

# 2019 Annual Report

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## At a glance

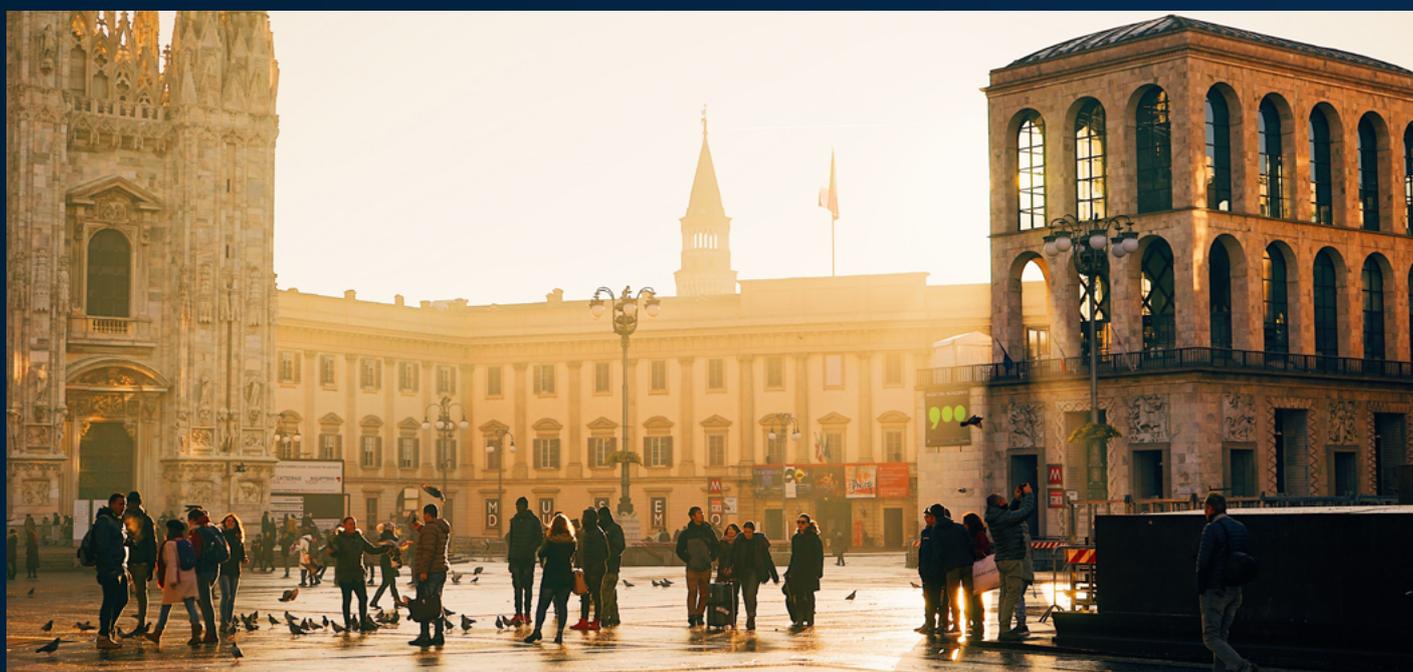
iAM Capital Group plc is an innovative alternative investment group that seeks to generate value for investors by managing and deploying capital into investment strategies across four asset classes: Alternative Investments, Real Estate, Green Energy, and Fintech. The company aims to achieve superior returns by accessing investment opportunities that are not typically available through traditional funds.

## Financial Highlights

for the year ended 31st December 2019

Note that 2018 results included the one-off sale of our Italian solar energy business.

| Key Performance Indicators | 2019    | 2018   |
|----------------------------|---------|--------|
| Revenues                   | £0.8m   | £14.2m |
| Operating Profit/(Loss)    | (£0.2m) | £11.9m |
| EBITDA                     | £0.1m   | £15.5m |
| Net Result After Tax       | £0.4m   | £7.0m  |
| EPS                        | 0.09p   | 10.91p |



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Legal Notice:

The Information contained herein is supplemental to iAM Capital's formal 2019 Annual report which is available via the Companies House registry (Company No. 03359615)

## Chairman's Statement

*Our strong overall performance in 2019 is attributable to the continued growth of our real estate management platform.*

I am happy to report that our Company continued to make good progress in 2019. The strong performance was attributable to the continued growth of our real estate management platform in Luxembourg. In the coming year, we will continue to commit resources and investment to strengthening our core activities, particularly in the real estate and Fintech sectors, in line with our business model. Our investment in Marex Spectron performed well during the year and we anticipate continued good performance. We embarked on 2020 with all its challenges in financial good health and with a strong and liquid balance sheet. As this unprecedented year continues to unfold, we remain confident in our position and steady in our long-term outlook.

On behalf of all shareholders, I would like to thank our management team and staff for their hard work and achievements during the last year as we look forward to continuing to build on these accomplishments, particularly as we hope to emerge sooner rather than later from the impact of Covid-19.



**J D S Booth**  
Chairman  
29th June 2020

## Chief Executive Officer's Review

*In 2019 we continued to strengthen our platform across our three principal asset classes.*



After two strong years of growth, iAM Capital's main activity in 2019 was to prepare for the launch of our new real estate fund based in Luxembourg. In addition, we have continued to grow our Fintech fund and to enhance our Luxembourg platform, with the incorporation of the iAM Capital Fund S.C.A. SICAV-RAIF in June 2019. Our financial results achieved total gross revenue of £837,000, compared to £14,173,000 in 2018, and net profit after tax of £379,000, compared to £7,047,000 in 2018, with the 2018 results reflecting the one-off sale of our Italian solar energy business.

### Asset Management

In June 2019 we formally incorporated iAM Capital Fund S.C.A. SICAV-RAIF, structured as a Luxembourg-based fund platform. This platform is a Reserved Alternative Investment Fund (the "RAIF"), which combines the regulated status of a Luxembourg SICAV with the flexibility of being able to rapidly add fund strategies at a lower cost than Integrated SICAV-SIF (the "SIF"), for which IAM Invest Ltd, our FCA regulated subsidiary ("IAM Invest"), serves as investment manager. Further to the sale of our energy business, we have virtually completed the liquidation process of the Integrated Green Opportunities sub-fund of Integrated Investments SICAV-SIF (the "SIF"), for which IAM Invest serves as investment manager, and we have distributed most of the funds of the SIF's Integrated Green Opportunities sub-fund (the "IGO") to investors.

### Balance Sheet Investments

Our remaining principal balance sheet investments are our investment in JRJ Partner 2 Limited Partnership through which we hold our Marex Spectron investment. Marex Spectron reported record results in 2019, with the trend continuing through mid-Q2/ 2020.

### Corporate Transactions

On 10 April 2019 we closed on the acquisition of a controlling interest in Sweetstay Holdings Ltd., a Florence based European hospitality platform, which we believe fits in very well with our long-term focus on real estate and alternative asset opportunities.

### Cost Structure and Balance Sheet

In 2019, we continued to upgrade our staff to reflect higher levels of activity and projected growth. Our comparable cost from continuing operations in 2019 were £1,808,000 as opposed to £1,302,000 in 2018. Our staff count grew from 14 at the beginning of 2019 to 18 at the end of 2019. During Q2 2020 we took immediate action to reduce fixed costs, including staff in order to reflect the immediate impact of the coronavirus pandemic. This included some temporary and permanent reduction in headcount.

### Corporate Fundraising

During 2019 we raised a total of £1,388,000 in equity and £1,360,000 in 5-year notes. Our gross consolidated cash position is very strong, standing at £3,213,000 at the year end.

**Results Summary**

Continuing operations only

|   | Fund<br>Management<br>£ 000 | Consultancy<br>£ 000 | Central<br>Operating<br>Costs<br>£ 000 | 2019<br>Total<br>£ 000 | 2018<br>Total<br>£ 000 |
|---|-----------------------------|----------------------|--|------------------------|------------------------|
| Turnover  | 525                         | 265                  | -                                      | 790                    | 971                    |
| Cost of sales   | (70)                        | -                    | (546)                                  | (616)                  | (218)                  |
| Net Revenue   | 455                         | 265                  | (546)                                  | 174                    | 753                    |
| Depreciation and amortisation                                   | -                           | -                    | (242)                                  | (242)                  | (3)                    |
| Operating costs   | (473)                       | -                    | (970)                                  | (1,443)                | (1,316)                |
| Operating profit/(loss) before currency<br>exchange differences | (18)                        | 265                  | (1,758)                                | (1,511)                | (566)                  |
| Currency exchange differences                                   | (21)                        | -                    | (102)                                  | (123)                  | 17                     |
| Net (loss)/profit on financial assets                           | -                           | -                    | 1,610                                  | 1,610                  | 82                     |
| Share of loss of associate                                      | -                           | -                    | -                                      | -                      | (5)                    |
| Operating profit/(loss)   | (39)                        | 265                  | (250)                                  | (24)                   | (472)                  |
| Net finance and other income                                    | -                           | -                    | (35)                                   | (35)                   | 115                    |
| Profit/(loss) before tax  | (39)                        | 265                  | (285)                                  | (59)                   | (357)                  |

**Operating Margins**

Operating margins were negative in 2019 due to a lack of transactional activity. There was a net foreign currency exchange loss of £123,000 compared with a gain of £17,000 in 2018. Margins were negatively impacted by the delayed launch of the iAM Capital Fund S.C.A. SICAV-RAIF, the upgraded staff levels and other exceptional costs.

I would like to thank all our staff for their continuing support and commitment, including more recently during the Covid-19 crisis. Having made timely adjustments to our cost base, and with our new products launch, we believe that we are well positioned to emerge from this pandemic in a very strong and opportune position.

**E M Arbib**

Chief Executive Officer  
29th June 2020



## 2019 in Review

*2019 saw an expansion of our core investment themes and capabilities across our target markets, in preparation for the launch of our second-generation real estate fund.*

### IREO Real Estate Fund

Throughout 2019 we continued to build on our Real Estate platform and offering. Through many years of investing in the European real estate market, we have formed deep relationships with local partners and on-the-ground asset managers in our target markets, who continue to provide us with a strong pipeline of off-market opportunities and who offer valuable asset management expertise.

Our first-generation real estate fund, IREO, was launched in April 2015 and has since invested in a portfolio of 13 transactions consisting of a mix of residential, retail and hospitality properties predominantly located across Italy and France. We were also able to successfully exit our US hospitality exposure above our business plan targets. Our investment philosophy throughout the year remained unchanged, as we continued to invest with local partners who commit capital alongside us and are responsible for local asset management. The fund's portfolio remained resilient despite a turbulent year in the markets, driven by the increase in trade tensions between the US and Europe, the uncertainties of Brexit, the slowdown of the European economy and the Coronavirus outbreak in China, which, in early 2020 became a global pandemic. Notwithstanding these headwinds, we continued to execute on our core-plus and value-add strategies, which are by nature less cyclical and more adaptable to the economic cycle.



In 2019 we closed the purchases of three properties into IREO, with two in Paris and one in Milan. We believe that there are substantial value-add opportunities for the fund in each property, and we are using 2020 and beyond to unlock this value. The first acquisition, early in the year, is a circa 1,500 sqm residential asset in Milan that we acquired from bankruptcy, with scope to add almost 20% in extra space. Shortly after, we closed the acquisition of a single unit residential trophy asset in one of the most sought-after locations in Paris, overlooking the river



Seine. The property requires renovation, which we expect will significantly increase its value. Later in the year we acquired a mixed-use property, also in Paris, comprising over 300 sqm of residential and retail space over 3 floors, in one of the truly unique passages of the city. In early 2020 we also finalised the acquisition of another mixed-used property in Milan, taking the total transaction value in Italy to €45m. Furthermore, in France we are now invested in over 40 residential units across seven properties, with an aggregate acquisition value of €26m.

During the year we received distributions from our remaining investment in the US, a mezzanine loan for a prime hotel in downtown Miami, Florida, and in H2 2019 we received the remaining balance of the loan.

At the end of 2019, we conducted independent third-party valuations on almost all our properties and we are pleased to again report that IREO is on track to significantly exceed our targeted returns, with value appreciation on almost all of our property holdings. While we will have some reduction of valuations in H1 2020 due to the effects of the pandemic, we do not believe that these will exceed the uplift in the previous semester. IREO is now fully committed and has been closed to new subscriptions since June 2019. We expect to commence making distributions to our limited partners ahead of our original schedule.

In 2019, IREO's NAV performance was approximately +13.7%, with a cumulative NAV performance since inception of more than +74%.

### Upcoming ICE II Real Estate Fund

In June 2019, we incorporated the iAM Capital Fund S.C.A SICAV-RAIF, which combines the regulated status of a Luxembourg SICAV with the flexibility of being able to rapidly add fund strategies at a lower cost than the SICAV-SIF structure that has housed our funds to date.

We worked hard to prepare for the launch of our second-generation real estate fund, iAM Capital Europe II fund (ICE II) in order to follow on from the success-to-date of IREO, and to capitalise on the pipeline of opportunities available to us now that IREO is closed to investors.

ICE II will focus on creating capital growth through value-added enhancements, innovative financing, and organic growth in rental rates. We are currently targeting up to €100m for ICE II, with first close targeted for Q3 2020.

Our strong local partner networks give us exposure to exclusive off-market opportunities and the ability to efficiently execute and manage investments. We believe that these opportunities will be particularly pronounced as markets emerge from the Covid-19 pandemic.

### Green Energy

Following the sale of our 34.3 MW solar energy portfolio in Italy at the end of 2018, we have virtually completed the liquidation process for the IGO sub-fund and have distributed most of the funds from the sale to investors, providing returns to our investors of over 20% IRR.

During 2019 we also made a small investment in a short-term private placement in a Green Energy business operating in the UK and Ireland. The investment performed well over the short time span, returning a 50% IRR to our investors in IAO. We are continuing to monitor the infrastructure and green energy sectors and intend to make selected investments to the extent that we can source attractive entry valuations.

### Fintech

Our journey in Fintech began in September 2018 with the launch of the FinTLV Ventures LP Fund, where our CEO and board member serve as General Partners and members of the investment committee. The fund's first full operational year was busy with continued fundraising, establishment of infrastructure, partnership building – and, of course - investment. During 2019, additional institutional investors and private investors from around the world joined the fund. The fund enjoys the added benefit of the strategic value brought by major insurance companies and financial institutions from Japan, Hong Kong, Denmark, the UK and Israel. Having these prestigious international investors offers us insights into market trends, industry demand and commercial applications for our portfolio companies.

