aberdeen

abrdn Alternative Investments Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2024

Registration number: 00794936

Contents

Company Information

Directors	P Branner X B M Meyer
Company secretary	abrdn Corporate Secretary Limited
Registered office	280 Bishopsgate London EC2M 4AG
Auditor	KPMG LLP Chartered Accountants and Statutory Auditor Saltire Court 20 Castle Terrace Edinburgh EH1 2EG

Strategic Report for the Year Ended 31 December 2024

The Directors present their strategic report on abrdn Alternative 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 was the provision of investment management services across a number of asset classes. During the year the Company novated the last of its clients to other Aberdeen Group companies in preparation for liquidation. The company does not intend to seek replacement trade and consequently the financial statements are not prepared on a going concern basis.

The Company is part of Aberdeen Group plc ("Aberdeen" or, together with its subsidiaries, "the Aberdeen Group").

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
AUM	-	117,724
Revenue	(109)	872
Operating loss before restructuring costs	(1,334)	(538)
Equity attributable to equity holders of the parent	41,010	40,546
Regulatory capital surplus	40,000	34,961

AUM

AUM contracted with the Company has decreased by £117,724k (100%) to £nil, due to the novation of all remaining management contracts to other Aberdeen Group undertakings.

Revenue

Revenue has decreased by £981k (112%), largely as a result of the aforementioned novations of the management contracts to other Aberdeen Group companies. The negative revenue position is due to corrections made in 2024 to revenue recognised in prior years.

Operating loss before restructuring costs

The operating loss increased by £796k (147%), as a result of aforementioned decrease in revenue, partly offset by an associated reduction in operating costs. Operating costs fell by less than revenue due to elements of fixed costs that have been retained by the Company. An expense of £1,120k has been recognised in respect of revenue sharing, driven by an expected credit loss in another Aberdeen Group company where the margin impact has been partly shared with the Company.

Equity attributable to equity holders of the parent

Equity attributable to equity holders of the parent has increased by £464k (1%) as a result of profit made during the year.

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

Key performance indicators ("KPIs") (continued)

Regulatory capital surplus
The regulatory capital surplus at 31 December 2024 has increased by £5,039k (14%), largely as a result of decrease in own funds threshold requirement from £5.4m in 2023 to £0.5m in 2024.

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 need to foster the Company's business relationships with suppliers, customers and others;
c) the impact of the Company's operations on the community and the environment;
d) the desirability of the Company maintaining a reputation for high standards of business conduct; and
e) 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 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 Aberdeen Group.

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

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 Aberdeen Group as a whole, and the likely long term consequences of any decisions by the Company are taken into account. The Company transferred the last of its clients to other Aberdeen Group companies during the year and no longer retains any contracted third party costs. This is in preparation for future regulatory de-authorisation and liquidation of the Company.

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 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 transferred the last of its clients to other Aberdeen Group companies during the year and no longer retains any contracted third party costs. This is in preparation for future regulatory de-authorisation and liquidation of the Company.

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

Enhancing our governance (continued)

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").

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.

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

Risk management (continued)

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.

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.

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

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.

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.

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

Principal risks and uncertainties (continued)

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.

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).

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

Principal risks and uncertainties (continued)

Third party management

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.

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 and to date, were as follows:

P Branner

X B M Meyer

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 Company novated all remaining clients to other Aberdeen Group companies during the year and no longer has any contracted costs. This is in preparation for future regulatory de-authorisation and liquidation of the Company. Consequently, the financial statements are not prepared on a going concern basis.

Dividends
The Directors recommended and paid dividend of £nil (2023: £1,312k) to the Company's immediate parent company, namely abrdn Investment Group Limited ("aIGL").

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

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.

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)

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 the Directors 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 (as explained in note 1 the Directors do not believe it is appropriate to prepare these financial statements on a going concern basis).

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 Alternative Investments Limited

Opinion
We have audited the financial statements of abrdn Alternative Investments Limited ('the Company') for the year ended 31 December 2024 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and related notes including the accounting policies in note 1. These financial statements have not been prepared on the going concern basis for the reason set out 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 2024 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.

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 and management and inspection of policy documentation as to the Company’s policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud; and

- Reading Board minutes to assess for any discussion of fraud.

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 have rebutted the fraud risk related to revenue recognition because the entity is no longer trading and are no material revenue streams. 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 which comprised unexpected posting combinations. We have also tested all material post year end closing journals.

We did not identify any additional fraud risks.

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

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 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, how they analyse identified breaches and assessing whether or not there were any implications of identified breaches on our audit.

