



**INTERACTIVE INVESTOR LIMITED
ANNUAL REPORT AND ACCOUNTS
FOR YEAR ENDED 31 DECEMBER 2022**

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Company Registration No. 04752535 (England and Wales)

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General Information

Directors

Executive directors

Barry Bicknell

Richard Wilson

Deborah Byard (appointed 26 January 2023)

Non-executive directors

Stephanie Bruce (appointed 27 May 2022)

Tracey Hahn (appointed 27 May 2022)

Noel Butwell (appointed 26 October 2022)

John Baines (resigned 27 May 2022)

Caroline Connellan (appointed 27 May 2022, resigned 1 August 2022)

John McLaughlin (resigned 27 May 2022)

John Veichmanis (resigned 27 May 2022)

Gordon Wilson (resigned 27 May 2022)

Jonathan Cox (resigned 27 May 2022)

Tim Hanford (resigned 27 May 2022)

Alison Bragg (resigned 27 May 2022)

Gavin Oldham (resigned 27 May 2022)

Ella Hugh (appointed 17 January 2023)

Registered office

201 Deansgate

Manchester

M3 3NW

Independent auditors

KPMG LLP

15 Canada Square

Canary Wharf

London

E14 5GL

Company number

04752535

Interactive Investor Limited Annual Report and Accounts 2022 Strategic Report

The Directors present their strategic report for Interactive Investor Limited ('the Company') for the year ended 31 December 2022.

Principal activities

The Company is a holding company for the subsidiaries in the Interactive Investor group (a group of companies whose results were presented in the consolidated financial statements of Interactive Investor Limited up to and including the year ended 31 December 2021, prior to the acquisition of the Company by abrdn Plc). Further details of the acquisition are given in the Business and financial review below and in the consolidated financial statements of abrdn Plc for the year ended 31 December 2022.

Business and financial review

The Company continued to act as a holding company for the subsidiaries in the Interactive Investor group. On 28 May 2022, the entire issued share capital of the company was acquired by abrdn Plc.

Key Performance Indicators

As the Company is a holding company for the subsidiaries in the group, Key Performance Indicators are not relevant.

Risk Management

For risk management details, please refer to the financial statements of Interactive Investor Services Limited (IISL), the Company's trading subsidiary, where the operating and financial risks and controls are considered. The Company's risk profile is largely determined by the risk profile of IISL, with the main risk being any potential impairment of the Company's investment in IISL.

S172 Statement

The Directors are well aware of their duty under s.172 of the Companies Act 2006 to act in the way which 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 and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Board is committed to effective engagement with all of its stakeholders. The Board and its Committees regularly receive reports from management on issues concerning the environment, communities, suppliers, and investors, which they take into account in their discussions and in their decision-making process under s. 172.

The Board and its Committees undertake deep dive reviews to further develop their understanding of key issues impacting all stakeholders. In addition to this, the Board seeks to understand the interests and views of the Company's stakeholders by engaging with them directly as appropriate. Some of the ways in which the Board has engaged directly with stakeholders over the year are shown below:

Shareholders

The Board is committed to driving shareholder value, while protecting shareholder investment through effective governance and risk management. The Directors openly engage with the Company's shareholders and investors, with regular communication of strategy and objectives, as well as of performance. All shareholder feedback is properly considered and responded to.

Decision making

The needs and interests of key stakeholders, and the impact of strategic decisions on these stakeholders, is considered by the board throughout the decision-making process.

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



Barry Bicknell
Director
27 February 2023

Interactive Investor Limited Annual Report and Accounts 2022 Directors' Report

The Directors present their annual report and accounts for the year ended 31 December 2022. The registered number of the Company is 04752535. Principal risks, the business and financial review and risk management have been considered and included within the Strategic Report.

Results and dividends

The results of the Company for the year are set out in the Statement of Comprehensive Income on page 10. No dividend was paid or proposed to the equity shareholders (2021: £23,000,000).

Share capital

Details of Share Capital are disclosed in Note 12 of the financial statements.