The fund continued building its brand awareness and recognition as a leader of Insurtech investments and innovation in Israel and abroad. During the year we hosted delegations from around the world and sponsored and participated in many industry events.



In 2019, the fund made five new investments in three different regions (Europe, US and Israel), demonstrating the fund's international brand and global network. At the end of 2019, the portfolio was comprised of seven companies.

During the year, FinTLV continued to invest in early and growth stage companies with four investments in the Insurtech space, three new investments and two follow-on rounds. Both Hippo Insurance and Peter Thiel-sponsored Carbyne911 raised further capital through a Series D and a Series B round, respectively. New investments were made in the Series A round of the UK Insurtech company, AkinovA, developing an electronic marketplace for the transfer and trading of insurance risk, and in another Series A round for the US based life insurer, Sproutt Insurance. We also made a small investment in German insurer, Mailo.

### Corporate Transactions

Our investment in Marex Spectron continued to perform strongly in 2019, reporting record results, with the trend continuing this year.

Following our investment thesis in the short-term lettings industry and the niche business model of the Professional Host, in 2019 we closed our acquisition of a controlling interest in Sweetstay Holdings Ltd. ([www.sweetstay.com](http://www.sweetstay.com)), the Florence based European hospitality platform. Our growing interest and presence in the short-term lettings business, initiated in 2015 through our partnership with Sweet Inn ([www.sweetinn.com](http://www.sweetinn.com)), has developed and performed well through 2019 and into Q1 2020. Of course Q2 and Q3 2020 have been very challenging for the hospitality sector, but both businesses have begun to bounce back in the summer months, aided by a "Covid-19 safe" strategy and the continued closure of most hotels in our markets, thus resulting in increased market share for the new hospitality sector.



FinTech Open Innovation Centre, SOSA

## Board of Directors



**John Booth**

**Chairman**

John Booth is a non-executive chairman of iAM Capital Group plc. He also chairs Maintel Holdings plc and serves as a non-executive director of several public and private companies. John began his financial career at Merrill Lynch and has since held senior positions at Hutton International Associates, Prudential Securities and Bankers Trust International plc. John co-founded Link Group, serving as Chairman until its sale to ICAP plc in 2008.



**Luigi Marchesini**

**Director**

Luigi Marchesini is a non-executive director of iAM Capital Group plc. Luigi has over 40 years' experience in the Italian Real Estate Market. He is the founder of Galotti Spa, a major Real Estate Company in Italy, operating in Milan, Bologna and Rome. Galotti Spa has been designing projects for over 60 years whose distinctive factor is quality, efficiency and respect for the environment. Over the past 10 years, Galotti has enhanced over 2.5M sqm of territory and completed over 250,000 sqm of residences, 200,000 sqm of commercial areas and 300,000 sqm of offices.



**Emanuel Arbib**

**CEO**

Emanuel Arbib is the CEO of iAM Capital Group plc and is the co-founder and Executive Chairman of iAM Invest Ltd, a wholly owned subsidiary. Previously Emanuel was a Director of Capital Management Limited, a family office specialising in real estate, alternative investments and fixed income. From there, Emanuel became a Director of the Trident Rowan Group Inc., a NASDAQ listed company that controlled Moto Guzzi SpA, the Italian motorbike manufacturer. Emanuel has over 25 years' experience in proprietary real estate investing, finance and banking.



**Mark Segall**

**Director**

Mark Segall is a non-executive director of iAM Capital Group plc. He is the founder of Kidron Corporate Advisors LLC, a boutique representing public and private companies and Kidron Capital Securities an SEC registered broker dealer (member FINRA and SIPC). Prior to forming Kidron, Mark was the Co-CEO of Investec Inc., the US investment banking arm of Investec Group. Before this he was a partner in the New York based law firm, Kramer Levin Naftalis & Frankel LLP. He serves on the Board of Directors of several public and private companies including National CineMedia, Inc. and Bel Fuse, Inc.



**Detlef Bierbaum**

**Director**

Detlef Bierbaum is a non-executive director of iAM Capital Group plc. Until 2007 Detlef was a general partner of Sal. Oppenheim jr & Cie. KGaA, Cologne and served on the board of directors of the Association of German Banks. He has had an extensive financial career at some of the most significant European Institutions. At Sal. Oppenheim, Detlef oversaw institutional asset management, mutual funds, private equity, business and alternative investments.



**Johanna Arbib**

**Director**

Johanna is a director of iAM Capital Group plc. She was an Advisor and Director of AFI SpA, one of Italy's leading private real estate companies. From 2008 to 2014, she was Senior Advisor to Patron Capital, an international real estate firm. She is also a Senior Advisor to the SATOR Group, an Italian private equity fund with interests in banking, real estate and media. Between 2015 and 2020, Johanna held the position of President and CEO of the Jerusalem Foundation. Between 2009 and 2014, she held the position of Chair of the World Board of Trustees of Keren Hayesod - United Israel Appeal, one of the largest philanthropic organisations.

## Strategic Report

*The Directors present the Strategic Report, Directors' Report and the audited financial statements of iAM Capital Group PLC ("iAMCap") for the year ended 31st December, 2019.*

### Overview

iAM Capital Group PLC is the parent company of an asset management, green energy and consultancy group (the "Group"). The principal activities of the group are fund management with a real estate focus, Fintech, green energy and consultancy services. A review of iAMCap's business activities during 2019 along with future developments and risk management is given in the Chairman's Statement and the Chief Executive's Review on pages 01 and 02

### Business review

#### Key performance indicators

In 2019 we continued to operate our traditional businesses with overall turnover similar to 2018. As was highlighted in the previous year, revenue for consulting was minimal, as we concentrated in the direction of enhancing the fund management side of the business by the incorporation iAM Capital Fund S.C.A. SICAV- RAIF and starting the liquidation of Integrated Green Opportunities sub-fund of Integrated Investments SICAV-SIF. At the same time, central overheads were higher year on year as investment was made in staff and facilities in preparation for the proposed business expansion.

#### Principal risk and uncertainties

Operating in the financial services industry, the Group faces a number of risks which are inherent to its activities and which require active management. The principal risks for the Group have been identified as operational risk and financial risks and in relation to our fund management business and the investment assets held by the Group, investment risk.

#### Operational Risk

Operational risk is the risk that the Group suffers a loss, either directly or indirectly, from inadequate or failed internal processes and systems or from external events. This risk manifests itself in slightly different ways across

our two businesses, fund management and consultancy, but in summary would include:

- Administrative error in the settlement of a deal or in the instruction of a trade on behalf of a fund.
- Loss of key investment professionals.
- Introduction of new products and related issues in the legal, fiscal, regulatory and accounting domains.

Given the nature of such risks, it is Group policy to review continually the controls in place to manage them, to ensure that such controls are appropriate and adequate for the risks involved and that the controls have evolved and developed to reflect the changes in our underlying businesses and how it is carried out.

#### Financial Risk

The Group operates in a number of different countries and is exposed to a number of financial risks and particularly currency risk.

#### Investment Risk

Poor investment performance in our underlying funds, either absolute or relative to the particular fund's peer group, may result in a decrease in management and performance fees and may increase redemptions from the funds by investors with similar effect. Poor investment performance in the investment type assets we hold in our balance sheet, will result in losses for shareholders.

#### Regulatory Environment

One of the Group's operating subsidiaries is subject to regulation. In the United Kingdom, iAM Invest Ltd ("iAMInv") is regulated and authorised by the Financial Conduct Authority.

The Group seeks to ensure that it maintains full compliance with its regulatory obligations and, with regard to its regulatory capital, to maintain a surplus over and above that required at both an operating company level and at a consolidated group level.

The following table summarises the key performance indicators used by the directors to assess the performance of the Group as of the dates and years indicated.

|  | 2019           | 2019<br>Discontinued<br>Energy<br>business | 2019<br>Existing<br>business | 2018<br>Existing<br>Total | Change<br>Continuing |
|--|----------------|--|------------------------------|---------------------------|----------------------|
|  | Total<br>£000s | £000s                                      | £000s                        | £000s                     |                      |
| Turnover                                   | 837            | 47   | 790                          | 971                       | -19%                 |
| Operating costs net of depreciation and FX | 1,490          | 47   | 1,443                        | 1,316                     | 10%                  |
| Operating result                           | (171)          | (147)                                      | (24)                         | (472)                     |                      |
| Net assets                                 | 10,761         | -  | 10,761                       | 7,456                     | 44%                  |

**Acquisitions, disposals and investment in subsidiaries**

On 10 April 2019 we closed on the acquisition of a controlling interest in Sweetstay Holdings Ltd. which is a Florence based European hospitality platform.

On 10 June 2019 IAMCap funded 100% of the share capital in IAM Capital Management SARL, a general partner for iAM Capital Fund S.C.A. SICAV-RAIF starting in 2020 aimed at taking advantage of opportunities in European Real Estate.

On 27 September 2019 we incorporated IDIXON Hospitality Limited relating to an hospitality investment opportunity in London.

On 27 December 2019, we liquidated one of the subsidiaries, Integrated Energy Holdings SA, relating to the green energy investment realised during 2018.

**Share Capital**

As of the end of 2019, the group had raised £1,388,000 of equity at £0.66p per share. The company had 22,072,245 shares outstanding at year end.

**Creditor Payment Policy**

The Group does not follow any code or standard on payment practice, but adopts the following policy regarding the payment of its suppliers:

- a To agree payment terms with suppliers in accordance with contractual or other legal obligations;
- b To ensure that suppliers are aware of the terms of payment; and
- c To make payment in accordance with the payment terms.

Average trade creditor days at 31st December 2019 were 65 days for the Company (2018: 31 days).

**Going Concern**

The Directors are satisfied that the Company and the Group have adequate resources to continue to operate for the foreseeable future. The Directors confirm that the Company and the Group are going concerns and accordingly continue to adopt the going concern basis in preparing the financial statements.

By Order of the Board

**J D S Booth**

Director  
29th June 2020

## S172 Report

### *Directors' statement of compliance with the duty to promote the success of the Company*

The board of directors of IAM Capital Group Plc considers that the directors have acted in good faith and in the most likely way promote the success of the Company for the benefit of its members and the group as a whole (having regard to the stakeholders and matters set out in S172(1) (a-f) of the Act) in the decisions taken during the financial year ended on 31 December 2019.

- The Company set up a new fund in the form of SICAV RAIF in Luxembourg during June of 2019, two sub-funds were added in July and November respectively, however neither were opened to investors during 2019 due to various reasons and the first close of the ICE II sub-fund is expected imminently, see post balance sheet events for further reference with regards to the situation in 2020. The delay resulted in a corresponding delay in the Company's projected revenue and therefore the Company had to assess its operating expenses and take appropriate measures where required. The board of directors will closely monitor the situation and prepare the Company such that it can act quickly, decisively with the aim to take advantage of new opportunities arising.
- The Company and the group operate a policy of equal opportunities in recruitment, promotion and training for all their employees. The Company believes that all individuals should be treated fairly, with respect and that they are appropriately valued for their contribution to the organisation.
- We as board of directors aim to act responsibly and fairly in how the Company engages with suppliers and service providers. Further information regarding the Company's Creditor Payment Policy can be found in the Strategic Report section.
- The impact of the Company's operations on the community and environment is minimal due to the nature of its business.
- The Company has implemented compliance policies as best practice and to satisfy the senior management & certification regime requirements of its regulated subsidiary iAM Invest Limited and has provided training to all the staff to ensure they understand their obligation to act with integrity, due skill, care and diligence as well as paying due regard to the interests of customers and the requirement to treat them fairly. The board of directors believes it is of utmost importance to behave responsibly, to operate with high standards of business conduct and lead by example.
- The board of directors of the Company believes it is acting fairly towards and in the best interest of all of its subsidiaries and other members of the group.

## Directors' Report

*The Directors present their annual report together with the audited financial statements for the year ended 31st December 2019.*

### Directors

The Directors of the Company during the year and up to the date of this report were:-

Mr E M Arbib  
 Ms J Arbib Perugia (appointed 15 March 2019)  
 Mr D Bierbaum  
 Mr J D S Booth  
 Mr D Masetti (resigned 02 October 2019)  
 Mr M B Segall  
 Mr L Marchesini (appointed 25 November 2019)

There was 1 resignation and 2 appointments during the year.

### Results and Dividends

The profit attributable to equity holders for the year ended 31st December 2019 was £20,000 (2018: £2,179,000). The Directors do not propose the payment of a dividend for the year ended 31st December 2019 (2018: £0.01 per share).

### Donations

During the year the Group made charitable donations totalling £900 (2018: £10,500).

During the year the Group made political donations totalling £nil (2018: £nil).

### Third-Party Indemnity Provision

The group has arranged qualifying third party indemnity for all of its Directors.

### Subsequent Events

The Group is going ahead with the first close of the ICE II compartment of its new investment vehicle iAM Capital Fund S.C.A. SICAV -RAIF and intends to work on the second close towards the end of 2020, depending

on global developments and the further impact of the Covid-19 pandemic. For more information, please refer to note 24 in the accounts.

### Employees

The Group operates an equal opportunity policy in the recruitment, promotion and training of all its employees. The Group believes that employees play a major role in the long-term success of the business and accordingly it promotes a working environment in which employees feel valued and respected. All employees are kept updated of the Group's performance and progress on a regular basis.

### Annual General Meeting ("AGM")

The Company's AGM is expected to be held in July, 2020. A notice of the AGM will be sent to shareholders in due course by the Company Secretary.

### Auditor

Sopher + Co LLP have indicated their willingness to continue in office and resolutions will be proposed at the Annual General Meeting to reappoint them as Auditor of the Company.

Each person who was a Director at the date of approving this report confirms that:

- a so far as each Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- b each Director has taken all the steps that ought to have been taken as a Director, including making appropriate enquiries of fellow Directors and of the Company's Auditor for that purpose, in order to be aware of any information needed by the Company's Auditor in connection with preparing their report and to establish that the Company's Auditor is aware of that information.

By Order of the Board

### J D S Booth

Director  
 29th June 2020

## Corporate Governance Report

*The Board is committed to creating and implementing high corporate governance standards and practices throughout the Group. The Directors recognise the importance that corporate governance plays in the protection and maintenance of Shareholders interests and strive to implement best practice policies to achieve this.*

### The Board of Directors

The Group is headed by an experienced Board of Directors which consists of two Executive Directors and four Non-Executive Directors.

