Aberdeen Real Estate Operations Limited

Directors' report and financial statements
Registered number SC169791

For the year ended 30 September 2015

Contents

Strategic report

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

Business review and future developments

The Company provides specialist property fund and asset management services primarily to pension fund and insurance company clients investing directly in UK property.

In the prior year Aberdeen Asset Management PLC ("AAM PLC" or, together with its subsidiaries, "the Aberdeen Group") acquired the Scottish Widows Investment Partnership ("SWIP") business from Lloyds Banking Group plc ("LBG") as part of a strategic step in Aberdeen's growth. From 1 October 2014 the contracts of certain legacy SWIP employees performing relevant fund and asset management services transferred to the Company from Aberdeen Asset Investments Group Limited. In conjunction with the transfer of employee contracts the Company began to receive revenues from legacy SWIP funds, through a service recharge, for activities performed by these employees.

The Company has made a profit in the current year and the integration of the legacy SWIP direct property team builds scale and is expected to increase turnover in the future. However, the Company continues to rely on financial support from its ultimate parent undertaking AAM PLC, to meet its liabilities as they fall due. Note 1 to the financial statements explains how the Directors have satisfied themselves that the Company is a going concern at 30 September 2015.

Key performance indicators

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

	2015	2014
	£'000	£'000
Turnover	**26,063**	11,374
Operating profit/(loss)	**2,873**	(2,666)
Operating margin	**11%**	(23.4%)
Assets under management (AuM)	**£13.6 billion**	£4.9 billion

Turnover
Turnover has increased by £14,689k (129%), as a result of service recharges for asset management services provided in relation to the legacy SWIP business from 1 October 2014. The Company received no such revenues in the prior year.

Operating profit/(loss)
The Company made an operating profit of £2,873k, an increase of £5,539k (208%), as a result of the aforementioned increase in turnover. This was partly offset by an increase in employee costs and service recharges for centralised services provided to the wider business.

Assets under management
AUM has increased by £8.7bn (178%), following the incorporation of the legacy SWIP property assets. The reported AUM represents a combination of clients contracted directly with the Company and clients who derive revenues for the Company, but are contracted with other group undertakings.

Strategic report *(continued)*

Principal risks and uncertainties

The Company is exposed to a range of risks and operates under the Aberdeen Group risk management framework. The oversight and implementation of risk strategy for the Company and the Group is managed at an executive level through the risk management committee, together with the risk, compliance, legal and internal audit departments. The board of the Company meets regularly and considers the risks facing the Company and controls required to manage these risks, as well as the output from the aforementioned governance committees held at an executive level.

The principal risks relating to the company are:

Investment process risk
The Company's revenue is mainly earned from management fees, calculated on the basis of the value of direct property assets managed by the Company. There is the risk that portfolios will not meet their investment objectives or that there is a failure to deliver consistent and above average performance due to market movements or investment decisions. The interaction of investment processes, the retention of key investment personnel and investment performance are important factors for the growth and retention of AuM. Poor investment performance could lead to the loss of clients and may cause AuM, revenue and earnings to decline. We develop each of our investment areas, ensuring each desk has a disciplined investment process, centred on team based decision making and original research. We make investment decisions based on the long term, which may occasionally lead to periods of underperformance. We mitigate this by ensuring clients and investment consultants fully understand our investment philosophy and by openly discussing performance drivers, supported by relevant analysis of the performance components. We have a market risk team, which reviews and challenges investment risks across all asset classes, independently of our fund managers.

Loss of key investment personnel risk
Our reputation and client retention could be damaged through significant changes in investment personnel. We have a team based approach, which seeks to avoid reliance upon any one individual. There is a strong development programme for fund managers and we seek to encourage performance and loyalty through appropriate remuneration and our benefits package, which includes a significant deferred element. Recognising the importance of a small number of teams to the Group's future performance, we aim to mitigate this risk both through the team approach, remuneration and development programmes – as well as actions to grow the business outside of our core equities products.