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

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

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

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection laws, anti-money laundering, anti-bribery, market abuse regulations, financial services regulations including Client Assets, 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.

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

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.

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.

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

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.

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Edward Monroe (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Date: 24 April 2025

Profit and Loss Account for the Year Ended 31 December 2024

	Note	2024 £ 000	2023 £ 000
Revenue	3	(109)	872
Administrative expenses		(1,225)	(1,410)
Operating profit/(loss)		**(1,334)**	**(538)**
Impairment of investments		(5)	(251)
Net finance income	5	1,910	927
Gain on sale of investments		37	-
Profit/(loss) before tax		**608**	**138**
Tax credit/(charge) for the year	6	(144)	(93)
Profit/(loss) for the year		**464**	**45**

The Company has not recorded any other comprehensive income during the years to 31 December 2024 or 31 December 2023. A separate statement of comprehensive income is therefore not disclosed.

Profits for the year were derived wholly from discontinued operations.

The notes on pages 18 to 28 form an integral part of these financial statements.

Balance Sheet as at 31 December 2024

	Note	2024 £ 000	2023 £ 000
Assets			
Non-current assets			
Investments in subsidiaries	8	174	179
Deferred tax assets	7	4	5
Other non-current financial assets		18	18
Total non-current assets		**196**	**202**
Current assets			
Trade and other receivables	9	1,634	36,007
Cash and cash equivalents		40,768	23,503
Total current assets		**42,402**	**59,510**
Total assets		**42,598**	**59,712**
Equity and liabilities			
Equity			
Share capital	10	20,125	20,125
Share premium		20,375	20,375
Retained earnings		510	46
Equity attributable to equity holders of the parent		**41,010**	**40,546**
Current liabilities			
Trade and other payables	11	1,588	19,166
Total current liabilities		**1,588**	**19,166**
Total liabilities		**1,588**	**19,166**
Total equity and liabilities		**42,598**	**59,712**

Approved by the Board and signed on its behalf by:

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X B M Meyer
Director
24 April 2025

Registration number: 00794936

The notes on pages 18 to 28 form an integral part of these financial statements.

Statement of Changes in Equity for the Year Ended 31 December 2024

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2023	20,125	20,375	1,313	41,813
Profit for the year	-	-	45	45
Dividends	-	-	(1,312)	(1,312)
At 31 December 2023	**20,125**	**20,375**	**46**	**40,546**

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2024	20,125	20,375	46	40,546
Profit for the year	-	-	464	464
At 31 December 2024	**20,125**	**20,375**	**510**	**41,010**

The notes on pages 18 to 28 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 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.
- IAS 24 Related Party disclosures in respect of the compensation of Key Management Personnel; and
- IAS 24 Related Party disclosures of transaction with a management entity that provides Key Management Personnel services to the company.

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:

- Certain disclosures required by IFRS 7 Financial Instrument Disclosures and IFRS 13 Fair Value Measurement.

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

1 Accounting policies (continued)

- International Tax Reform - Pillar Two Model Rules - Amendments to IAS12.

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 novated all remaining clients to other Aberdeen Group companies during the year and no longer has any contracted costs. This is in preparation for future regulatory de-authorisation and liquidation of the Company. Consequently, the financial statements are not prepared on a going concern basis.

Changes in accounting policy

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

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.

Rebates are payable based on agreed rates as a percentage of AUM in accordance with the performance obligations of the agreement and are included as a deduction to management fees.

Dividends

Dividends paid are recognised directly in equity in the Company's financial statements in the year in which they are approved.

Net finance income and expense

Interest income and costs are derived on cash and cash equivalents. 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 for expenses relating to future periods are recognised as prepayments.

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

1 Accounting policies (continued)

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 pounds 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.

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 amounts owed to Aberdeen Group undertakings, accruals and deferred income and other payables. These instruments are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

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 transactions.

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 they 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.

Investment in subsidiaries
Investments in subsidiaries are held at cost less accumulated impairment losses. An impairment charge is recognised when the carrying amount of the investment exceeds its recoverable amount. Any gain or loss on disposal of a subsidiary, is recognised in profit for the year.