The Board is responsible for ensuring that the Group always acts in the best interests of its Shareholders' while maintaining its ethical values and integrity. The Board monitors decisions that are made by senior management to ensure that they are made with the aim of enhancing long-term shareholder value. The Board is also responsible for ensuring that adequate levels of internal controls are maintained which assist in the efficient and effective operation of the business and to ensure compliance with applicable laws and regulations.

In particular, the Board is responsible for making Group decisions and approvals regarding the following:

- Long-term objectives and strategies.
- Major investments, acquisitions and disposals.
- Annual operating and capital expenditure budgets.
- Annual and interim dividends.
- Treasury policy.
- Risk management strategy.

The roles of the Chairman, John Booth, and Chief Executive Officer, Emanuel Arbib, are clearly divided. John Booth is primarily responsible for the leadership of the Board and for ensuring effective communication with shareholders while Emanuel Arbib is responsible for making and approving senior management decisions which affect the operating and financial performance of the business.

The Board fulfils its duties to the Group's Shareholders through Board meetings or by delegating responsibilities to Board Committees. Details of the Remuneration Committee, Audit Committee and Nomination Committee are shown below.

### Appointments to the Board

Any Directors appointed by the Board are subject to re-election by the Shareholders at the Annual General Meeting following their appointment. All Directors are subject to reappointment at intervals of not more than three years. Prior to their appointment, Non-Executive Directors are subject to a review process to assess their independence and to confirm that they have no other relationships that may affect their judgement as a Director of the Group.

All new Directors are provided with appropriate training and briefings which consider their individual qualifications and experience.

### Support to the Board

All Directors have access to the advice and services of the Company Secretary, Eva Kizlo, who is responsible for ensuring that Board procedures and applicable rules are observed. In addition, there is also a procedure that enables any Director to obtain independent professional advice in respect of their duties at the Group's expense. The Group also maintains liability insurance for its Directors and officers, which is reviewed annually to ensure that the appropriate level of cover is held.

### Board Meetings

A number of Board and Board Committee meetings were held during the year.

The Nomination Committee did not meet during the year. Appropriate briefing papers are distributed to Directors in advance of Board meetings.

Any Director who was unable to attend a Board meeting during the year received appropriate and timely information in advance of the meeting so that their views could be taken into consideration.

### Audit Committee

The Audit Committee comprises of two of the four Non-Executive Directors. The Directors who served on the Committee during the year were Detlef Bierbaum (Chairman) and John Booth. The Committee is primarily responsible for the following:

- Monitoring the integrity of the Group's financial statements and any announcements relating to the Group's financial activities.
- Reviewing the Group's internal financial controls and risk management systems.
- Making recommendations for the appointment, reappointment and removal of the external Auditors and approving their remuneration and terms of engagement.

### Remuneration Committee

The Remuneration Committee comprises of two of four Non Executive Directors. The Directors who served on the Committee during the year were John Booth (Chairman) and Detlef Bierbaum. The Committee is primarily responsible for the following:

- The review and approval of the Group's remuneration strategy and policies;
- The approval of any new remuneration schemes; and
- The design and review of performance targets and conditions that are attached to performance-related remuneration schemes.

**Nomination Committee**

The Nomination Committee is responsible for identifying, assessing and nominating individuals for Board positions as and when they arise. This includes consideration of the reappointment of Non-Executive Directors at the conclusion of their specified term of office. It is also responsible for considering succession planning for both the Board and senior management positions.

The Committee comprised John Booth (Chairman) and Detlef Bierbaum, all of which are Non-Executive Directors.

**Internal Control and Risk Management**

The Board has overall responsibility for the Group's system of internal control and risk management. While acknowledging that no system of internal control can provide absolute assurance against material loss or misstatement, the Board believes the Group's current systems of internal control and risk management are effectively designed to manage the risks which are inherent in the Group's business.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks that are faced by the Group. The key components of these are outlined in the Strategic Report.

**Investor Relations**

The Group updates its Investors Relations section of its website ([www.iamcapital.com](http://www.iamcapital.com)) to provide investors with important information regarding the Company's activities. This includes information such as annual financial statements as well as press releases the Group issues on important events in its development.

**Going Forward**

The Board believes that good corporate governance is a key contributor to the Group's long-term growth and will continue to invest time and resources to ensure the maintenance and improvement of its high standards.

## Statement of Directors' Responsibilities

*The directors are responsible for preparing the directors' report, the strategic 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 Group and Company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and applicable law. 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 Group and Company and of the profit or loss of the Group 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 accounting estimates that are reasonable and prudent;

- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Independent Auditor's Report to the Members of IAM Capital Group PLC

We have audited the financial statements of IAM Capital Group PLC (formerly Integrated Asset Management PLC) for the year ended 31 December 2019, set out on pages 14 to 40. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

### In our opinion

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

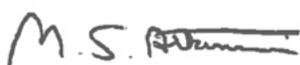
**Responsibilities of the directors**

As explained more fully in the Directors' Responsibilities Statement on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent 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 the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

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 an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is


**Martyn Atkinson FCA (Senior Statutory Auditor)**

for and on behalf of

**Sopher + Co LLP**

Chartered Accountants  
Statutory Auditors  
5 Elstree Gate  
Elstree Way  
Borehamwood  
Hertfordshire  
WD6 1JD

29th June 2020

not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditors' Report.

**Use of our report**

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 Auditors' 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.

## Financial Statements

### Consolidated Income Statement for the year ended 31 December 2019

|   | Note | Continuing operations<br>2019<br>£000s | Discontinued operations<br>2019<br>£000s | Total<br>2019<br>£000s | Continuing operations<br>2018<br>£000s | Discontinued operations<br>2018<br>£000s | Total<br>2018<br>£000s |
|---|------|--|--|------------------------|--|--|------------------------|
| Revenue                                     |      | 790                                    | 47                                       | 837                    | 971                                    | 13,202                                   | 14,173                 |
| Cost of sales                               |      | (616)                                  | -  | (616)                  | (218)                                  | (2,544)                                  | (2,762)                |
| <b>Net revenue</b>                          |      | 174                                    | 47                                       | 221                    | 753                                    | 10,658                                   | 11,411                 |
| Operating costs                             |      | (1,808)                                | (47)                                     | (1,855)                | (1,302)                                | (5,155)                                  | (6,457)                |
| Net loss on financial assets                | 12   | -                                      | -  | -                      | (68)                                   | -  | (68)                   |
| Net profit on trading                       |      | 1,610                                  | -  | 1,610                  | 150                                    | -  | 150                    |
| Share of loss of equity-accounted investees |      | -                                      | -  | -                      | (5)                                    | -  | (5)                    |
| Profit on sale of subsidiary                |      | -                                      | (147)                                    | (147)                  | -                                      | 6,823                                    | 6,823                  |
| <b>Operating (loss)/profit</b>              | 3    | (24)                                   | (147)                                    | (171)                  | (472)                                  | 12,326                                   | 11,854                 |
| Finance income                              | 5    | 71                                     | 6  | 77                     | 17                                     | 1  | 18                     |
| Finance expense                             | 5    | (106)                                  | 790                                      | 684                    | 98                                     | (4,595)                                  | (4,497)                |
| (Loss)/profit before taxation               |      | (59)                                   | 649                                      | 590                    | (357)                                  | 7,732                                    | 7,375                  |
| Taxation                                    | 6    | 5                                      | (216)                                    | (211)                  | 138                                    | (466)                                    | (328)                  |
| <b>(Loss)/profit for the year</b>           |      | (54)                                   | 433                                      | 379                    | (219)                                  | 7,266                                    | 7,047                  |
| <b>Attributable to :</b>                    |      |  |  |                        |  |  |                        |
| <b>Total</b>                                |      |  |  |                        |  |  |                        |
| Owners of the parent                        |      | (97)                                   | 117                                      | 20                     | 219                                    | 1,960                                    | 2,179                  |
| Non-controlling interest                    |      | 43                                     | 316                                      | 359                    | (438)                                  | 5,306                                    | 4,868                  |
|   |      | (54)                                   | 433                                      | 379                    | (219)                                  | 7,266                                    | 7,047                  |
| <b>Earnings per share</b>                   | 7    |  |  |                        |  |  |                        |
| <b>Total</b>                                |      |  |  |                        |  |  |                        |
| Basic                                       |      | -0.45p                                 | 0.54p                                    | 0.09p                  | 1.10p                                  | 9.82p                                    | 10.91p                 |
| Diluted                                     |      | -0.45p                                 | 0.54p                                    | 0.09p                  | 1.10p                                  | 9.82p                                    | 10.91p                 |

### Consolidated Statement of Comprehensive Income for the year ended 31 December 2019

|   | Note | Year ended<br>31 December<br>2019<br>£000s | Year ended<br>31 December<br>2018<br>£000s |
|---|------|--|--|
| Profit for the year                                     |      | 379  | 7,047                                      |
| Currency translation differences on overseas operations |      | (466)                                      | 170  |
| Net gain/(loss) on available for sale financial assets  | 12   | 150  | 319  |
| Net gain on interest rate swap                          |      | -  | -  |
| <b>Total comprehensive income for the year</b>          |      | 63   | 7,536                                      |
| <b>Total comprehensive income attributable to :</b>     |      |  |  |
| Owners of the parent                                    |      | 3  | 2,568                                      |
| Non-controlling interest                                |      | 60   | 4,968                                      |
|   |      | 63   | 7,536                                      |

**Consolidated Statement of Financial Position**  
as at 31 December 2019

|   | Note | As at<br>31 December<br>2019<br>£000s | As at<br>31 December<br>2018<br>£000s |
|---|------|---------------------------------------|---------------------------------------|
| <b>Assets</b>   |      |                                       |                                       |
| <b>Non-current assets</b>                                 |      |                                       |                                       |
| Tangible fixed assets                                     | 8    | 438                                   | 77                                    |
| Equity-accounted investees                                | 11   | 1                                     | 9                                     |
| Financial assets  | 12   | 4,496                                 | 4,300                                 |
| Other investments, including derivatives                  |      | -                                     | -                                     |
| Deferred Tax assets                                       | 14   | -                                     | 154                                   |
| Trade and other receivables                               | 9    | -                                     | -                                     |
|   |      | 4,935                                 | 4,540                                 |
| <b>Current assets</b>                                     |      |                                       |                                       |
| Trade and other receivables                               | 9    | 910                                   | 368                                   |
| Cash and cash equivalents                                 | 10   | 3,214                                 | 20,509                                |
| Other financial assets                                    | 12   | 3,928                                 | 186                                   |
|   |      | 8,052                                 | 21,063                                |
| <b>Total assets</b>                                       |      | <b>12,987</b>                         | <b>25,603</b>                         |
| <b>Liabilities</b>  |      |                                       |                                       |
| <b>Non-current liabilities</b>                            |      |                                       |                                       |
| Loans and borrowings                                      | 15   | (1,422)                               | (2,389)                               |
| Bank guarantee  |      | -                                     | (1,518)                               |
| Deferred tax liabilities                                  |      | -                                     | -                                     |
|   |      | (1,422)                               | (3,907)                               |
| <b>Current liabilities</b>                                |      |                                       |                                       |
| Loans and borrowings                                      | 15   | (242)                                 | -                                     |
| Trade and other payables                                  | 16   | (565)                                 | (3,329)                               |
| Tax payable   |      | 3                                     | -                                     |
|   |      | (804)                                 | (3,329)                               |
| <b>Total liabilities</b>                                  |      | <b>(2,226)</b>                        | <b>(7,236)</b>                        |
| <b>Net assets</b>   |      | <b>10,761</b>                         | <b>18,367</b>                         |
| <b>Capital and Reserves</b>                               |      |                                       |                                       |
| Called up share capital                                   | 17   | 1,103                                 | 998                                   |
| Share Premium Account                                     |      | 2,312                                 | 1,029                                 |
| Capital redemption reserve                                |      | 672                                   | 672                                   |
| Exchange difference reserve                               |      | 582                                   | 241                                   |
| Available for sale financial assets reserve               |      | 760                                   | 610                                   |
| Other reserves  |      | -                                     | -                                     |
| Retained earnings   |      | 5,314                                 | 6,739                                 |
| <b>Equity attributable to equity owners of the parent</b> |      | <b>10,743</b>                         | <b>10,289</b>                         |
| Non-controlling interests                                 |      | 18                                    | 8,078                                 |
| <b>Total equity</b>                                       |      | <b>10,761</b>                         | <b>18,367</b>                         |

### Company Statement of Financial Position

as at 31 December 2019

|   | Note    | As at<br>31 December<br>2019<br>£000s | As at<br>31 December<br>2018<br>£000s |
|---|---------|---------------------------------------|---------------------------------------|
| <b>Assets</b>                               |         |                                       |                                       |
| <b>Non-current assets</b>                   |         |                                       |                                       |
| Tangible fixed assets                       | 8       | 438                                   | 77                                    |
| Investment in subsidiaries                  | 13 & 21 | 3,669                                 | 6,031                                 |
| Investment in associate                     | 11      | 1                                     | 9                                     |
| Financial assets                            | 12      | 4,222                                 | 4,015                                 |
| Other investments, including derivatives    |         | -                                     | -                                     |
|   |         | 8,330                                 | 10,132                                |
| <b>Current assets</b>                       |         |                                       |                                       |
| Trade and other receivables                 | 9       | 5,322                                 | 832                                   |
| Cash and cash equivalents                   | 10      | 135                                   | 387                                   |
| Other financial assets                      | 12      | 205                                   | 186                                   |
|   |         | 5,662                                 | 1,405                                 |
| <b>Total assets</b>                         |         | <b>13,992</b>                         | <b>11,537</b>                         |
| <b>Non-current liabilities</b>              |         |                                       |                                       |
| Loans and Borrowings                        | 15      | (1,422)                               | -                                     |
|   |         | (1,422)                               | -                                     |
| <b>Current liabilities</b>                  |         |                                       |                                       |
| Loans and Borrowings                        | 15      | (242)                                 | -                                     |
| Trade and other payables                    | 16      | (2,999)                               | (4,500)                               |
|   |         | (3,241)                               | (4,500)                               |
| <b>Total liabilities</b>                    |         | <b>(4,663)</b>                        | <b>(4,500)</b>                        |
| <b>Net assets</b>                           |         | <b>9,329</b>                          | <b>7,037</b>                          |
| <b>Capital and Reserves</b>                 |         |                                       |                                       |
| Called up share capital                     | 17      | 1,103                                 | 998                                   |
| Share Premium Account                       |         | 2,312                                 | 1,029                                 |
| Capital redemption reserve                  |         | 672                                   | 672                                   |
| Available for sale financial assets reserve |         | 760                                   | 609                                   |
| Retained earnings                           |         | 4,482                                 | 3,729                                 |
| <b>Total equity</b>                         |         | <b>9,329</b>                          | <b>7,037</b>                          |