Client management risk
Client relationships are fundamental to our business and retention of AuM. This incorporates the risk that we mislead or misrepresent products to clients, which could create regulatory censure as well as loss of clients. In creating new products risks can arise from poor product design, delivery of the final product was not what was intended, or that products no longer meet investor requirements. We ensure that our client relations teams keep in regular contact with clients to ensure that we address their changing needs. The Board views meeting customers' needs and expectations as integral to the corporate culture.

As the business evolves, we continue to strengthen governance and oversight over conduct with our customers and developing and managing our products and we also consider it important that all areas of the business work together on this.

Strategic report *(continued)*

Brand risk
Reputation could be damaged if brand or marketing activities are inconsistent with our culture or operations. The compliance team works closely with the business to check that marketing materials are consistent with products and capabilities.

By order of the Board

For Aberdeen Asset Management PLC
Secretaries
10 Queen's Terrace
Aberdeen
AB10 1YG
29 January 2016

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 30 September 2015.

Dividends

There was no dividend paid in the year and the Directors do not propose a dividend for the year to September 2015 (2014: £nil).

Treating customers fairly ("TCF")

The board adopted a TCF policy during 2006. The policy extends the AAM Group TCF focus into the operations of the Company and builds on the requirement to meet customers' reasonable expectations.

Health and safety

The Company has in place a health and safety policy which can be accessed by all staff via an internal database. The aim is to provide both staff and visitors with a safe and healthy working environment. The Company is committed to adhering to the high standards of health and safety set out by its policies and procedures and to providing training as necessary.

Employees

The Company recognises that employee involvement is key to the future success of the business and looks to recruit, develop and retain talented and motivated employees who make clear thinking, diverse views and mutual support the basis for excellence. The practice of keeping employees informed on all matters affecting them (via email and the Company's intranet) and internally circulating all publicly announced documents to all employees continues. The Company is also committed to following good practice in employment matters, recognising the part this plays in attracting and retaining staff. The Company promotes the importance of high ethical standards to all employees and staff have the opportunity to voice any concerns they may have, either directly with management or on a confidential basis via the whistleblowing process.

Equal opportunities

Aberdeen Asset Management is a global group with customers spanning a multitude of countries, cultures and professions, and we view diversity as a valuable business asset. By having a workforce that reflects the communities where we work, we gain an important competitive advantage. We do not tolerate harassment or bullying. Details of the Group's equal opportunities policy are available on the corporate responsibility ('CR') section of the website. The Company gives full and fair consideration to applications for employment from disabled persons. If employees become disabled, we provide continuing employment wherever possible and subject to local laws and regulations. For the purposes of training and career development, all employees are treated equally.

Directors

The Directors who held office during the year and up to the date of this report are given below:

A Creighton
G Easter (resigned 3 August 2015)
G Hardie
M Tibbits
S Moscow (appointed 3 August 2015)
R Cass (appointed 5 November 2015)
R Annis (appointed 5 November 2015)

All Directors benefitted from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Directors' report *(continued)*

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that he/she 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.

General information

The address of the Company's registered office is 10 Queen's Terrace, Aberdeen, AB10 1YG.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor was deemed to be reappointed and therefore KPMG Audit Plc continued in office for the financial period 1 October 2014 to 30 September 2015.

Following a tender process for the audit of Aberdeen Asset Management PLC and its subsidiaries that took place in 2015, it was recommended that PricewaterhouseCoopers LLP be appointed as auditor for the Aberdeen Asset Management Group of entities effective for periods ending on or after 1 October 2015.

As a result KPMG Audit Plc will be resigning as the Company's auditor for the financial year commencing 1 October 2015 and PricewaterhouseCoopers LLP will seek appointment instead.