Directors

The Directors holding office during the year ended 31 December 2022 and to the date of this report were as follows:

Executive directors

Barry Bicknell
Richard Wilson
Deborah Byard (appointed 26 January 2023)

Non-executive directors

Stephanie Bruce (appointed 27 May 2022)
Tracey Hahn (appointed 27 May 2022)
Noel Butwell (appointed 26 October 2022)
John Baines (resigned 27 May 2022)
Caroline Connellan (appointed 27 May 2022, resigned 1 August 2022)
John McLaughlin (resigned 27 May 2022)
John Veichmanis (resigned 27 May 2022)
Gordon Wilson (resigned 27 May 2022)
Jonathan Cox (resigned 27 May 2022)
Tim Hanford (resigned 27 May 2022)
Alison Bragg (resigned 27 May 2022)
Gavin Oldham (resigned 27 May 2022)
Ella Hugh (appointed 17 January 2023)

Directors' Indemnities

The Company maintains liability insurance for its Directors. This is a qualifying provision under Companies Act 2006. During the years ended 31 December 2022 and 31 December 2021, the Company had in force an indemnity provision in favour of one or more directors of the Company, against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

Events after the reporting period

There are no events after the reporting period which require disclosure.

Political donations

The Company made no political donations in the year ended 31 December 2022 (2021: Nil).

Interactive Investor Limited Annual Report and Accounts 2022 Directors' Report

Going concern

The Directors have given careful consideration to the future prospects of the Company in deciding upon the appropriateness of the going concern basis of preparation. As a holding company without a separate trade of its own, the Company's assessment of going concern has focussed on the future prospects of its trading subsidiary, Interactive Investor Services Limited (IISL). This consideration has included preparation of up to date cash flow forecasts for at least 12 months from the date of this report and applying stresses to those forecasts, reflecting what the board considers to be reasonable adverse developments.

The Company was in a net current liabilities position at the balance sheet date. All of the current liabilities relate to an inter-company balance due to IISL. It is intended that this liability will be settled when a future dividend payment from IISL puts the Company in sufficient funds. The directors of IISL have confirmed that they have no intention of demanding payment of this balance for the next 12 months.

On this basis the board considers the Company to be a going concern for a period of at least 12 months from the date of this report.

Auditor

Following the acquisition of the Company by abrdn plc in May 2022, Deloitte resigned as auditor and KPMG were appointed.

Directors' statement as to disclosure of information to auditor

Having made enquiries of fellow Directors and of the Company's auditor, each of these Directors confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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



Barry Bicknell
Director
27 February 2023

Interactive Investor Limited Annual Report and Accounts 2022
Directors' Report

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT, STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report, 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.

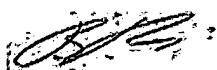
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required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

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



Barry Bicknell
Director
27 February 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERACTIVE INVESTOR LIMITED

Opinion

We have audited the financial statements of Interactive Investor Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and related notes, including the accounting policies in note 2.

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

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, internal audit and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

Interactive Investor Limited Annual Report and Accounts 2022

Independent Auditors Report

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

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

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the Company-wide fraud risk management controls.

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 those posted to unusual accounts and post year-end closing journals.

Identifying and responding to risks of material misstatement related to 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 others management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

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-bribery and certain aspects of company legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Interactive Investor Limited Annual Report and Accounts 2022

Independent Auditors Report

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable

Interactive Investor Limited Annual Report and Accounts 2022
Independent Auditors Report

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.



Fang Fang Zhou (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

27 February 2023

Statement of Comprehensive Income

		Year ended 31 December 2022	Year ended 31 December 2021
		£'000	£'000
	Notes		
Revenue	3	3,341	28,006
Operating expenses	4	(22)	(718)
Operating profit		3,319	27,288
Impairment loss on investment in subsidiary		(748)	(27,338)
Finance costs	5	-	(1)
Profit/ (loss) before taxation		2,571	(51)
Tax expense	6	-	-
Profit/ (loss) for the year		2,571	(51)
Total comprehensive profit/ (loss) for the year		2,571	(51)

All of the profit for the current and preceding periods is attributable to the owners of the Company and is from continuing operations.

The accompanying notes form an integral part of these financial statements.