**Consolidated Statement of Changes in Shareholders' Equity**  
for the year ended 31 December 2019

|  | Share capital<br>£000s | Share premium<br>£000s | Retained earnings<br>£000s | Other reserves<br>£000s | Non-controlling interests<br>£000s | Total<br>£000s |
|--|------------------------|------------------------|----------------------------|-------------------------|------------------------------------|----------------|
| <b>Balance at 1 January 2019</b>                       | 998                    | 1,029                  | 6,739                      | 1,523                   | 8,078                              | 18,367         |
| Issue of Shares  | 105                    | 1,283                  | -                          | -                       | -                                  | 1,388          |
| Currency translation adjustments                       | -                      | -                      | (149)                      | 341                     | (658)                              | (466)          |
| Net gain/(loss) on available for sale financial assets | -                      | -                      | -                          | 150                     | -                                  | 150            |
| Disposal Of Subsidiary                                 | -                      | -                      | -                          | -                       | 71                                 | 71             |
| Dividend Paid  | -                      | -                      | (199)                      | -                       | (6,557)                            | (6,756)        |
| Capital Repaid   | -                      | -                      | -                          | -                       | (2,372)                            | (2,372)        |
| Transfer between reserves                              | -                      | -                      | (1,097)                    | -                       | 1,097                              | -              |
| <b>Total other comprehensive income</b>                | 105                    | 1,283                  | (1,445)                    | 491                     | (8,419)                            | (7,985)        |
| Profit for the year                                    | -                      | -                      | 20                         | -                       | 359                                | 379            |
| <b>Total comprehensive income for the year</b>         | 105                    | 1,283                  | (1,425)                    | 491                     | (8,060)                            | (7,606)        |
| Cancelled/forfeited share options                      | -                      | -                      | -                          | -                       | -                                  | -              |
| <b>Balance 31 December 2019</b>                        | 1,103                  | 2,312                  | 5,314                      | 2,014                   | 18                                 | 10,761         |

|   | Share capital<br>£000s | Share premium<br>£000s | Retained earnings<br>£000s | Other reserves<br>£000s | Non-controlling interests<br>£000s | Total<br>£000s |
|---|------------------------|------------------------|----------------------------|-------------------------|------------------------------------|----------------|
| <b>Balance at 1 January 2018</b>                | 998                    | 1,029                  | 4,307                      | 1,387                   | 3,110                              | 10,831         |
| Currency translation adjustments                | -                      | -                      | -                          | 70                      | 100                                | 170            |
| Net gain on available for sale financial assets | -                      | -                      | -                          | 319                     | -                                  | 319            |
| Transfer of interest rate swap gain             | -                      | -                      | 253                        | (253)                   | -                                  | -              |
| <b>Total other comprehensive income</b>         | -                      | -                      | 253                        | 136                     | 100                                | 489            |
| Profit for the year                             | -                      | -                      | 2,179                      | -                       | 4,868                              | 7,047          |
| <b>Total comprehensive income for the year</b>  | -                      | -                      | 2,432                      | 136                     | 4,968                              | 7,536          |
| Cancellation of Investment in own shares        | -                      | -                      | -                          | -                       | -                                  | -              |
| Cancelled/forfeited share options               | -                      | -                      | -                          | -                       | -                                  | -              |
| <b>Balance 31 December 2018</b>                 | 998                    | 1,029                  | 6,739                      | 1,523                   | 8,078                              | 18,367         |

Company Statement of Changes in Shareholders' Equity  
for the year ended 31 December 2019

|   | Share capital<br>£000s | Share premium<br>£000s | Retained earnings<br>£000s | Share Options reserve<br>£000s | Other reserves<br>£000s | Total<br>£000s |
|---|------------------------|------------------------|----------------------------|--------------------------------|-------------------------|----------------|
| <b>Balance at 1 January 2019</b>                | 998                    | 1,029                  | 3,729                      | -                              | 1,281                   | 7,037          |
| Share Issue                                     | 105                    | 1,283                  | -                          | -                              | -                       | 1,388          |
| Dividend Paid                                   | -                      | -                      | (199)                      | -                              | -                       | (199)          |
| Net gain on available for sale financial assets | -                      | -                      | -                          | -                              | 151                     | 151            |
| <b>Total other comprehensive income</b>         | 105                    | 1,283                  | (199)                      | -                              | 151                     | 1,340          |
| Profit for the year                             | -                      | -                      | 952                        | -                              | -                       | 952            |
| <b>Total comprehensive income for the year</b>  | 105                    | 1,283                  | 753                        | -                              | 151                     | 2,292          |
| Cancelled/forfeited/expired share options       | -                      | -                      | -                          | -                              | -                       | -              |
| <b>Balance 31 December 2019</b>                 | 1,103                  | 2,312                  | 4,482                      | -                              | 1,432                   | 9,329          |

|   | Share capital<br>£000s | Share premium<br>£000s | Retained earnings<br>£000s | Share Options reserve<br>£000s | Other reserve<br>£000s | Total<br>£000s |
|---|------------------------|------------------------|----------------------------|--------------------------------|------------------------|----------------|
| <b>Balance at 1 January 2018</b>                | 998                    | 1,029                  | 3,666                      | -                              | 962                    | 6,655          |
| Net gain on available for sale financial assets | -                      | -                      | -                          | -                              | 319                    | 319            |
| <b>Total other comprehensive income</b>         | -                      | -                      | -                          | -                              | 319                    | 319            |
| Profit for the year                             | -                      | -                      | 63                         | -                              | -                      | 63             |
| <b>Total comprehensive income for the year</b>  | -                      | -                      | 63                         | -                              | 319                    | 382            |
| Cancelled/forfeited/expired share options       | -                      | -                      | -                          | -                              | -                      | -              |
| <b>Balance 31 December 2018</b>                 | 998                    | 1,029                  | 3,729                      | -                              | 1,281                  | 7,037          |

## Consolidated Cash Flow Statement

for the year ended 31 December 2019

|   | Year ended<br>31 December<br>2019<br>£000s | Year ended<br>31 December<br>2018<br>£000s |
|---|--|--|
| <b>Cash flows from operating activities</b>                           |  |  |
| Cash generated/(used) from operations                                 | (2,688)                                    | 8,890                                      |
| Deferred Tax Movement   | 154  | -  |
| Finance costs   | (684)                                      | -  |
| Finance income  | (77)                                       | -  |
| Tax received  | -  | -  |
| Interest paid   | -  | (4,410)                                    |
| <b>Cash flows from operating activities - total Group</b>             | <b>(3,295)</b>                             | <b>4,480</b>                               |
| <b>Cash flows from investing activities</b>                           |  |  |
| Purchase of property, plant and equipment                             | -  | (1)  |
| Purchase of fixtures and fittings                                     | (2)  | -  |
| Purchase of subsidiary  | -  | 6,842                                      |
| Purchase of non-current financial assets                              | -  | (204)                                      |
| Purchase of current financial assets                                  | (3,780)                                    | (39)                                       |
| Purchase of associate   | (1)  | -  |
| Proceeds received on disposal of subsidiary less divested cash        | 49   | -  |
| Sale of non-current financial assets                                  | -  | -  |
| Return of share capital and share premium to non-controlling interest | (2,372)                                    | -  |
| Sale of current financial assets                                      | -  | 76   |
| Cash acquired in lieu of bank guarantee                               | (1,518)                                    | -  |
| Intangible fixed assets   | -  | 3,795                                      |
| Interest received   | 77   | 17   |
| <b>Cash flows from investing activities - total Group</b>             | <b>(7,547)</b>                             | <b>10,486</b>                              |
| <b>Cash flows from financing activities</b>                           |  |  |
| Finance lease capital repayments                                      | (296)                                      | -  |
| Finance lease interest paid   | (15)                                       | -  |
| Other loans interest paid   | 699  | -  |
| Share Capital Raised  | 105  | -  |
| Share Premium Raised  | 1,283                                      | -  |
| Loans Received  | 1,360                                      | -  |
| Dividend paid to parent shareholders                                  | (199)                                      | -  |
| Dividend paid to non-controlling interests                            | (6,557)                                    | -  |
| Repayment of loan receivable  | (2,389)                                    | 16,145                                     |
| Repayment of mezz loan  | -  | (10,333)                                   |
| Repayment of borrowings   | -  | (4,903)                                    |
| Exchange movements on foreign subsidiaries                            | (444)                                      | -  |
| <b>Cash flows from financing activities - total Group</b>             | <b>(6,453)</b>                             | <b>909</b>                                 |
| <b>Net decrease in cash and cash equivalents</b>                      | <b>(17,295)</b>                            | <b>15,875</b>                              |
| Cash and cash equivalents at beginning of year                        | 20,509                                     | 2,462                                      |
| <b>Cash and cash equivalents at end of year</b>                       | <b>3,214</b>                               | <b>18,337</b>                              |
| Cash and cash equivalents at end of year - discontinued operation     | -  | 2,172                                      |
| <b>Net cash and cash equivalents at end of year</b>                   | <b>3,214</b>                               | <b>20,509</b>                              |

### Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities for the year ended 31 December 2019

|  | Year ended<br>31 December<br>2019<br>£000s | Year ended<br>31 December<br>2018<br>£000s |
|--|--|--|
| <b>Operating profit on ordinary activities</b>     | 379  | 11,854                                     |
| Depreciation and amortisation                      | 241  | 3,657                                      |
| Movement in fair value on financial assets         | 1  | 68   |
| Net profit on financial liability                  | -  | (150)                                      |
| Profit on sale of subsidiary                       | -  | (6,823)                                    |
| Result of associated company                       | -  | 5  |
| Foreign currency translation                       | -  | (19)                                       |
| Decrease/(increase) in trade and other receivables | (542)                                      | 880  |
| Decrease in trade and other payables               | (2,767)                                    | (582)                                      |
| <b>Net cash inflow from operating activities</b>   | <b>(2,688)</b>                             | <b>8,890</b>                               |

**Company Cash Flow Statement**  
for the year ended 31 December 2019

|   | Year ended<br>31 December<br>2019<br>£000s | Year ended<br>31 December<br>2018<br>£000s |
|---|--|--|
| <b>Cash flows from operating activities</b>               |  |  |
| Cash generated/(used) from operations                     | (4,807)                                    | 471  |
| Finance Costs   | 84   |  |
| Finance Income  | (22)                                       |  |
| Dividends Received  | (1,756)                                    | -  |
| Income tax paid   | -  | -  |
| <b>Cash flows from operating activities</b>               | <b>(6,501)</b>                             | <b>471</b>                                 |
| <b>Cash flows from investing activities</b>               |  |  |
| Dividends Received  | 1,756                                      | -  |
| Purchase of subsidiary                                    | -  | (1)  |
| Purchase of fixtures and fittings                         | (2)  | -  |
| Purchase of available for sale assets                     | (20)                                       | -  |
| Purchase of subsidiary                                    | (11)                                       | -  |
| Purchase of non-current financial assets                  | -  | (204)                                      |
| Return of share capital and share premium from subsidiary | 2,373                                      | -  |
| Purchase of associate                                     | (1)  | -  |
| Purchase of current financial assets                      | (37)                                       | (39)                                       |
| Sale of current financial assets                          | -  | 76   |
| Interest received   | 22   | -  |
| <b>Cash flows from investing activities</b>               | <b>4,080</b>                               | <b>(168)</b>                               |
| <b>Cash flows from financing activities</b>               |  |  |
| Finance lease - capital repayments                        | (296)                                      | -  |
| Finance lease - interest paid                             | (15)                                       | -  |
| Other loans interest paid                                 | (69)                                       | -  |
| Loans Received  | 1,360                                      | -  |
| Dividend Paid   | (199)                                      | -  |
| Shares capital raised                                     | 105  | -  |
| Share Premium Raised                                      | 1,283                                      | -  |
| <b>Cash flows from financing activities</b>               | <b>2,169</b>                               | <b>-</b>                                   |
| <b>Net increase in cash and cash equivalents</b>          | <b>(252)</b>                               | <b>303</b>                                 |
| Cash and cash equivalents at beginning of year            | 387  | 84   |
| <b>Cash and cash equivalents at end of year</b>           | <b>135</b>                                 | <b>387</b>                                 |

**Reconciliation of Operating Profit/(Loss) to Net Cash Inflow/(Outflow) from Operating Activities**  
for the year ended 31 December 2019

|  | Year ended<br>31 December<br>2019<br>£000s | Year ended<br>31 December<br>2018<br>£000s |
|--|--|--|
| <b>Operating profit/(loss) on ordinary activities</b>      | <b>952</b>                                 | <b>91</b>                                  |
| Depreciation   | 242  | 5  |
| Movement in fair value on financial assets                 | (10)                                       | 2  |
| Increase in trade and other receivables                    | (4,490)                                    | (179)                                      |
| Increase/(decrease) in trade and other payables            | (1,501)                                    | 557  |
| <b>Net cash inflow/(outflow) from operating activities</b> | <b>(4,807)</b>                             | <b>471</b>                                 |

## Notes to the Financial Statements

### 1 Principal accounting policies

iAM Capital Group PLC ("the Company") is a public limited company incorporated and domiciled in the United Kingdom.

The principal accounting policies applied in the presentation of these group financial statements are set out below. These policies have been consistently applied to all the years presented.

#### (a) Basis of preparation

The group financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU").

The group financial statements have been prepared on the going concern basis under the historical cost convention, except for the measurement of certain financial assets that are held at fair value. The directors are confident that for the foreseeable future, the Group will continue to meet its liabilities as they fall due.

The Company is taking advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual income statement and related notes that form part of the financial statements.

#### (b) New IFRS's and interpretations

##### i) Standards effective in 2019:

A new standard is effective for the first time for 2019. The Group has adopted the amendments and revisions to standards as detailed below:

IFRS 16 Leases

The company adopted IFRS 16 Leases retrospectively from 1 January 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 1 (t).