By order of the Board

S Murrie

For Aberdeen Asset Management PLC
Secretaries
10 Queen's Terrace
Aberdeen
AB10 1YG
29 January 2016

Statement of Directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company instead and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Aberdeen Real Estate Operations Limited

We have audited the financial statements of Aberdeen Real Estate Operations Limited for the year ended 30 September 2015 set out on pages 8 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

EJefferis

Emily Jefferis (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
37 Albyn Place
Aberdeen
AB10 1JB
Date: 08 February 2016

Profit and loss account

For the year ended 30 September 2015

	Note	**2015** **£'000**	2014 £'000
Turnover	2	**26,063**	11,374
Administrative expenses		**(23,190)**	(14,040)
Operating profit/(loss)		**2,873**	(2,666)
Interest receivable and similar income	6	**3**	2
Profit/(loss) on ordinary activities before taxation		**2,876**	(2,664)
Tax (charge)/credit on profit/(loss) on ordinary activities	7	**(439)**	790
Profit/(loss) for the financial year		**2,437**	(1,874)

Turnover and operating profit arise wholly from continuing operations.

There are no recognised gains or losses other than the profit for the financial year. Accordingly, no statement of total recognised gains and losses has been presented.

The notes on pages 10 to 16 form part of these financial statements.

Balance sheet

At 30 September 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Tangible fixed assets	8	-	4
		-	4
Current assets			
Debtors	9	**2,207**	2,032
Cash at bank and in hand		**3,329**	123
		5,536	2,155
Creditors: amounts due within one year	11	**(8,394)**	(7,454)
Net liabilities		**(2,858)**	(5,295)
Capital and reserves			
Called up share capital	12	-	-
Share premium account	13	**800**	800
Capital contribution	13	**654**	654
Profit and loss account	13	**(4,312)**	(6,749)
Shareholders' deficit	14	**(2,858)**	(5,295)

The notes on pages 10 to 16 form part of these financial statements

The financial statements were approved by the board of Directors on 29 January 2016 and were signed on its behalf by:

Andrew Creighton
Director

Notes to the financial statements

1. Accounting policies

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

Basis of preparation
The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

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

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

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

The Company participates in the Aberdeen Group's centralised treasury arrangements and shares banking arrangements with its parent and fellow subsidiaries. The Company made a profit in the year to 30 September 2015 of £2,437k (2014: loss of £1,874k) and has net liabilities of £2,858k (2014: £5,295k). The Company is expected to be profitable in the long term and it is reliant on the support of its ultimate parent company, AAM PLC, to meet its liabilities as they fall due within the next 12 months. The Directors have received a letter of support from the Directors of AAM PLC to provide such support.

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

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of the Company's ultimate parent undertaking, AAM PLC, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Share based payments
The Aberdeen Group awards deferred shares to employees as an element of annual bonus awards. These deferred shares are expensed on a straight-line basis over the service period to vesting, based on the Group's estimate of equity instruments that will eventually vest. Where AAM PLC makes awards under the deferred share scheme to employees of its subsidiaries it recharges the cost of these awards to each subsidiary based on the cash value of the shares at the award date.

Taxation
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised in the statement of total recognised gains and losses. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding basis used for tax purposes. Deferred tax is generally recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Notes to the financial statements *(continued)*

1. Accounting policies *(continued)*

Tangible fixed assets

Property, plant & equipment is stated at cost less accumulated depreciation. Expenditure on property, plant & equipment is capitalised on initial recognition. Subsequent expenditure is only capitalised when it is probable that there will be future economic benefits attributable to the item and the cost of the item can be measured reliably. All other expenditure is recognised as an expense in the profit and loss account as incurred. Property, plant & equipment are depreciated so as to write off the cost of assets, on a straight line basis, over their estimated useful lives as follows:

The principal annual rates used for this purpose are:

	Years
Computer hardware and software	4
Furniture and equipment	4

Pension scheme

The Company contributes to a defined contribution pension scheme operated by the ultimate parent company, AAM PLC. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Turnover

Turnover represents management fees charged to the funds net of value added tax and rebates, and transaction fees earned from the purchase or sale of properties. Turnover is derived from the Company's principal activity of the provision of property fund and asset management services within the United Kingdom.

2. Turnover

	2015	2014
	£'000	£'000
Gross management fees	**24,577**	11,361
Performance fees	**260**	13
Other income	**1,226**	-
	26,063	11,374

Other income relates to gains on the disposal of three property retail assets.

