iAM Capital Group plc

2021 Annual Report

iAM CAPITAL

iAM Capital Group plc

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 alternative asset classes, such as Real Estate, Green Energy, and Fintech. The group 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 2021

Key Performance Indicators	2021	2020
Adjusted Total Gross Revenues	£3.9m	£1.2m
Revenues	£1.1m	£1.2m
Operating Profit/(Loss)	£2.6m	(£0.7m)
EBITDA	£2.9m	(£0.4m)
Net Result After Tax	£2.1m	(£0.8m)
EPS	0.07p	(0.03p)

Contents

Chairman's Statement

We continue to build on our recent achievements.

During 2020, in the depths of the international Covid-19 crisis, we began to plant the seeds for our emergence as a stronger and better positioned company as the world started to recover from the pandemic. Together with our local partners, we developed a very robust pipeline of investment opportunities in real estate and alternative energy, particularly in Italy and France; we recruited a deeper bench of investment professionals to manage our increasing and ever more diverse investment activities; and we launched our second real estate fund (ICE II) on our Luxembourg platform.

In 2021, we began to bear the tangible fruits of our efforts. Beginning in Q1 2021, we made a number of investments from our newly developed pipeline and followed that with the sale of one of our portfolio's trophy assets, which we had acquired only in July 2021, leading to a very strong investment realization and an early distribution to our ICE II investors.

In addition, early in 2021, together with our partners, we identified and acquired a second Italian solar portfolio, which we subsequently sold at the end of the year, generating a significant return for the company.

We would not have been able to achieve these successes in the past year without the hard work and dedication of our existing employees and the energy and commitment of our new colleagues. On behalf of our shareholders, I would like to thank our whole team, both new and old, for making sure that we would not only survive, but successfully thrive through these challenging markets.

We look forward to building on these recent achievements, whilst ever being conscious of the headwinds and volatility that are now characteristic of the trying times in which we live.

J D S Booth
Chairman
29th June 2022

Chief Executive Officer's Review

iAM had a strong recovery post Covid.

2021 was a year where IAM Capital Group PLC and its subsidiaries (collectively the "Group") capitalised on the robust foundations we created during the first year of the pandemic, utilising the strong pipeline created for our Luxembourg real-estate platform, which registered an excellent "first-year" performance. Furthermore, during the year, we engaged in a programmatic partnership with the US based Bhn Group, with whom we successfully completed the purchase, rationalisation, refinance and sale of our second Italian solar portfolio.

Our consolidated financial results for the year showed adjusted total gross revenue of £3,870,000, gross revenue of £1,126,000 compared to £1,153,000 in 2020, and net profit after tax of £2,112,000, compared to a net loss after tax of £802,000 in 2020. The profit was attributable both to the sale of the Company's solar portfolio and increased revenue from our real estate business.

Asset Management

During the brunt of the Covid lockdowns we were able to develop a strong investment pipeline, which allowed us to deploy capital quickly and effectively in the first full year of activity of ICE II, our second-generation Luxembourg based real estate fund.

ICE II was established through our Luxembourg platform that is structured as a Reserved Alternative Investment Fund (the "RAIF"). The platform straddles the regulated structure of a Luxembourg SICAV with the flexibility of being able to rapidly add fund strategies at a lower cost than Integrated SICAV-SIF, for which iAM Invest Ltd., our FCA regulated subsidiary, serves as investment manager.

Our current real estate portfolio includes a combination of properties in Italy and France, which are the markets in which we intend to continue to concentrate. With our ongoing strong pipeline, we expect to be fully invested by the end of 2022 and are looking at opportunities to create the third-generation real estate fund during the latter part of this year.

We further continue with strategic exits from our first real-estate fund, with the goal of returning capital to investors as quickly as possible.

Balance Sheet Investments

During the year we increased our commitment into our second-generation real-estate fund on our RAIF platform. We further increased our holdings of our Luxembourg fund, with an opportunistic strategy, focused on hedge funds and other alpha creating opportunities.

Our remaining principal balance sheet investments are comprised of our investment in JRJ Partner 2 Limited Partnership, through which we hold our Marex investment; the investment into our third Italian solar portfolio, through Integrated Energy Holdings; and a small investment in Next

Insurance. During the year, Marex reported another year with record financial results, even though, as reported, its planned public offering in June 2021 was postponed due to market conditions.

Cost Structure and Balance Sheet

We continue to focus on growing, and on balancing the team for the increasing activity on both the fund management and green energy activities of the Group.

Our comparable costs from continuing operations in 2021 were £1,949,000 compared to £1,828,000 in 2020. Our staff count remained stable with an average of 20 employees 2021 compared to 19 in 2020.

Corporate Fundraising

During 2021 the Company raised a total of £604,000 in equity.