On adoption of IFRS 16, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3%

|  | £              |
|--|----------------|
| Operating lease commitments disclosed as at 31 December 2018                                   | 875,000        |
| Discounted using the lessee's incremental borrowing rate of at the date of initial application | 599,974        |
| (Less): short-term leases not recognised as a liability  | -              |
| (Less): low-value leases not recognised as a liability   | -              |
| <b>Lease liability recognised as at 01 January 2019</b>  | <b>599,974</b> |
| Of which are:  |                |
| Current lease liabilities  | 234,642        |
| Non-current lease liabilities  | 365,332        |

##### Measurement of right-of-use assets

The associated right-of use asset was measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position as at 31 December 2018.

##### Adjustments recognised in the Statement of Financial Position on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- right-of-use assets – increase by 599,974
- lease liabilities – increase by 599,974

##### ii) Standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the company has not early adopted the following amendments to standards and interpretations that have been issued but are not yet effective:

| Standard or Interpretation  | Effective for annual periods commencing on or after |
|---|---|
| Amendments to IAS 1 and IAS 8 definition of material  | 1st January 2020                                    |
| Amendments to IFRS 3 - definition of a business   | 1st January 2020                                    |
| "Conceptual Framework - Amendments to References to the Conceptual Framework in IFRS Standards" | 1st January 2020                                    |

#### (c) Critical accounting estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgement at the date of preparation of the financial statements deviate from actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. The areas where a higher degree of judgement or

complexity arise, or areas where assumptions and estimates are significant to the consolidated financial statements, are discussed below.

**i) Fair value assessment of Available-for-sale financial assets**

Management must make judgements concerning the fair value of its Available-for-sale financial assets. Judgements and assessments are made using standard pricing techniques and models, as well as consideration of the current economic climate when estimating the fair value of investments held where quoted prices are not available from active markets.

**ii) Acquisition of subsidiary**

Fair value of the consideration transferred and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.

**(d) Consolidation**

**Subsidiaries**

The Group financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are all entities over which the Company has the power to govern the operating and financial policies so as to obtain benefits from their activities. The financial statements of subsidiaries are included in the Group's financial statements from the date on which control is transferred to the Group to the date that control ceases.

**i) Business combinations**

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

All intra-Group transactions and balances are eliminated on consolidation.

**ii) Non-controlling interests**

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

**iii) Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying value of the investment.

Gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

**(e) Segment reporting**

A business segment is a group of assets and operations engaged in providing services that are subject to risks and returns that are different from those of other business segments. The Group's activities are divided into three business segments: Green Energy which is being disposed of, Hedge Fund Management and Consultancy Services. These reflect the Group's internal reporting segments.

A geographical segment is engaged in providing services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. During the year the Group operated in two geographical segments (Europe and North America). No geographical segment analysis has been shown as our internal review is on the basis of business segments only.

The Group distinguishes between discontinued operations to those of a continuing nature in its segmental reporting analysis.

**(f) Foreign currency translation**

**i) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The consolidated financial statements are presented in pounds sterling (GBP), whilst the Group's functional currency is the Euro. The Board believes that by presenting the financial statements in GBP it provides an enhanced understanding of the underlying information to the users of the financial statements.

**ii) Transactions and balances**

Foreign currency transactions are translated into the relevant Group entity's functional currency using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

**iii) Group companies**

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement are translated at average exchange rates for the relevant accounting periods; and
- all resulting exchange differences are included in the cumulative translation adjustment reserve within equity.

Cumulative translation differences are taken to the income statement on the disposal of a net foreign operation.

**(g) Tangible assets**

**i) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life as follows:

|                                      |                                  |
|--------------------------------------|----------------------------------|
| Motor vehicles                       | 3 - 5 years                      |
| Computer and communication equipment | 3 - 5 years                      |
| Furniture, fixtures and fittings *   | 4 - 6 years                      |
| Leasehold improvements               | 5 years                          |
| Freehold land                        | Not Depreciated                  |
| Right of Use Assets                  | Over the remaining life of asset |

\*For specific items of artwork, included within furniture, fixtures and fittings, whose residual value is expected to be at least equal to cost, no depreciation is provided. The cost of such artwork as at 31st December 2019 is £74,000 (2018: £74,000).

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

**(h) Investments in subsidiaries**

Investments in subsidiaries are stated at cost less impairment.

**(i) Impairment of non-financial assets**

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever there is an indication that the carrying amount may not be recoverable.

An impairment loss is recognised in the income statement in the period that it is incurred. An impairment loss is the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined with reference to the higher of the asset's value in use and fair value less costs to sell. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset's continued use, including those from its ultimate disposal, at an appropriate pre-tax discount rate. For the purposes of assessing impairment, assets are grouped into Cash-Generating Units (CGUs), which are the lowest levels for which there are separately identifiable cash flows.

**(j) i) Financial assets - Non-derivative**

Financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale" or "loans and receivables". Financial assets are classified into their respective category at the initial recognition date.

*Financial assets at fair value through profit or loss:* These financial assets are initially recognised at fair value with any subsequent changes in fair value recognised in the income statement. Assets in this category are usually held for short-term gain and are classified as current assets if they are either held for trading or expected to be realised within 12 months of the statement of financial position date.

*Available-for-sale:* These financial assets are initially recognised at fair value with any subsequent changes in fair value recognised directly in equity. When an asset is disposed of or impaired, any cumulative gain or loss previously recognised in equity is transferred to the income statement.

*Loans and receivables:* Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are included in current assets except for those with maturities greater than 12 months after the statement of financial position date, which are included in non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial assets.

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset is impaired. Any impairment loss is recognised in the income statement.

Forward Currency Contracts are classified as financial assets or financial liabilities through profit or loss. They are measured at fair value and gains or losses arising from changes in fair value are recognised in profit or loss.

**ii) Financial assets - Derivatives**

The Group's activities expose it primarily to the financial risks of changes in market prices, foreign currency exchange rates and interest rates. Derivative transactions which the Group may enter into, to economically hedge its exposure, include futures, forwards and swaps. The Group does not hold or issue derivative instruments for trading purposes.

Derivative financial instruments are initially recorded at fair value on the date at which the derivative contract is entered into and are subsequently remeasured at fair value. The fair value of forward currency contracts are calculated by reference to current forward exchange rates for contracts of similar maturity dates. Changes in fair value of derivatives financial instruments are recognised in the Statement of Comprehensive Income.

**(k) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowances for credit losses. An allowance account for credit losses is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance for credit losses is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The allowance for credit losses is recognised in the income statement.

**(l) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

**(m) Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

**(n) Share-based compensation**

The Group operates equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the share options is recognised as an expense, with a corresponding credit recognised in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each statement of financial position date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

**(o) Deferred income tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled based on tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**(p) Revenue recognition**

Revenue represents the fair value of consideration received for the provision of services and is stated net of value-added tax, rebates and after eliminating intra-group sales.

Revenue includes the following:

*Management and performance fees*

Management fees are calculated as a percentage of net assets under management and are recognised in the period in which the services are rendered.

Performance fees are calculated as a percentage of the net appreciation in a fund's net asset values at the end of a performance period. The length of a performance period varies between funds and usually covers periods ranging from between 3 to 12 months. Performance fees are recognised when the amount of the fee can be reliably measured, which is normally at the end of the performance period. Where a fund's performance period covers the statement of financial position date, performance fees are recognised based on reasonable estimates that consider the particular fund's performance to the statement of financial position date and whether evidence exists that suggests that the current performance will be sustainable to the end of the performance period.

*Green Energy revenues*

Revenue relates to the sale of electricity provided by the photovoltaic plants owned by the Group. This income includes incentive tariffs received by the Manager of the Energy Services ("Gestore dei Servizi Energetici" or "GSE") based on the energy produced by the plants according to the mechanism provided by the c.d. "Energy Account".

*Consultancy Services*

Consultancy Services comprises fees received for advice given, which is recognised on a time-proportion basis over the period of the service.

*Finance income*

Finance income comprises of interest income, which is recognised on a time-proportion basis using the effective interest method.

**(q) Cost of sales****i) Fund Management**

Cost of sales comprises of commissions and distribution fees payable to intermediaries, distributors and other third parties and are charged to the Income Statement over the period in which the service is provided.

**ii) Green Energy**

Cost of sales comprises the costs of technical and professional services received as well as the use of third-party assets.

**(r) Employee benefits**

Short-term employee benefits and company contribution to employee defined contribution plans are recognised as expenses in the period in which they are incurred.

**(s) Available for sale investments**

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving the sale or loss of control of a subsidiary, all the assets and liabilities of the subsidiary are classified as held for sale when the criteria described above are met.

(t) Leases

At inception of the contract, the company assesses whether a contract is, or contains, a lease. It recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee. The right-of-use assets are presented separately in note 8 and the lease liabilities are presented separately in note 15.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate. It is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, plus lease payments made on or before the commencement day, less any lease incentives received and plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

2 Segmental reporting

(a) Business segments

We have considered the requirements of IFRS 8 and since we only internally review our business on the basis of the hedge fund, consultancy service and the green energy units as opposed to any geographical basis, do not see the requirement for any geographical analysis.

The Group is organised into three business segments Green Energy (which is in the process of being discontinued), Hedge Fund and Consultancy Services together with a segment for the central operating costs. The segmental results are as follows:-

| Business Type                                     |            |             | Central   |            | Discontinued |         |
|---|------------|-------------|-----------|------------|--------------|---------|
|   | Hedge Fund | Consultancy | Operating | Continuing | Green Energy | Group   |
| 31 December 2019                                  | £000s      | £000s       | costs     | Operations | £000s        | £000s   |
| Revenue from external customers                   | 525        | 265         | -         | 790        | 47           | 837     |
| Cost of sales                                     | (70)       | -           | (546)     | (616)      | -            | (616)   |
| Net Revenue                                       | 455        | 265         | (546)     | 174        | 47           | 221     |
| Operating costs                                   | (473)      | -           | (970)     | (1,443)    | (47)         | (1,490) |
| Depreciation and amortisation                     | -          | -           | (242)     | (242)      | -            | (242)   |
| Currency exchange differences                     | (21)       | -           | (102)     | (123)      | -            | (123)   |
| Profit on sale of subsidiary                      | -          | -           | -         | -          | (147)        | (147)   |
| Net (loss)/gain on financial assets / liabilities | -          | -           | 1,610     | 1,610      | -            | 1,610   |
| Share of loss of associate                        | -          | -           | -         | -          | -            | -       |
| Operating profit/(loss)                           | (39)       | 265         | (250)     | (24)       | (147)        | (171)   |
| External interest receivable and similar income   | -          | -           | 71        | 71         | 6            | 77      |
| External interest payable and similar expense     | -          | -           | (106)     | (106)      | 790          | 684     |
| Inter-segment interest receivable                 | -          | -           | -         | -          | -            | -       |
| Inter-segment interest payable                    | -          | -           | -         | -          | -            | -       |
| Profit/(loss) before taxation                     | (39)       | 265         | (285)     | (59)       | 649          | 590     |

Included within the Revenue from external customers of £837,000 are amounts £525,000 (within hedge fund segment) and £265,000 (within consultancy segment), each of which generate more than 10% of the total external income.

|                                       | Hedge Fund | Consultancy | Central costs | Green  | Inter-segment | Group   |
|---------------------------------------|------------|-------------|---------------|--------|---------------|---------|
|                                       | £000s      | £000s       | £000s         | Energy | elimination   | £000s   |
|                                       |            |             |               | £000s  | £000s         |         |
| Segment assets                        | 3,869      | -           | 9,041         | 77     | -             | 12,987  |
| Segment liabilities                   | (349)      | -           | (1,916)       | 39     | -             | (2,226) |
|                                       | 3,520      | -           | 7,125         | 116    | -             | 10,761  |
| Capital expenditure on segment assets | -          | -           | 2             | -      | -             | 2       |

## 2 Segmental reporting (continued)

|   | Hedge Fund<br>£000s | Consultancy<br>£000s | Central<br>Operating<br>costs<br>£000s | Continuing<br>Operations<br>£000s | Discontinued<br>Green Energy<br>£000s | Group<br>£000s |
|---|---------------------|----------------------|--|-----------------------------------|---------------------------------------|----------------|
| <b>31 December 2018</b>                           |                     |                      |  |                                   |                                       |                |
| Revenue from external customers                   | 954                 | 17                   | -                                      | 971                               | 13,202                                | 14,173         |
| Cost of sales                                     | (218)               | -                    | -                                      | (218)                             | (2,544)                               | (2,762)        |
| Net Revenue                                       | 736                 | 17                   | -                                      | 753                               | 10,658                                | 11,411         |
| Operating costs                                   | (445)               | -                    | (871)                                  | (1,316)                           | (1,503)                               | (2,819)        |
| Depreciation and amortisation                     | -                   | -                    | (3)                                    | (3)                               | (3,652)                               | (3,655)        |
| Currency exchange differences                     | 17                  | -                    | -                                      | 17                                | -                                     | 17             |
| Profit on sale of subsidiary                      | -                   | -                    | -                                      | -                                 | 6,823                                 | 6,823          |
| Net (loss)/gain on financial assets / liabilities | (37)                | -                    | 119                                    | 82                                | -                                     | 82             |
| Share of loss of associate                        | -                   | -                    | (5)                                    | (5)                               | -                                     | (5)            |
| Operating profit/(loss)                           | 271                 | 17                   | (760)                                  | (472)                             | 12,326                                | 11,854         |
| External interest receivable and similar income   | -                   | -                    | 17                                     | 17                                | 1                                     | 18             |
| External interest payable and similar expense     | -                   | -                    | 98                                     | 98                                | (4,595)                               | (4,497)        |
| Inter-segment interest receivable                 | -                   | -                    | -                                      | -                                 | -                                     | -              |
| Inter-segment interest payable                    | -                   | -                    | -                                      | -                                 | -                                     | -              |
| Profit/(loss) before taxation                     | 271                 | 17                   | (645)                                  | (357)                             | 7,732                                 | 7,375          |

Included within the Revenue from external customers of £14,173,000 are amounts of £10,708,000 (within green energy) received from one customer and Enil (within hedge fund segment) and Enil (within consultancy segment), each of which generate more than 10% of the total external income.

|                                       | Hedge Fund<br>£000s | Consultancy<br>£000s | Central costs<br>£000s | Green<br>Energy<br>£000s | Inter-segment<br>elimination<br>£000s | Group<br>£000s |
|---------------------------------------|---------------------|----------------------|------------------------|--------------------------|---------------------------------------|----------------|
| Segment assets                        | 4,325               | -                    | 10,286                 | 15,292                   | (4,300)                               | 25,603         |
| Segment liabilities                   | (460)               | -                    | (6,695)                | (4,381)                  | 4,300                                 | (7,236)        |
|                                       | 3,865               | -                    | 3,591                  | 10,911                   | -                                     | 18,367         |
| Capital expenditure on segment assets | -                   | -                    | 1                      | -                        | -                                     | 1              |

## (b) Geographical segments

The Group's operations are deemed to have been carried out in Europe and North America.