3. Notes to the profit and loss account

Profit/(loss) on ordinary activities before tax is stated after charging:

	2015	2014
	£'000	£'000
Depreciation	**4**	8

Auditor's remuneration:

	2015	2014
	£'000	£'000
Audit of these financial statements	**13**	13

Amounts paid to 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 the Company's parent, AAM PLC.

Notes to the financial statements *(continued)*

4. Remuneration of Directors

	2015	2014
	£'000	£'000
Directors' emoluments	**813**	1,014
Amounts receivable under long term incentive schemes	**373**	454
Company contributions to group personal pension scheme	**174**	216
Other benefits	**6**	8
	1,366	1,692

The decrease in Directors' fees from last year is a result of two Directors leaving the company.

The aggregate emoluments of the highest paid Director during the year were £317k *(2014: £371k)* including pension contributions of £78k (2014: £76k). No share options were exercised by the highest paid Director in the year *(2014:£nil)*. In addition, the highest paid Director was awarded deferred shares under the parent company's deferred share scheme with a value of £244k *(2014: £206k)*.

Retirement benefits are accruing to the following number of Directors under:

	Number of Directors	
	2015	2014
Defined contribution scheme	3	2

5. Staff numbers and costs

The average number of persons employed by the Company (including Directors) during the year was as follows:

	2015	2014
	Number	Number
Administration	98	72

The aggregate payroll costs of these persons were as follows:

	2015	2014
	£'000	£'000
Salaries and bonuses	**9,335**	7,246
Redundancy	**-**	472
Share based element of remuneration	**581**	929
Social security costs	**1,194**	1,082
Other pension costs	**1,373**	1,153
	12,483	10,882

No employees of the Company, including Directors, have share options or interests in the Aberdeen Group operated long-term incentive scheme. All share based remuneration is from deferred shares or cash-settled deferred fund awards.

6. Interest receivable and similar income

	2015	2014
	£'000	£'000
Bank deposit interest receivable	3	2

Notes to the financial statements *(continued)*

7. Taxation

Analysis of tax in the year

	2015 £'000	2014 £'000
UK corporation tax		
Current tax charge/(credit) for the year	**427**	(913)
Deferred tax		
Origination or reversal of timing differences	**-**	11
Adjustment in respect of prior years	**12**	112
Total deferred tax	**12**	123
Tax on profit/(loss) on ordinary activities	**439**	(790)

Reconciliation of tax charge

The UK tax rate for the year is 20.5% (2014: 22%). The tax rate was reduced from 21% to 20% effective from 1 April 2015 (23% to 21% effective from 1 April 2014). The current tax charge on the profit on ordinary activities for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.5% (2014: 22%). The differences are explained below.

	2015 £'000	2014 £'000
Current tax reconciliation		
Profit/(loss) on ordinary activities before taxation	**2,876**	(2,664)
Current tax at 20.5% *(2014: 22%)*	**590**	(586)
Expenses not deductible for tax purposes	**(133)**	(224)
Accelerated capital allowances	**(8)**	(9)
Other timing differences and adjustments	**(22)**	(94)
Total current tax charge/(credit) (see above)	**427**	(913)

Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly and reduce the deferred tax asset at 30 September 2015 (which has been calculated based on the rate of 20% substantively enacted at the balance sheet date).

8. Tangible fixed assets

	Furniture and equipment £'000	Total £'000
Cost		
At 1 October 2014/30 September 2015	36	36
Depreciation		
At 1 October 2014	32	32
Charge for the year	4	4
At 30 September 2015	36	36
Net book value		
At 30 September 2015	-	-
At 30 September 2014	**4**	**4**

Notes to the financial statements *(continued)*

9. Debtors

	2015	2014
	£'000	£'000
Trade debtors	**3**	91
Amounts owed by group companies	**-**	25
Other debtors	**27**	32
Prepayments and accrued income	**1,823**	1,535
Deferred tax (note 10)	**354**	349
	2,207	2,032