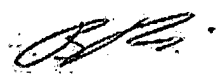
Statement of Financial Position

Interactive Investor Limited Company Number 04752535

		As at 31 December 2022	As at 31 December 2021
		£'000	£'000
Non-current assets	Notes		
Investment in subsidiaries	7	104,994	101,928
Deferred tax asset	6	-	-
		104,994	101,928
Current assets			
Trade and other receivables	9	-	21
Cash and cash equivalents	8	751	5,797
		751	5,818
Total assets		105,745	107,746
Current liabilities			
Trade and other payables	10	2,165	10,541
Provisions	11	-	10
		2,165	10,551
Total liabilities		2,165	10,551
Net assets		103,580	97,195
Equity			
Share capital	12	1,599	343
Share premium	12	5,024	-
Share based payment reserve	13	-	2,466
Retained earnings		96,957	94,386
Total equity		103,580	97,195

The accompanying notes form an integral part of these financial statements.

The financial statements were authorised for issue, approved by the Board and signed on its behalf by:



Barry Bicknell
Director
27 February 2023

Statement of Changes in Equity

		Share capital	Share premium	Share based payment reserve	Retained earnings	Total equity
		£'000	£'000	£'000	£'000	£'000
At 1 January 2021	Notes	343	151,813	1,989	(34,376)	119,769
Profit for the year		-	-	-	(51)	(51)
Share based payment expense		-	-	477	-	477
Reserves transfer		-	(151,813)	-	151,813	-
Dividend paid		-	-	-	(23,000)	(23,000)
At 31 December 2021		343	-	2,466	94,386	97,195
Profit for the year		-	-	-	2,571	2,571
Share capital issued		1,256	5,024	-	-	6,280
Share based payments	13	-	-	(2,466)	-	(2,466)
At 31 December 2022		1,599	5,024	-	96,957	103,580

The accompanying notes form an integral part of the financial statements.

Interactive Investor Limited Annual Report and Accounts 2022

Notes to the Financial Statements

1. Basis of preparation

1.1 General information

These financial statements are for Interactive Investor Limited (the 'Company'). The nature of the Company's operations and its principal activities are set out in the strategic report.

The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is 201 Deansgate, Manchester, M3 3NW.

These financial statements are separate financial statements. Up until year ended 31 December 2021, the Company prepared consolidated financial statements as it was the ultimate parent of a group of companies and was not consolidated into the financial statements of any other group. However, in 2022, the Company became exempt from the requirement to prepare consolidated financial statements under section 400 of Companies Act 2006, because it is now included in the consolidated accounts of abrnn Plc, following the acquisition of the Company by abrnn Plc. The consolidated accounts of abrnn Plc are available to the public and can be obtained as set out below.

1.2 Basis of preparation

Up until year ended 31 December 2021, the Company prepared consolidated financial statements in accordance with UK-adopted IFRS. However, following the acquisition of the Company by abrnn Plc in May 2022, these financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and the amendments to Company law made by The Companies, Partnerships and Company's (Accounts and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016.

Despite the change in accounting framework, the Company continues to apply the recognition and measurement principles of UK-adopted IFRS but has elected to take advantage of the reduced disclosure framework.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC.

The financial statements are presented in pounds sterling, the functional and presentational currency of the Company, rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

1.3 Statement of compliance

As the Company is a member of a group that prepares publicly-available consolidated financial statements that are intended to give a true and fair view and in which the Company is consolidated, the Company is eligible to take advantage of the following disclosure exemptions under FRS 101:

- the requirements of IAS 7 *Statement of Cash Flows*;
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;
- the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a Company, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*.
- the requirements of IFRS 3 *Business combinations*;
- the requirements of IFRS 2 *Share-based payments*;
- the requirements of IAS 8 *IFRSs issued but not effective*;

The Directors have approved these disclosure exemptions for the Company.

Interactive Investor Limited Annual Report and Accounts 2022 Notes to the Financial Statements

1.4 Company accounts of Interactive Investor Limited

Where relevant, equivalent disclosures have been given in the Company accounts of abrdn Plc, copies of which may be obtained from:

abrdn Plc
1 George Street
Edinburgh
Scotland
EH2 2LL

1.5 Going concern

The Directors have given careful consideration to the future prospects of the Company in deciding upon the appropriateness of the going concern basis of preparation. As a holding company without a separate trade of its own, the Company's assessment of going concern has focussed on the future prospects of its trading subsidiary, Interactive Investor Services Limited (IISL). This consideration has included preparation of up to date cash flow forecasts for at least 12 months from the date of this report and applying stresses to those forecasts, reflecting what the board considers to be reasonable adverse developments.