Contingent liabilities
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.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements, in conformity with FRS 101, may require the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. 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 turnover for the year from continuing operations is as follows:

	2024 £ 000	2023 £ 000
Management fees	(123)	872
Other revenue	14	-
Total revenue	**(109)**	**872**

4 Operating profit

Arrived at after (charging)/crediting:

	2024 £ 000	2023 £ 000
Foreign exchange gains/(losses)	14	(11)

Fees payable to the Company's Independent Auditors:

	2024 £ 000	2023 £ 000
Audit of the financial statements	20	41

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 Net finance income

	2024 £ 000	2023 £ 000
Finance income		
Interest income on bank deposits	1,910	929
Finance expense		
Interest expense paid	-	(2)
Net finance income	**1,910**	**927**

6 Current taxation

Analysis of tax charge in the year:

	2024 £ 000	2023 £ 000
Current taxation		
UK corporation tax charge / (credit)	143	91
UK corporation tax adjustment to prior periods	(1)	2
	142	**93**
Deferred taxation		
Arising from origination and reversal of temporary differences	1	-
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	1	-
Total deferred taxation	2	-
Tax charge / (credit) in the profit and loss account	**144**	**93**

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%).

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

6 Current taxation (continued)

	2024 £ 000	2023 £ 000
Profit before tax	608	138
Corporation tax charge at standard rate	152	32
Increase due to non-deductible expenses	1	59
Adjustment in respect of prior years	-	2
Adjustment in respect of gain on sale of intangible assets	(9)	-
Total tax charge	**144**	**93**

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

7 Deferred tax

	2024 £ 000	2023 £ 000
As at 1 January	5	5
Credit through profit and loss account	(1)	-
As at 31 December	4	5
Deferred tax assets	4	5

The deferred tax asset relates to accelerated capital allowances.

8 Investments in subsidiaries

	2024 £ 000	2023 £ 000
As at 1 January	179	430
Impairment	(5)	(251)
As at 31 December	**174**	**179**

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

9 Trade and other receivables

	2024	2023
Current trade and other receivables:	**£ 000**	**£ 000**
Trade receivables	5	536
Amounts owed by Aberdeen Group undertakings	1,482	34,839
Accrued income	146	632
Other receivables	1	-
Total current trade and other receivables	**1,634**	**36,007**

Current amounts owed by Aberdeen 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

	2024		2023	
	No. 000	**£ 000**	**No. 000**	**£ 000**
Ordinary shares of £1 each	20,125	20,125	20,125	20,125

The Company is a private company limited by share capital, incorporated and domiciled in United Kingdom. The address of its registered office is: 280 Bishopsgate, London, United Kingdom, EC2M 4AG, United Kingdom.

11 Trade and other payables

	2024	2023
Current trade and other payables:	**£ 000**	**£ 000**
Accruals and deferred income	6	-
Amounts owed to Aberdeen Group undertakings	1,582	19,123
Other payables	-	43
Total current trade and other payables	**1,588**	**19,166**

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

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

12 Directors' emoluments

All directors are employed by other Group companies. None of these directors receive any incremental remuneration for being a director of the Company and there are no significant recharges to the Company for their services.

13 Contingent liabilities

The Company is subject to regulation in all of the territories in which it operates its investment businesses. In the UK, where 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.

14 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.

15 Parent and ultimate parent undertaking

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

The most senior parent entity producing publicly available financial statement is Aberdeen. Copies of the consolidated Annual Report and Accounts of Aberdeen 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)

16 Events after the balance sheet date

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

17 Investment holdings

Direct and indirect holdings of the Company are listed below. Holdings are at 100%, unless stated otherwise.

Name of undertaking	Country of registration	Direct \ Indirect	Percentage owned other than 100%
abrdn Investments Luxembourg Corporate Manager S.à r.l. [1]	Luxembourg	Direct	
PURetail Luxembourg Management Co S.a r.1.[1]	Luxembourg	Direct	50%

Registered office
[1] 80 Route d'Esch, L-1470, Luxembourg

18 Country by country reporting

Country	Company	Nature of activities	Number of employees	Income £'000	Profit before tax £ 000	Corporation tax paid £ 000
Luxembourg	abrdn Investments Luxembourg Corporate Manager S.a.r.l	Corporate Director	2	124	-	-
Luxembourg	PURetail Luxembourg Management Company S.a.r.l	Fund management	-	19	2	-

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

18 Country by country reporting (continued)

Country by Country disclosures are included for branches or subsidiaries that are directly or indirectly held by the Company, are financial institutions and operate in territory or country outside of the United Kingdom.

Taxation paid does not consider intercompany payments as part of group relief transactions, instead reporting payments made directly by companies to local tax authorities.

The below provides a brief outline of our approach to the country by country reporting (CBCR) disclosure:

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 ‘turnover’, these numbers include inter-company transactions.
Tax paid	This is the amount of corporation tax paid during the period to taxation authorities.
Public subsidies received	There were no public subsidies received by any entities during the period.

*In May 2023 the company relinquished its fund management activities.