10. Deferred tax

	2015	2014
	£'000	£'000
At 1 October	**349**	472
Charge to profit and loss account	**(12)**	(123)
Transfer from group companies	**17**	-
At 30 September	**354**	349

The deferred tax asset can be analysed as follows:

	2015	2014
	£'000	£'000
Difference between capital allowances and accumulated depreciation	**38**	46
Other timing differences – share based payments	**316**	303
	354	349

11. Creditors: amounts due within one year

	2015	2014
	£'000	£'000
Accruals and deferred income	**2,165**	1,667
Amounts due to group companies	**5,280**	4,771
Other creditors	**949**	1,016
	8,394	7,454

12. Called up share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
100 ordinary shares of £1 each *(2014: 100)*	**100**	100

Notes to the financial statements *(continued)*

13. Share premium and reserves

	Share premium account £'000	Capital contribution £'000	Profit and loss account £'000
At 1 October 2014	800	654	(6,749)
Profit for the financial year	-	-	2,437
At 30 September 2015	**800**	**654**	**(4,312)**

14. Reconciliation of movements in shareholders' funds

	2015 £'000	2014 £'000
Profit/(loss) for the financial year	**2,437**	(1,874)
Net increase/(decrease) in shareholders' funds/(deficit)	**2,437**	(1,874)
Opening shareholders' deficit	**(5,295)**	(3,421)
Closing shareholders' deficit	**(2,858)**	(5,295)

15. Share based payments

Deferred share awards

The Company's parent, AAM PLC, operates share based payment schemes in which employees of the parent and certain subsidiary companies participate. The Company is required to account for the fair value of the share options and long term incentive at grant date over the vesting period. AAM PLC recharges each subsidiary with the specific cost of the schemes based on the cost incurred for each employee.

The following disclosures relate to the share schemes operated by AAM PLC in which employees of the Company participate. The disclosures are for the employees of the Company participating in the Aberdeen Group schemes. The cost recharged by AAM PLC relating to the Company's employees is disclosed below.

Employees of the Company participate in the deferred share award scheme operated by the parent company. Shares awarded do not have on-going performance conditions, but have a time vesting condition. Awards made in respect of annual bonus awards from 2008 to 2015 vest annually in three equal tranches and may be exercised for a period of up to seven years after the vesting date. All awards from 2008 to 2015 are subject to the continued employment of the participant, with the exception of certain specific circumstances such as the retirement of an employee.

	Weighted average share price 2015	**Number 2015**	Weighted average share price 2014	Number 2014
Outstanding at 1 October		**1,640,762**		1,897,600
~~Granted during the year~~	~~**454.20p**~~	~~**143,238**~~	~~487.54p~~	~~162,588~~
Exercised during the year	**248.02p**	**(253,251)**	199.43p	(399,901)
Forfeited during the year	**368.00p**	**(863,399)**	324.39p	(19,525)
Outstanding at 30 September		**667,350**		1,640,762

Notes to the financial statements *(continued)*

15. Share based payments (continued)

The following table shows the costs recharged by AAM PLC to the Company for the share based costs relating to employees of the Company participating in the above schemes.

	2015 £'000	2014 £'000
Expenses arising from award of deferred shares	**555**	867
Expenses arising from award of cash-settled deferred funds	**26**	62
	581	929

16. Contingent liabilities

The Company's bank balance is part of a group working capital facility in support of which cross guarantees are provided by the parent company, the Company and certain fellow subsidiary undertakings. At 30 September 2015 the net amount guaranteed under this arrangement was £3,329k *(2014: £123k).*

17. Intermediate and ultimate company

The Company's intermediate parent company is Aberdeen Real Estate Investors Operations (UK) Ltd.

The Company's ultimate parent company is AAM PLC, which is incorporated in the United Kingdom and registered in Scotland.

The results of the Company are consolidated in the Aberdeen Group accounts of AAM PLC, which is the largest group that the results are consolidated within, which are available to the public and may be obtained from 10 Queen's Terrace, Aberdeen, AB10 1YG. No other group accounts include the results of the Company.