The Company was in a net current liabilities position at the balance sheet date. All of the current liabilities relate to an inter-company balance due to IISL. It is intended that this liability will be settled when a future dividend payment from IISL puts the Company in sufficient funds. The directors of IISL have confirmed that they have no intention of demanding payment of this balance for the next 12 months.

On this basis the board considers the Company to be a going concern for a period of at least 12 months from the date of this report.

1.6 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Company has made critical accounting judgements in relation to the following matters:

Carrying value of investments in subsidiaries

The directors have considered the carrying value of the investment in the trading subsidiary (IISL) by reference to forecasts of profit and cash generation, including stress-testing on reasonably likely scenarios. For non-trading subsidiaries, impairment charges are recognised to the extent that the carrying value exceeds the net asset value of the subsidiary in accordance with IAS37. Customers of these subsidiaries have been migrated to the trading platform of IISL, are now no longer trading themselves and are in the process of being wound up, with only minimal net assets remaining. On that basis, their carrying value at the balance sheet date was nil.

1.7 New standards, amendments to standards and interpretations adopted in the 2022 financial statements

There are no new standards, amendments and interpretations issued by the IASB that are effective for the first time for periods beginning on or after 1 January 2022 that have a material effect on the Company; as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies so have not been discussed in detail in the notes to the financial statements.

1.8 Future standards, amendments to standards and interpretations not early adopted in these financial statements

Certain new standards, interpretations and amendments to existing standards have been published by the IASB that are mandatory for the Company's annual accounting periods beginning after 1 January 2022. The Company has not early adopted these standards, amendments and interpretations. Although there are other new standards,

Interactive Investor Limited Annual Report and Accounts 2022

Notes to the Financial Statements

interpretations and amendments to existing standards that have been published, they are not expected to have a significant impact on the financial statements of the Company.

2. Accounting policies

Notwithstanding the change in accounting framework from UK-adopted IFRS to FRS101, the significant accounting policies used in the preparation of these financial statements, as set out below, have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

2.1 Revenue

Revenue consists of dividends received from subsidiary companies which are recorded when declared.

2.2 Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using pounds sterling, the currency of the U.K., which is the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in pounds sterling, which is the presentation currency.

Transactions and balances

Transactions in a foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction.

Monetary items denominated in a foreign currency are translated using the closing rate as at the reporting date. All differences are taken to the income statement. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign currency differences arising on translation are recognised in the income statement.

2.3 Investment in subsidiaries

The Company's investment in subsidiaries is stated at cost less provision for permanent impairment.

2.4 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the 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.

Where some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that the reimbursement will be received, and the amount receivable can be measured reliably.

The expense relating to any provision is recognised in the income statement net of any reimbursement.

2.5 Financial Assets

All financial assets are recognised at their amortised cost less expected credit losses. The Company's financial assets include cash and short-term deposits, and trade and other receivables. The subsequent measurement of financial assets depends on their classification as follows:

Cash and cash equivalents

Cash balances comprise cash on instant access.

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Financial assets held at amortised cost

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost.

Financial assets held at fair value through other comprehensive income

No financial assets are held at fair value through other comprehensive income.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

In accordance with IFRS 9, the Company applies the 'simplified approach' in calculating expected credit losses from trade receivables. The expected credit losses on trade receivables are estimated using an analysis of the debtor's current financial position.

De-recognition of financial assets

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial asset (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.6 Financial Liabilities

All financial liabilities are recognised initially at fair value and carried at amortised cost. This includes directly attributable transaction costs. The Company's financial liabilities include trade and other payables, payments due to clients and payments due to market. The subsequent measurement of financial liabilities depends on their classification as follows:

Trade and other payables

Trade and other payables are stated at amortised cost.

De-recognition of financial liabilities

A financial liability is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.7 Tax

Current taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to income tax payable in respect of previous years. Current tax is charged or credited to the income statement, except when it relates to items recognised directly in equity or in other comprehensive income.

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Deferred taxation

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax relating to items recognised directly in equity is also recognised in equity and not in the income statement.

2.8 Interest income

Interest income is accrued on a time-apportioned basis, by reference to interest rates receivable from banks and other institutions.

2.9 Segmental reporting

All the Company's activities are in the United Kingdom. Therefore, no segmental analysis is presented on an operating or geographical basis.

3. Revenue

The Company derives its revenue from point in time dividend receipts from subsidiary undertakings.