## 3 Operating Profit

Operating profit is stated after charging/(crediting):

|  | 2019<br>£000s | 2018<br>£000s |
|--|---------------|---------------|
| Depreciation of property, plant and equipment                              | (242)         | 3,657         |
| Exchange (gain)/loss   | 123           | (17)          |
| Operating lease rentals - land & buildings                                 | -             | 138           |
| Audit services   |               |               |
| - fees payable to the Group's auditors for the audit of IAM Capital        | 16            | 21            |
| - fees payable to the Group's auditors in respect of auditing subsidiaries | 7             |               |
| - audit related regulatory   | -             | 86            |
| Tax services   | 6             | 6             |
| Other assurance services   | 21            | 32            |

4 Staff costs and employees

Staff costs including Directors' emoluments:

|  | 2019<br>£000s | 2018<br>£000s |
|--|---------------|---------------|
| Wages and salaries (Including bonuses) | 694           | 425           |
| Social security costs                  | 70            | 42            |
| Other staff costs                      | 25            | 33            |
| <b>Total</b>                           | <b>789</b>    | <b>500</b>    |

The average monthly number of persons employed by the Group including Executive Directors was 17 (2018: 15) and is analysed as follows:

|                  | 2019      | 2018      |
|------------------|-----------|-----------|
| Asset Management | 12        | 10        |
| Administration   | 5         | 5         |
| <b>Total</b>     | <b>17</b> | <b>15</b> |

Directors' emoluments:

|                       | 2019<br>£000s | 2018<br>£000s |
|-----------------------|---------------|---------------|
| <b>Group</b>          |               |               |
| Directors' emoluments | 139           | 128           |

The highest paid Director received salary and related benefits of £70,000 (2018: £82,000), which included £1,200 contributions to a pension scheme.

5 Net finance costs

|   | 2019<br>£000s | 2018<br>£000s  |
|---|---------------|----------------|
| <b>Group</b>  |               |                |
| <b>Interest income on:</b>                            |               |                |
| Barclays Bank deposit accounts                        | -             | 1              |
| Union Bancaire Privee deposit accounts                | 42            | 16             |
| ING Bank deposit accounts                             | 12            | 1              |
| Other Loans   | 23            | -              |
| <b>Finance income</b>                                 | <b>77</b>     | <b>18</b>      |
| <b>Interest expenses on:</b>                          |               |                |
| Secured bank loans                                    | -             | (3,192)        |
| Secured bond issue                                    | -             | (1,019)        |
| Unsecured third party loan                            | 4             | (298)          |
| Other loans   | 680           | 12             |
| ING Bank deposit accounts                             | -             | -              |
| <b>Finance costs</b>                                  | <b>684</b>    | <b>(4,497)</b> |
| <b>Net finance costs recognised in profit or loss</b> | <b>761</b>    | <b>(4,479)</b> |

Finance costs accrued in previous years in respect of amounts loaned from group undertakings and non-controlling interests were waived in 2019. Accordingly, finance costs have been reversed in 2019 in respect of interest that's no longer payable. The reversal of finance cost payable to group undertakings in this regard has been eliminated on consolidation and the reversal of finance costs of £716,596 in respect of non-controlling interests is included within interest payable on other loans.

## 6 Taxation

## (a) Analysis of tax charge for the year

|   | 2019<br>£000s | 2018<br>£000s |
|---|---------------|---------------|
| <b>Current tax</b>                                |               |               |
| Current tax on profits for the year               | 211           | 656           |
| Adjustments in respect of prior periods           |               |               |
| Total current tax                                 | 211           | 656           |
| Deferred tax                                      | -             | (328)         |
| Effects of changes in corporation tax rates       | -             | -             |
| Origination and reversal of temporary differences | -             | -             |
| Total tax charge for the year                     | 211           | 328           |

## (b) Factors affecting the tax charge for the year

|  | 2019<br>£000s | 2018<br>£000s |
|--|---------------|---------------|
| Profit before taxation   | 590           | 7,375         |
| Tax calculated at the domestic tax rates applicable to profits in the respective countries | 112           | 618           |
| Effect of:   |               |               |
| Other differences leading to an increase (decrease) in the tax charge                      | (190)         | -             |
| Disallowable expenses and non-taxable income   | (8)           | 5             |
| Capital allowances in excess of depreciation   | (2)           | (1)           |
| Other tax adjustments  | 4             | -             |
| Deferred tax adjustments   | -             | (328)         |
| Unrelieved tax losses and other deductions in the period                                   | 295           | 34            |
| Total tax charge/(credit) for the year   | 211           | 328           |

## 7 Earnings per share

The calculation of Earnings per Share ("EPS") is based on profit that is attributable to equity owners of the parent Company only. Potential ordinary shares have only been included in the diluted EPS calculation where their effect has been dilutive to basic EPS. Details of the figures used in calculating basic and diluted EPS are shown below:

|   | 2019<br>£000s | 2018<br>£000s |
|---|---------------|---------------|
| Total profit from continuing operations used in calculating basic and diluted EPS | (97)          | 219           |
| Total profit used in calculating basic and diluted EPS                            | 20            | 2,179         |
|   | No. '000s     | No. '000s     |
| Weighted average number of ordinary shares used in calculating basic EPS          | 21,579        | 19,969        |
| Effect of dilutive potential ordinary shares:                                     |               |               |
| - share options   | -             | -             |
| - shares to be issued   | -             | -             |
| - contingently issuable shares  | -             | -             |
| Weighted average number of ordinary shares used in calculating diluted EPS        | 21,579        | 19,969        |

Basic EPS from continuing operations has been calculated using the profit from continuing operations (£97,000) (excluding non-controlling interests) divided by the weighted average number of ordinary shares 21,579,094

Diluted EPS from continuing operations has been calculated using the profit from continuing operations (£97,000) (excluding non-controlling interests) divided by the weighted average number of ordinary shares 21,579,094.

8 Tangible fixed assets

| Group                                 | Right of Use Assets<br>£000s | Land and Buildings<br>£000s | Plant and Equipment<br>£000s | Vehicles & equipment<br>£000s | Fixtures & fittings<br>£000s | Leasehold improvements<br>£000s | Total<br>£000s |
|---------------------------------------|------------------------------|-----------------------------|------------------------------|-------------------------------|------------------------------|---------------------------------|----------------|
| <b>Cost</b>                           |                              |                             |                              |                               |                              |                                 |                |
| At 1st January 2019                   | -                            | -                           | -                            | 123                           | 299                          | 249                             | 671            |
| Adoption of IFRS 16 on 1 January 2019 | 600                          | -                           | -                            | -                             | -                            | -                               | 600            |
| Additions                             | -                            | -                           | -                            | -                             | 2                            | -                               | 2              |
| Disposal of subsidiary                | -                            | -                           | -                            | -                             | -                            | -                               | -              |
| Movement on exchange                  | -                            | -                           | -                            | -                             | -                            | -                               | -              |
| <b>At 31st December 2019</b>          | <b>600</b>                   | <b>-</b>                    | <b>-</b>                     | <b>123</b>                    | <b>301</b>                   | <b>249</b>                      | <b>1,273</b>   |
| <b>Depreciation</b>                   |                              |                             |                              |                               |                              |                                 |                |
| At 1st January 2019                   | -                            | -                           | -                            | (123)                         | (222)                        | (249)                           | (594)          |
| Charge in the year                    | (239)                        | -                           | -                            | -                             | (2)                          | -                               | (241)          |
| Disposal of subsidiary                | -                            | -                           | -                            | -                             | -                            | -                               | -              |
| Movement on exchange                  | -                            | -                           | -                            | -                             | -                            | -                               | -              |
| <b>At 31st December 2019</b>          | <b>(239)</b>                 | <b>-</b>                    | <b>-</b>                     | <b>(123)</b>                  | <b>(224)</b>                 | <b>(249)</b>                    | <b>(835)</b>   |
| <b>Net Book Value</b>                 |                              |                             |                              |                               |                              |                                 |                |
| <b>At 31st December 2019</b>          | <b>361</b>                   | <b>-</b>                    | <b>-</b>                     | <b>-</b>                      | <b>77</b>                    | <b>-</b>                        | <b>438</b>     |
| <b>Cost</b>                           |                              |                             |                              |                               |                              |                                 |                |
| At 1st January 2018                   | -                            | 1,928                       | 90,469                       | 123                           | 303                          | 249                             | 93,072         |
| Additions                             | -                            | -                           | -                            | -                             | 1                            | -                               | 1              |
| Disposal of subsidiary                | -                            | (1,928)                     | (90,469)                     | -                             | (5)                          | -                               | (92,402)       |
| Movement on exchange                  | -                            | -                           | -                            | -                             | -                            | -                               | -              |
| <b>At 31st December 2018</b>          | <b>-</b>                     | <b>-</b>                    | <b>-</b>                     | <b>123</b>                    | <b>299</b>                   | <b>249</b>                      | <b>671</b>     |
| <b>Depreciation</b>                   |                              |                             |                              |                               |                              |                                 |                |
| At 1st January 2018                   | -                            | -                           | (27,955)                     | (121)                         | (222)                        | (249)                           | (28,547)       |
| Charge in the year                    | -                            | -                           | (3,650)                      | (2)                           | (5)                          | -                               | (3,657)        |
| Disposal of subsidiary                | -                            | -                           | 31,605                       | -                             | 5                            | -                               | 31,610         |
| Movement on exchange                  | -                            | -                           | -                            | -                             | -                            | -                               | -              |
| <b>At 31st December 2018</b>          | <b>-</b>                     | <b>-</b>                    | <b>-</b>                     | <b>(123)</b>                  | <b>(222)</b>                 | <b>(249)</b>                    | <b>(594)</b>   |
| <b>Net Book Value</b>                 |                              |                             |                              |                               |                              |                                 |                |
| <b>At 31st December 2018</b>          | <b>-</b>                     | <b>-</b>                    | <b>-</b>                     | <b>-</b>                      | <b>77</b>                    | <b>-</b>                        | <b>77</b>      |
| <b>Company</b>                        |                              |                             |                              |                               |                              |                                 |                |
| <b>Cost</b>                           |                              |                             |                              |                               |                              |                                 |                |
| At 1st January 2019                   | -                            | -                           | -                            | 123                           | 299                          | 249                             | 671            |
| Adoption of IFRS 16 on 1 January 2019 | 600                          | -                           | -                            | -                             | -                            | -                               | 600            |
| Additions                             | -                            | -                           | -                            | -                             | 2                            | -                               | 2              |
| Disposals                             | -                            | -                           | -                            | -                             | -                            | -                               | -              |
| <b>At 31st December 2019</b>          | <b>600</b>                   | <b>-</b>                    | <b>-</b>                     | <b>123</b>                    | <b>301</b>                   | <b>249</b>                      | <b>1,273</b>   |
| <b>Depreciation</b>                   |                              |                             |                              |                               |                              |                                 |                |
| At 1st January 2019                   | -                            | -                           | -                            | (123)                         | (222)                        | (249)                           | (594)          |
| Charge in the year                    | (239)                        | -                           | -                            | -                             | (2)                          | -                               | (241)          |
| Disposals                             | -                            | -                           | -                            | -                             | -                            | -                               | -              |
| <b>At 31st December 2019</b>          | <b>(239)</b>                 | <b>-</b>                    | <b>-</b>                     | <b>(123)</b>                  | <b>(224)</b>                 | <b>(249)</b>                    | <b>(835)</b>   |
| <b>Net Book Value</b>                 |                              |                             |                              |                               |                              |                                 |                |
| <b>At 31st December 2019</b>          | <b>360</b>                   | <b>-</b>                    | <b>-</b>                     | <b>-</b>                      | <b>77</b>                    | <b>-</b>                        | <b>438</b>     |
| <b>Cost</b>                           |                              |                             |                              |                               |                              |                                 |                |
| At 1st January 2018                   | -                            | -                           | -                            | 123                           | 297                          | 249                             | 669            |
| Additions                             | -                            | -                           | -                            | -                             | 1                            | -                               | 1              |
| Disposals                             | -                            | -                           | -                            | -                             | -                            | -                               | -              |
| <b>At 31st December 2018</b>          | <b>-</b>                     | <b>-</b>                    | <b>-</b>                     | <b>123</b>                    | <b>298</b>                   | <b>249</b>                      | <b>670</b>     |
| <b>Depreciation</b>                   |                              |                             |                              |                               |                              |                                 |                |
| At 1st January 2018                   | -                            | -                           | -                            | (121)                         | (218)                        | (249)                           | (588)          |
| Charge in the year                    | -                            | -                           | -                            | (2)                           | (3)                          | -                               | (5)            |
| Disposals                             | -                            | -                           | -                            | -                             | -                            | -                               | -              |
| <b>At 31st December 2018</b>          | <b>-</b>                     | <b>-</b>                    | <b>-</b>                     | <b>(123)</b>                  | <b>(221)</b>                 | <b>(249)</b>                    | <b>(593)</b>   |
| <b>Net Book Value</b>                 |                              |                             |                              |                               |                              |                                 |                |
| <b>At 31st December 2018</b>          | <b>-</b>                     | <b>-</b>                    | <b>-</b>                     | <b>-</b>                      | <b>77</b>                    | <b>-</b>                        | <b>77</b>      |

## 9 Trade and other receivables

## Amounts due within one year

|                                    | Group         |               | Company       |               |
|------------------------------------|---------------|---------------|---------------|---------------|
|                                    | 2019<br>£000s | 2018<br>£000s | 2019<br>£000s | 2018<br>£000s |
| Trade receivables (Note 20)        | 290           | 179           | 291           | 20            |
| VAT and other tax receivables      | -             | -             | -             | -             |
| Amounts owed by group undertakings | -             | -             | 4,757         | 674           |
| Other receivables                  | 298           | 148           | 260           | 131           |
| Prepayments & Accrued Income       | 322           | 41            | 14            | 7             |
| <b>Total</b>                       | <b>910</b>    | <b>368</b>    | <b>5,322</b>  | <b>832</b>    |

Included in other receivables is a loan owed from E M Arbib, a director, amounting to £33,382 (2018 - £24,994). The loan was repaid within 9 months of year end.

