owed to abrdn plc 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.

The "Other payables" balance principally relates to taxes deducted from clients at source, which are due to HMRC.

12. Related party transactions

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 abrdn plc.

13. Parent and ultimate parent undertaking

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

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

14. Events after the balance sheet date

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

15. Directors emoluments

	2022 £'000	2021 £'000
Directors' emoluments	73	73

Directors' emoluments consist of fees payable to Non-Executive Directors. Those directors have not received any other form of remuneration for their services. For those directors who are employees of the abrdn group and paid by another group company, services cover several companies within the Group, no apportionment of emoluments has been made to the Company. None of the Directors who held office during the year ending 31 December 2022 had any interest in the shares of the Company (2021: none).

Notes to the financial statements *continued*

16. Country by country reporting

Country	Name	Nature of activities	Number of employees	Income £k	Profit/(loss) before tax £k	Corporation tax paid £k
United Kingdom	**Elevate Portfolio Services Limited**	Fund management	-	42,683	9,448	-

Taxation is paid to other subsidiaries for use of group relief not HMRC.

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