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Dividends	3,339	28,000
Other Income	2	6
	3,341	28,006

Dividend receipts in year ended 31 December 2021 were all from Alliance Trust Savings Limited. The dividends received in year ended 31 December 2022 were from Share Limited which had a much smaller cash balance to distribute.

4. Operating expenses

Operating profit has been arrived at after charging:

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Professional fees	24	477
Other administrative costs	(2)	241
	22	718

In the year ended 31 December 2022, the combined effect of costs and accruals adjustments resulted in a net £2k credit to the income statement for other administrative costs.

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The Company has no employees (2021 nil). All staff are employed by the trading entity Interactive Investor Services Limited (IISL).

The auditor's remuneration was borne by and included in the financial statements of IISL.

The total remuneration for the non-executive directors was £163,000 and was borne by IISL. The executive directors did not receive any remuneration for their services to the Company.

5. Finance income/costs

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Finance costs		
Interest on lease liabilities	-	1
	-	1

The interest on lease liabilities relates to the lease of office space in London which terminated in early 2021.

6. Tax

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
a Taxation		
<i>Current tax:</i>		
Current tax on profits for the year	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-
<i>Deferred tax:</i>		
Current year	-	-
Adjustments in respect of prior years	-	-
Effect of changes in tax rates	-	-
	-	-
	-	-
Tax charge - P&L	-	-

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b Reconciliation of effective tax charge

Profit/(loss) for the year - continuing operations	2,571	(51)
Tax on the profit at standard UK rate of 19% (2021: 19%)	488	(10)
Effects of:		
Adjustments in respect of prior years	-	-
Expenses not deductible	142	5,300
Income not taxable and other deductible amounts	(634)	(5,320)
Tax rate changes	-	-
Effects of group relief/ other reliefs	4	132
Amounts not recognised	-	(102)
Tax charge for the year	-	-

Income expense reported in the period

c Deferred tax asset

Provision at the start of the period	-	-
Adjustments in respect of prior years	-	-
Deferred tax charge to income statement for the period	-	-
Movement in the year	-	-
Provision at the end of the period	-	-

d Current tax account

Corporation tax (asset)/ liability	-	-
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Adjustments to profit before tax for exempt dividend income from subsidiaries and disallowable expenditure resulted in a small tax loss for 2022 which was set off against taxable profits in another group company. The tax charge for the year was therefore £nil.

In the Spring Budget 2021, the government announced that from 1 April 2023, the headline corporation tax rate would increase to 25%. The proposal to increase the rate to 25% was substantively enacted at the Company's balance sheet date, therefore its effects, where applicable, have been included in these financial statements.

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7. Investment in subsidiaries

	As at 31 December 2022 £'000	As at 31 December 2021 £'000
Balance at the beginning of the period	101,928	128,789
Subscription for share capital issued by IISL	6,280	-
Equity settled share-based payment expense	282	477
Release of share-based payment reserve on vesting	(2,748)	-
Impairment of ATS investment	(748)	(27,338)
Balance at the end of the period	104,994	101,928

Details of the investments in which the Company holds 20% or more of the ordinary share capital are set out below. The Company owns 100% shareholding in all the subsidiaries.

Subsidiary	Registered number	Country of incorporation	Holding
Moneywise Publishing Limited	5034730	England & Wales	Direct
Interactive Investor Services Limited	2101863	England & Wales	Direct
Alliance Trust Savings Limited	SC098767	Scotland	Direct
Investor Nominees (Dundee) Limited	SC120563	Scotland	Indirect
Interactive Investor Services Nominees Limited	979423	England & Wales	Indirect
Investor Nominees Limited	7147714	England & Wales	Indirect
Investor SIPP Trustees Limited	10670459	England & Wales	Indirect
Share Limited	2966283	England & Wales	Indirect
The Share Centre (Administration Services) Limited	2957407	England & Wales	Indirect
Personal Retirement Account Limited	3173696	England & Wales	Indirect
Sharesecure Limited	3987069	England & Wales	Indirect
The Share Centre Limited	2461949	England & Wales	Indirect
Share Nominees Limited	2476691	England & Wales	Indirect