## 10 Cash and cash equivalents

|  | Group         |               | Company       |               |
|--|---------------|---------------|---------------|---------------|
|  | 2019<br>£000s | 2018<br>£000s | 2019<br>£000s | 2018<br>£000s |
| Cash at bank and in hand               | 3,214         | 20,509        | 135           | 387           |
| <b>Total cash and cash equivalents</b> | <b>3,214</b>  | <b>20,509</b> | <b>135</b>    | <b>387</b>    |

## 11 Equity-accounted investees

## Associates

The Group's equity interest in its material associate, Sweet Stay Holdings, is 45%.

The Group's equity interest in its material associate in 2018, Integrated Capital S.R.L. was 50%. During 2019 the company was liquidated.

|  | Group and Company |               |
|--|-------------------|---------------|
|  | 2019<br>£000s     | 2018<br>£000s |
| Percentage ownership interest            | 45%               | 50%           |
| Non-current assets                       | -                 | -             |
| Current assets                           | 1                 | 19            |
| Current liabilities                      | -                 | -             |
| Net assets                               | 1                 | 19            |
| Carrying amount of interest in associate | 1                 | 9             |
| Revenue                                  | -                 | -             |
| Loss from continuing operations          | -                 | (10)          |
| Group's share of operating loss          | -                 | (5)           |

In 2019 the Group's share of profit from associated entities is immaterial and has not been reflected.

## 12 Financial assets

## (a) Movement in fair value

| Non-current<br>Available-for-sale financial assets                           | Group         |               | Company       |               |
|--|---------------|---------------|---------------|---------------|
|  | 2019<br>£000s | 2018<br>£000s | 2019<br>£000s | 2018<br>£000s |
| <b>Movement in fair value</b>  |               |               |               |               |
| At 1st January   | 4,300         | 3,835         | 4,015         | 3,530         |
| Additions  | 57            | 204           | 57            | 204           |
| Disposals  | -             | -             | -             | -             |
| Transfer to Current available-for-sale financial assets                      | -             | -             | -             | -             |
| Movement on exchange   | (11)          | 27            | -             | 9             |
| Realised gain through profit and loss  | -             | -             | -             | -             |
| Impairment through profit and loss   | -             | (66)          | -             | (28)          |
| Net gain/(loss) in movement in fair value through other comprehensive income | 150           | 300           | 150           | 300           |
| At 31st December   | 4,496         | 4,300         | 4,222         | 4,015         |

In 2010, the Company announced that it had agreed to invest up to \$4 million in a JRJ Limited Partnership forming part of JRJ Ventures which had recently acquired approximately 75 per cent of Marex Group Ltd. In March 2011 Marex Group Ltd acquired Spectron Group Ltd, and as a participant in the ownership of Marex Group Ltd, the Company participated in the financing of the acquisition and invested a further £0.8m into this transaction.

During 2017 the Group received equity interests in CGI 1100 Holdco LLC and CGI 1100 Sponsorship Capital LLC in lieu of consultancy fees earned. The equity interests in these two US entities were assigned at par value by iAM Invest Ltd to its 100% owned US subsidiary, namely Integrated Alternative Investments USA LLC. At the year end, the Board have taken a decision to keep the impairment on the valuation of these equity interests at 40% (2018: 40%) and 75% (2018: 75%) respectively.

In June, 2018, the Company closed on an investment in Heritage Family Office Partners Ltd ("Heritage"), an Israeli limited company. Heritage offers family office administrative and consulting services to a global client base. In the transaction the Company invested US\$ 272,000 in debt and equity in exchange for a 15% interest in Heritage. In 2019, the company invested a further US\$ 29,950 into the company shown here as an addition.

| Current<br>Available-for-sale financial assets                        | Group         |               | Company       |               |
|---|---------------|---------------|---------------|---------------|
|   | 2019<br>£000s | 2018<br>£000s | 2019<br>£000s | 2018<br>£000s |
| <b>Movement in fair value</b>   |               |               |               |               |
| At 1st January  | 186           | 205           | 186           | 204           |
| Additions   | 3,723         | 39            | -             | 39            |
| Disposals   | -             | (76)          | -             | (76)          |
| Transfer from Non-Current available-for-sale financial assets         | -             | -             | -             | -             |
| Movement on exchange  | 19            | 1             | 19            | 2             |
| Realised gain through profit and loss                                 | -             | -             | -             | -             |
| Impairment through profit and loss                                    | -             | (2)           | -             | (2)           |
| Net gain in movement in fair value through other comprehensive income | -             | 19            | -             | 19            |
| At 31st December  | 3,928         | 186           | 205           | 186           |

The Group's current Available-for-sale financial assets includes shares in a US company listed on the OTC Bulletin Board ("OTCBB"). These shares were received as per an agreement in payment for consulting income earned in a prior year. In 2013, a further full impairment was recognised by the Board due to its view that any potential realisable value was looking increasing unlikely. No change to this stance was considered necessary in the current year.

The Group's other investments are principally in various funds and equities from the Integrated Recovery subsidiary. Further investment additions to these funds were made in the year totalling £3,723,000.

## 12 Financial assets (continued)

## (b) Fair value hierarchy

The following table analyses "Available-for-sale" and "Fair value through profit and loss" financial assets carried at fair value. The fair value hierarchy levels have been defined as follows:

- Instruments with unadjusted quoted prices in active markets for identical assets as Level 1.
- Instruments valued using inputs other than quoted prices for the instruments, but where those inputs are observable either directly or indirectly as Level 2.
- Instruments using valuation techniques for which any significant input is not based on observable market data as Level 3

|   | Group |       | Company |       |
|---|-------|-------|---------|-------|
|   | 2019  | 2018  | 2019    | 2018  |
| Available-for-sale financial assets - Non-current | £000s | £000s | £000s   | £000s |
| Level 1   | -     | -     | -       | -     |
| Level 2   | -     | -     | -       | -     |
| Level 3   | 4,496 | 4,300 | 4,222   | 4,015 |
|   | 4,496 | 4,300 | 4,222   | 4,015 |

|   | Group |       | Company |       |
|---|-------|-------|---------|-------|
|   | 2019  | 2018  | 2019    | 2018  |
| Available-for-sale financial assets - Current | £000s | £000s | £000s   | £000s |
| Level 1                                       | 3,723 | -     | -       | -     |
| Level 2                                       | 205   | 186   | 205     | 186   |
| Level 3                                       | -     | -     | -       | -     |
|   | 3,928 | 186   | 205     | 186   |

|   | Group |       | Company |       |
|---|-------|-------|---------|-------|
|   | 2019  | 2018  | 2019    | 2018  |
| Fair value through profit and loss financial assets - Current | £000s | £000s | £000s   | £000s |
| Level 1   | -     | -     | -       | -     |
| Level 2   | -     | -     | -       | -     |
| Level 3   | -     | -     | -       | -     |
|   | -     | -     | -       | -     |

During the period there were no transfers between Level 1 and Level 2 valuation methods and no transfer into or out of Level 3 valuation method.

Level 1 instruments represent listed corporate bonds and listed shares, the value for which comes from quoted prices on active markets.

For valuations of the investments in funds managed by the Group which do not have redemption restrictions, the net asset value of the fund is used, which is calculated by a third party. These investments are shown as Level 2 instruments.

Level 3 instruments represent the investment in JRJ Ventures, the holding of shares listed on the OTCBB, as well as investments in funds managed by the Group, which are all considered to be more illiquid in nature due to redemption restrictions. These investments are not considered to have a quoted market price in an active market.

As the investment in JRJ Ventures is not listed on any stock exchange, a quoted price in an active market is not available. In considering the fair value to be attributed to this investment, the Board takes into account various ratios of comparable companies discounted for the minority holding and private status of the entity, as well as the reported net assets of the underlying investment and its assessment of the actual trading of Marex Spectron. This year the Board concluded that based on the underlying net assets of the investment, there warranted a gain in value to the carrying value of this investment as a result of positive performance.

13 Investments

| Company                                     | Subsidiaries<br>£000s | Employee<br>Trusts<br>£000s | Total<br>£000s |
|---|-----------------------|-----------------------------|----------------|
| <b>Cost</b>                                 |                       |                             |                |
| At 1st January 2019                         | 6,031                 | -                           | 6,031          |
| Additions                                   | 11                    | -                           | 11             |
| Disposals                                   | (2,373)               | -                           | (2,373)        |
| <b>At 31st December 2019</b>                | <b>3,669</b>          | <b>-</b>                    | <b>3,669</b>   |
| <b>Impairment</b>                           |                       |                             |                |
| At 1st January 2019                         | -                     | -                           | -              |
| Disposals                                   | -                     | -                           | -              |
| Charge for the year                         | -                     | -                           | -              |
| <b>At 31st December 2019</b>                | <b>-</b>              | <b>-</b>                    | <b>-</b>       |
| <b>Net book value at 31st December 2019</b> | <b>3,669</b>          | <b>-</b>                    | <b>3,669</b>   |
| <b>Cost</b>                                 |                       |                             |                |
| At 1st January 2018                         | 6,031                 | -                           | 6,031          |
| Additions                                   | -                     | -                           | -              |
| Disposals                                   | -                     | -                           | -              |
| <b>At 31st December 2018</b>                | <b>6,031</b>          | <b>-</b>                    | <b>6,031</b>   |
| <b>Impairment</b>                           |                       |                             |                |
| At 1st January 2018                         | -                     | -                           | -              |
| Disposals                                   | -                     | -                           | -              |
| Charge for the year                         | -                     | -                           | -              |
| <b>At 31st December 2018</b>                | <b>-</b>              | <b>-</b>                    | <b>-</b>       |
| <b>Net book value at 31st December 2018</b> | <b>6,031</b>          | <b>-</b>                    | <b>6,031</b>   |

A list of the Company's subsidiaries and details of the changes in ownership interest during the year can be found at Note 21.

14 Deferred tax

|   | Group         |               | Company       |               |
|---|---------------|---------------|---------------|---------------|
|   | 2019<br>£000s | 2018<br>£000s | 2019<br>£000s | 2018<br>£000s |
| <b>Deferred tax assets</b>                    |               |               |               |               |
| Italian tax relating to Green Energy business | -             | 154           | -             | -             |
|   | -             | 154           | -             | -             |

Apart from that which has already been recognised in the financial statements, the group has deferred tax assets of £1,914,085 (2018: £1,482,000) in respect of tax losses, which have not been recognised due to the lack of certainty as to the utilisation of these assets.

The Company has deferred tax assets of £1,783,667 (2018: £1,482,000) in respect of tax losses, which have not been recognised due to the lack of certainty as to the utilisation of these assets.

## 15 Loans and borrowings

|                                | Group |       | Company |       |
|--------------------------------|-------|-------|---------|-------|
|                                | 2019  | 2018  | 2019    | 2018  |
|                                | £000s | £000s | £000s   | £000s |
| <b>Non-current liabilities</b> |       |       |         |       |
| IFRS16 lease liabilities       | 62    | -     | 62      | -     |
| Unsecured third party loan     | 1,360 | 2,389 | 1,360   | 2,389 |
|                                | 1,422 | 2,389 | 1,422   | 2,389 |
| <b>Current liabilities</b>     |       |       |         |       |
| Secured bank loans             | -     | -     | -       | -     |
| IFRS16 lease liabilities       | 242   | -     | 242     | -     |
| Unsecured third party loan     | -     | -     | -       | -     |
|                                | 242   | -     | 242     | -     |

## Terms and repayment schedule

|                            | Curr | Nominal interest rate | Year of Maturity | Face Value 2019 | Carrying Amount 2019 | Face Value 2018 | Carrying Amount 2018 |
|----------------------------|------|-----------------------|------------------|-----------------|----------------------|-----------------|----------------------|
|                            |      |                       |                  | £000s           | £000s                | £000s           | £000s                |
| Unsecured third party loan | GBP  | Fixed 6%              | 2025             | 800             | 800                  | -               | -                    |
| Unsecured third party loan | EUR  | Fixed 5%              | 2025             | 560             | 560                  | -               | -                    |
| Unsecured third party loan | EUR  | Fixed 12%             | 2036             | -               | -                    | 2,389           | 2,389                |
|                            |      |                       |                  | 1,360           | 1,360                | 2,389           | 2,389                |

## 16 Trade and other payables

|  | Group |       | Company |       |
|--|-------|-------|---------|-------|
|  | 2019  | 2018  | 2019    | 2018  |
|  | £000s | £000s | £000s   | £000s |
| <b>Current</b>                           |       |       |         |       |
| Trade payables                           | 208   | 178   | 6       | 30    |
| Amounts owed to group undertakings       | -     | -     | 2,692   | 3,341 |
| Other creditors                          | 129   | 1,194 | -       | -     |
| Other taxation and social security costs | 28    | 12    | 28      | 12    |
| Accruals and deferred income             | 200   | 1,945 | 273     | 1,117 |
| Total                                    | 565   | 3,329 | 2,999   | 4,500 |

## 17 Share capital

|                                 | 2019  | 2019                              | 2018  | 2018                              |
|---------------------------------|-------|-----------------------------------|-------|-----------------------------------|
|                                 | £000s | Number of ordinary 5p shares 000s | £000s | Number of ordinary 5p shares 000s |
| <b>Authorised:</b>              |       |                                   |       |                                   |
| At 1st January                  | 9,425 | 188,504                           | 9,425 | 188,504                           |
| At 31st December                | 9,425 | 188,504                           | 9,425 | 188,504                           |
| <b>Allotted and fully paid:</b> |       |                                   |       |                                   |
| At 1st January                  | 998   | 19,969                            | 998   | 19,969                            |
| Share Issue                     | 105   | 2,103                             | -     | -                                 |
| At 31st December                | 1,103 | 22,072                            | 998   | 19,969                            |

There were no changes in the year to the Company's Authorised share capital. 2,103,000 new shares were issued in the year. The Company now has 22,072,245 shares in issue.

18 Related parties

Group

Transactions between the Group and related parties during the year were as follows:

|                   | Revenue  |          | Expenses   |            |
|-------------------|----------|----------|------------|------------|
|                   | 2019     | 2018     | 2019       | 2018       |
|                   | £000s    | £000s    | £000s      | £000s      |
| <b>Current</b>    |          |          |            |            |
| Related companies | 27       | -        | (320)      | 398        |
| Directors         | -        | -        | -          | (14)       |
| <b>Total</b>      | <b>-</b> | <b>-</b> | <b>384</b> | <b>384</b> |

Amounts outstanding between the Group and related parties at the year end were as follows:

|                   | Amounts owed by related parties |           | Amounts owed to related parties |            |
|-------------------|---------------------------------|-----------|---------------------------------|------------|
|                   | 2019                            | 2018      | 2019                            | 2018       |
|                   | £000s                           | £000s     | £000s                           | £000s      |
| Related companies | 229                             | -         | (52)                            | 141        |
| Directors         | 33                              | 25        | -                               | -          |
| <b>Total</b>      | <b>262</b>                      | <b>25</b> | <b>(52)</b>                     | <b>141</b> |

The related companies are made up of Sweetstay Holdings, Arcap & Risiomenda. Sweetstay Holdings is a company which IAM Capital have significant influence over and make up the £229,000 amounts owed by related parties. Arcap Partners Ltd, where E. Arbib is a Director, charge us for the provision of consultancy and introducer Services. Arcap Partners Ltd controls Risiomenda Ltd which has received rental payments from the group which are included in the above analysis. Directors have loan accounts for day to day expenses and re-chargeables in the normal course of business, which are periodically cleared and repaid to the company.

Key Management Personnel

The Group considers Executive and Non-Executive Directors to be key management personnel. Remuneration paid to key management personnel during the year was as follows:

|                              | 2019       | 2018       |
|------------------------------|------------|------------|
|                              | £000s      | £000s      |
| Short-term employee benefits | 138        | 128        |
| Share-based payments         | -          | -          |
| <b>Total</b>                 | <b>138</b> | <b>128</b> |

Company

Details of transactions between the Company and its subsidiaries which are related parties are as follows:

|  | 2019    | 2018  |
|--|---------|-------|
|  | £000s   | £000s |
| Management fees receivable from iAM Invest Investments Ltd | (124)   | (225) |
| Management fees payable to iAM Invest Ltd                  | -       | -     |
| Dividend receivable from IEH Ltd                           | (124)   | -     |
| Share Capital returned from IEH LTD                        | (2,374) | -     |
| Dividend receivable from iAM Invest Ltd                    | (430)   | (690) |

Amounts outstanding between the Company and its subsidiaries at the year end were as follows:

|  | 2019    | 2018    |
|--|---------|---------|
|  | £000s   | £000s   |
| Amounts due to iAM Invest Ltd            | (2,691) | (3,341) |
| Amounts due from Integrated Recovery Ltd | 4,758   | 674     |

## 19 Operating lease commitments

The group leases land and buildings. Following the adoption of IFRS 16 effective from 1st January 2019, the leases are no longer classified as operating leases. The group has not restated comparatives, as permitted under the specific transition provisions in the standard.

At 31st December the Group was committed to make the following minimum payments under non-cancellable leases of land and buildings falling due as follows:

|                            | 2019<br>£000s | 2018<br>£000s |
|----------------------------|---------------|---------------|
| Within one year            | -             | 250           |
| Between two and five years | -             | 625           |
| After five years           | -             | -             |
| <b>Total</b>               | <b>-</b>      | <b>875</b>    |

## 20 Financial risk management

The Group operates in different countries and is exposed to a number of financial risks and particularly currency risk.

### Currency risk

The Group publishes its consolidated financial statements in Sterling, but conducts its business in a number of different currencies but principally the Euro and US Dollar. As a result the Group is exposed to foreign exchange risk due to exchange rate movements which affect the Group's transactional revenues and the translation of the earnings and net assets of its overseas operations.

The Group constantly reviews its position and where necessary will hedge a portion of the transactional exposures of its subsidiaries which have a functional currency of Sterling. This exposure review principally highlights the net management fees expected to be generated by the UK based fund management companies from existing AUM. Such exposure is principally to the Euro and US Dollar and hedging, if deemed necessary is carried out by means of forward foreign exchange contracts. No additional hedging was undertaken during 2019 due to the continuing relative low level of management fee income.

Hedging arrangements have not been accounted for under IAS 39 hedge accounting rules.

At 31 December 2019, the total amount of US Dollar's hedged was \$Nil (2018: \$Nil). The fair value of the open hedging contracts was £Nil (2018: £Nil) and this if applicable would have been included in accruals and deferred income.

Should additional exposure be generated by material changes in either Euro or US Dollar denominated AUM or by probable crystallisation of foreign currency denominated performance fees, further hedging may be taken out if the rates available at the time of such changes becoming apparent are deemed to be favourable.

Hedging of the Group's other transactional exposures, the translation of the results of our operations in Europe whose functional currency is the Euro are not hedged as such transactions create movements in the profit and loss account, which are offset by equal and opposite effect in reserve. Movements do nonetheless affect reported earnings.

The Group also has significant exposure to the Euro arising from its foreign operations at the end of the reporting period and to its US Dollar cash reserves. This is not normally hedged other than through foreign currency debt. As with the translation of its foreign operations' results, other hedging could expose the Group to significant net cash flows and profit and loss distortions, as demonstrated by the effect of holding surplus assets in the foreign operations in Sterling.

At 31 December 2019, if the Euro had strengthened/weakened by 10% against Sterling with all other variables held constant, pre-tax result would increase/(decrease) by £128,000/(£104,000) respectively [2018: £63,000/(£51,000)], principally as a result of the increase/decrease in assets and liabilities denominated in foreign currencies; other components of equity would increase/(decrease) by £171,000/(£217,000) respectively [2018: £638,000/(£413,000)], principally as a result of the unhedged portion of net investment in foreign operations.

At 31 December 2019, if the US Dollar had strengthened/weakened by 10% against Sterling with all other variables held constant, pre-tax result would increase/(decrease) by £80,000/(£66,000) respectively [2018: £60,000/(£49,000)], principally as a result of the increase/decrease in assets and liabilities denominated in foreign currencies.

### Interest rate risk

The Group has limited other exposure to interest rate risk on its cash positions and borrowings. Such exposures are managed as efficiently as possible given that working capital needs to be maintained in different operating subsidiaries and inter-company exposure may be subject to regulatory limits. Cash and cash equivalents are usually invested in short term cash deposits with maturities no greater than three months. The effect of a 100 basis points increase/decrease in interest rates would not have a material impact on pre-tax profits or equity.

### Liquidity risk

The Group has exposure to liquidity risk where it has insufficient financial resources that may be used to settle liabilities as they fall due. Overdraft facilities are maintained to cover any short term occurrences and the Group seeks to ensure that it maintains sufficient liquidity not only to finance its ongoing operations but, where possible, to assist in funding proposed acquisitions or unanticipated events. As noted above, cash and cash equivalents are usually on a short-term basis.

Financial liabilities consist of a bank overdraft repayable on demand - they also include the trade and other payables.

### Credit risk

The Group has exposure to credit risk in respect of its fund management business and treasury operations.

20 Financial risk management (continued)

Trade receivables for fee debtors in operations are analysed below.

|                               | 2019<br>£000s | 2018<br>£000s |
|-------------------------------|---------------|---------------|
| Trade receivables - Operating |               |               |
| Receivable from Sweetstay     | 202           |               |
| Other                         | 88            | -             |
| Carrying amount               | 290           | -             |

Trade receivables for fee debtors in the fund management businesses are analysed below.

|  | 2019<br>£000s | 2018<br>£000s |
|--|---------------|---------------|
| Trade receivables - Fund management    |               |               |
| Neither past due nor impaired          |               |               |
| Low risk                               | -             | 179           |
| Carrying amount                        | -             | 179           |
| Past due but not impaired              |               |               |
| Low risk                               | -             | -             |
| Carrying amount                        | -             | -             |
| Past due but not impaired consists of: |               |               |
| 31 to 60 days                          | -             | -             |
| 61 to 90 days                          | -             | -             |
| 91 to 120 days                         | -             | -             |
| Over 120 days                          | -             | -             |
|  | -             | -             |
| Total Carrying amount                  | 290           | 179           |

| Group                      | 2019<br>£000s | 2018<br>£000s |
|----------------------------|---------------|---------------|
| Trade receivables (note 9) |               |               |
| Operating                  | 290           | -             |
| Fund management            | -             | 179           |
| Carrying amount            | 290           | 179           |

For treasury operations, only financial institutions of an investment grade are used.

Price Risk

The Group's holding of "Fair value through profit and loss" financial assets, which consist of quoted shares, is sensitive to a wide range of market prices. The following table details the Group's sensitivity to a 15% (2018: 15%) fall in market prices, that would effect the value of its "Fair value through profit and loss" financial assets at the statement of financial position date.

|                | Group<br>2019<br>£000s | 2018<br>£000s | Company<br>2019<br>£000s | 2018<br>£000s |
|----------------|------------------------|---------------|--------------------------|---------------|
| Current assets | (558)                  | -             | -                        | -             |

Capital risk management

The Group manages its capital to ensure that all entities within the Group are able to operate as going concerns and exceed any minimum externally imposed capital requirements. The capital of the Group and Company consists of equity attributable to the equity owners of the parent company, comprising issued share capital, share premium, retained earnings and other reserves as disclosed in the Statement of Changes in Shareholders' Equity. One operating subsidiary within the Group is subject to the requirements of their respective regulators, primarily the Financial Conduct Authority ("FCA") in the UK. This subsidiary held surplus capital over it's respective requirements throughout the year of ownership.

## 21 Principal subsidiary undertakings

The following information is given in respect of those subsidiary undertakings which, in the opinion of the directors, principally affect the consolidated profits or assets of the Company. They are wholly-owned subsidiary undertakings of the Company except where shown and their issued share capital consists of equity shares.

|  | Country of incorporation | 31 December 2019<br>% Owned | 31 December 2018<br>% Owned |
|--|--------------------------|-----------------------------|-----------------------------|
| <b>Hedge Fund Management</b>               |                          |                             |                             |
| iAM Invest Ltd                             | UK                       | 100%                        | 100%                        |
| Integrated Alternative Investments USA LLC | USA                      | 100%                        | 100%                        |
| Integrated Recovery Ltd                    | BVI                      | 100%                        | 100%                        |
| <b>Green Energy interests</b>              |                          |                             |                             |
| Integrated Energy Holdings Ltd             | UK                       | 53.7%                       | 53.7%                       |
| Integrated Energy Holdings SA              | Luxembourg               | -                           | 27.0%                       |
| Integrated E-Energy Investments Sarl       | Luxembourg               | 27.0%                       | 27.0%                       |
| <b>Other</b>                               |                          |                             |                             |
| IAM Capital Management SARL                | Luxembourg               | 100%                        | 100%                        |
| iDixon Hospitality Ltd                     | UK                       | 100%                        | 100%                        |

## 22 Discontinued operations

In December 2019, the Group's subsidiary Integrated Energy Holdings SA was liquidated.

|   | 2019<br>£000s |
|---|---------------|
| Cash disposed of                                      | (49)          |
| Net cash inflow on disposal of discontinued operation | (49)          |
| Net assets disposed (other than cash):                |               |
| Trade and other receivables                           | (32)          |
| Trade and other payables                              | 181           |
|   | 149           |

The results of the discontinued operation and the amount of income from discontinued operations attributable to the owners of the parent, are shown in the Consolidated Income Statement on page 14.

Earnings per share from discontinued operations, are also shown in the Consolidated Income Statement on page 14 and note 7.

### Retention

Pursuant to a Shares Purchase Agreement in 2018 between Integrated E-Energy Investments Sarl ("Seller") and EF Solare Italia S.p.A. ("Purchaser"), pursuant to which the Purchaser bought the solar PV portfolio in which the Company owned a controlling interest, and pursuant to the escrow agreement contemplated thereby, €1 million of the purchase price (the "Escrowed Funds") for the solar PV portfolio was deposited into escrow to secure potential liabilities of the Seller under the Purchase Agreement. Any Escrowed Funds remaining in escrow on 21 January 2021 will be released to Seller. The Company did not record the Escrowed Funds as sales in 2018 proceeds due to the potential that all or part of the Escrowed Funds may be drawn upon by Purchaser to satisfy Seller's contingent liabilities under the Purchase Agreement.

### Statement of cash flows

The statement of cash flows includes the following amounts relating to discontinued operations:

|                                       | 2019<br>£000s | 2018<br>£000s |
|---------------------------------------|---------------|---------------|
| Operating activities                  | (323)         | (2,383)       |
| Investing activities                  | -             | 3,795         |
| Financing activities                  | (253)         | (4,903)       |
| Net cash from discontinued operations | (576)         | (3,491)       |

### 23 Contingent liabilities

From time to time the Group is engaged in disputes on employment and / or other related matters. Such matters are inherently subject to many uncertainties and the Group cannot predict their outcome. There are no issues which are currently expected to have a material adverse impact on the Group's results or net assets.

### 24 Events after the reporting date

In June, 2019 we formally incorporated iAM Capital Fund S.C.A. SICAV-RAIF, structured as a Luxembourg-based fund platform. The group is currently working towards the first closing of its sub-fund ICE II.

The Company, as all other businesses, has been affected by the worldwide outbreak of COVID-19 and the subsequent measures put in place to stop the spread of the virus. The impact is largely expected to affect the investment fund the Company manages as its portfolio consists of real estate investments, mainly in middle and southern Europe. More specifically this situation is expected to delay the sale of the full portfolio which in turn could lead to the management fee (and performance fees, where applicable) payments to the Company being delayed due to the illiquid nature of the underlying portfolio and therefore impacting the Company's cash flow.

The group has taken active measures to mitigate the effects of the crisis and support its cashflow in the short term. It further intends to make use of the support made available by the government because the launch of its new fund had been postponed by a further three months and this has had a significant impact on the projected P&L and cash flow of the Company and the group for the financial year 2020. However, the Company is well capitalised and has sufficient access to liquid assets for the short to medium term and is therefore in a strong position to withstand the crisis and get itself in a position to take advantage of opportunities when they arise.

## Company Information

### Directors

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J Arbib Perugia  
D Bierbaum  
J D S Booth  
M B Segall  
L Marchesini

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E Kizlo

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