Subsidiary	Principal activity	Registered address
Moneywise Publishing Limited	Dormant	201 Deansgate,
Interactive Investor Services Limited	Transactional services	Manchester, M3 3NW
Investor Nominees Limited	Nominee company	
Investor SIPP Trustees Limited	SIPP bare trustee company	
Interactive Investor Services Nominees Limited	Nominee company	
Investor Nominees (Dundee) Limited	Nominee company	C/o Burness Paul LLP, 50 Lothian Road, Edinburgh, EH3 9WJ
Alliance Trust Savings Limited	Dormant	

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Share Limited		201 Deansgate, Manchester, M3 3NW
The Share Centre (Administration Services) Limited	Share Limited is the parent company of the Share group of companies, with the principal business being The Share Centre Limited, Dormant	
Personal Retirement Account Limited		
Sharesecure Limited		
The Share Centre Limited		
Share Nominees Limited		

Moneywise Publishing Limited and Alliance Trust Savings Limited will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2022.

Investor Nominees Limited, Investor Nominees (Dundee) Limited, Share Nominees Limited, Investor SIPP Trustees Limited, Interactive Investor Services Nominees Limited and Personal Retirement Account Limited will also take advantage of the audit exemption set out within section 480 of the Companies Act 2006 for the year ended 31 December 2022.

8. Cash and cash equivalents

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Cash at bank	751	5,797

The Directors consider the fair value to be equal to the carrying value.

9. Trade and other receivables

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Amounts due from counterparties and clients	-	17
Other receivables	-	4
	<u>-</u>	<u>21</u>

10. Trade and other payables

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Amounts owed to group undertakings	2,165	10,079
Accruals	-	452
Other creditors	-	10
	<u>2,165</u>	<u>10,541</u>

Amounts owed to group undertakings are non-interest bearing and have no specific settlement terms.

11. Provisions

	Dilapidation £'000
As at 1 January 2022	(10)
Released during the year	10
As at 31 December 2022	-

12. Share capital

	31/12/2022 Number	31/12/2021 Number	31/12/2022 £'000	31/12/2021 £'000
<i>Allotted, issued and fully paid</i>				
Ordinary shares of £0.20 each	7,995,122	1,715,134	1,599	343
			1,599	343
Share premium			31/12/2022 £'000	31/12/2021 £'000
At the beginning of the year			-	151,813
Transfer of share premium to reserves			-	(151,813)
Shares issued at premium			5,024	-
At the end of the year			5,024	-

During the year, 6,279,988 £0.20 shares were issued at a premium of £5,023,990 in respect of a capital contribution made by Antler Holdco Limited to IISL.

13. Share based payments

The Company's subsidiary, Interactive Investor Services Limited (IISL), operated a share-based compensation plan, under which IISL received services from employees as consideration for equity instruments of IIL's parent entity, Antler Holdco Limited. This is recognised in the financial statements of IISL as an equity-settled share-based payment transaction in accordance with IFRS 2 'Share-Based Payment.' The plan vested in full upon the acquisition of the Company by abrdn Plc in May 2022.

The Company accounts for the share-based compensation plan by recording an equivalent amount of the share-based payment reserve in Investment in subsidiaries.

The plan vested fully in May 2022 when the Company was acquired by abrdn Plc.

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	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Equity settled share-based payment expensed during the year	282	477
Release of share-based payment reserve on vesting	(2,748)	-
	<u>(2,466)</u>	<u>477</u>

14. Financial Risk Management, Objectives and Policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations.

The Company is exposed to credit risk. The Company's senior management oversees the management of this risk. The Board of Directors reviews and agrees policies for managing this risk which is summarised below.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company has limited exposure to credit risk from its operating activities.

The table below shows the maximum exposure to credit risk for balance sheet components:

	As at 31 December 2022	As at 31 December 2021
	£'000	£'000
Cash and cash equivalents	751	5,797
Trade and other receivables	-	21
	<u>751</u>	<u>5,818</u>

15. Events after the reporting period

No significant events have occurred after the reporting period which would have a material impact on the Company's prospects.

16. Ultimate controlling party

Interactive Investor Limited is included within the UK consolidated accounts of abrdn Plc, the largest and smallest parent company preparing consolidated financial statements.

Copies of the financial statements of abrdn Plc can be obtained from:

abrdn Plc
1 George Street
Edinburgh
Scotland
EH2 2LL

The ultimate parent company and ultimate controlling party of the Company is abrdn Plc