Following the sale of the Group's second solar portfolio, the gross cash plus marketable securities position significantly improved to £8,781,000 from £5,828,000. The Group's cash balance stands at £5,020,000, with a further £3,761,000 invested in a portfolio of liquid assets and marketable securities.

Results Summary

Continuing operations only

	Fund Management £ 000	Consultancy £ 000	Central Operating Costs £ 000	2021 Total £ 000	2020 Total £ 000
Turnover	742	384	-	**1,126**	1,153
Cost of sales	(141)	-	(448)	**(589)**	(614)
Net Revenue	601	384	(448)	**537**	539
Depreciation and amortisation	-	-	(256)	**(256)**	(247)
Operating costs	(446)	-	(1,269)	**(1,715)**	(1,477)
Operating profit/(loss) before currency exchange differences	155	384	(1,973)	**(1,434)**	(1,186)
Currency exchange differences	(13)	-	35	**22**	(104)
Other operating income	-	-	110	**110**	124
Net (loss)/profit on financial assets	-	-	288	**288**	480
Gain on sale of current asset investments	-	-	2,744	**2,744**	-
Gain on sale of fixed asset investments	-	-	876	**876**	-
Operating profit/(loss)	142	384	2,080	**2,606**	(685)
Net finance and other income	-	-	(490)	**(490)**	(75)
Profit/(loss) before tax	142	384	1,590	**2,116**	(760)

Operating Margins

Adjusted turnover for the year was £1,551,000 due to a portion of the gross revenue, totalling £425,000, generated by subsidiaries within the group in relation to advisory and consultancy fees on the second solar portfolio, being eliminated on consolidation. As part of the consolidation, the £425,000 is instead included in the £2,744,000 gain on sale of current asset investments in the table above. Operating costs increased this year to £1,715,000 from £1,477,000 due to increased staff costs and other costs in relation to the second solar portfolio transaction.

Capital and Cash Flow

	2021 £000s	2020 £000s
Net assets	13,110	10,338
Net current assets	9,215	6,955
Cash at bank	5,020	807

2021 has been a strong year for the group, ending the year with a 26.8% increase in net assets and a 32.5% increase of net current assets, compared to 2020. The cash position also improved significantly.

We are very pleased to have ended the year with strong positive performance and to see our work in the previous year come to fruition. We continue to develop our strong pipeline of real estate opportunities and further our activity in the renewable energy space.

I am pleased to join our chairman in thanking our committed team for their hard work and contribution.

E M Arbib
Chief Executive Officer
29th June 2022

A Year in Review

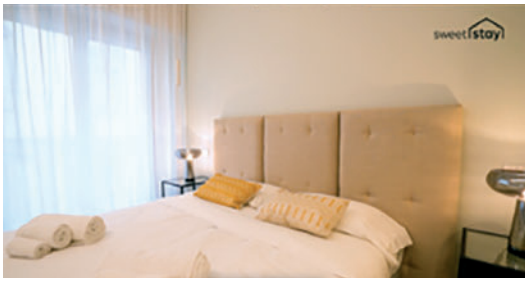
Significant outperformance in both main business areas.

ICE II Real Estate Fund

Our current real estate portfolio includes a selection of properties in Italy and France, the markets in which we intend to continue to concentrate. We sometimes invest with our local partners, who contribute their own funds and are often responsible for efficient local asset management under supervision of the iAM team. We aim to generate attractive risk-adjusted returns through our in-depth understanding of local property markets via our unique network, through creative structured financing, and by designing value-unlocking strategies for a selection of distressed assets.

Our robust pipeline is composed of many attractive opportunities. In 2021 we completed the acquisition of 11 assets in Italy and France, some of which have already realised strong returns.

By way of example, in mid-July 2021 we purchased an asset consisting of unfinished residential units and a loft area with extra high ceilings, which we renovated into a co-working space. Some of the residential units were merged, went through extensive, high-quality capex, and were converted into short-term letting apartments, which are now operated through one of our short-term letting operator partners, Sweetstay.



The fund performed very well in its first year and a substantial early distribution was made to investors.

IREO Real Estate Fund

The Integrated Real Estate Opportunities fund was launched in April 2015 and started to invest in December 2015. The fund capitalised on opportunities deriving from the confluence of low-interest rates, recovering European asset prices and our unique access to off-market opportunities.

In our first fund we invested in a portfolio of 13 properties located across Italy and France, and in the US, having exited those two US investments, which generated strong returns.

The IREO fund is now fully in realisation mode and is seeking to sell its remaining assets as soon as possible, all whilst seeking to achieve solid returns for its investors. We expect to be able to make further substantial distributions during 2022.

Green Energy

During 2021, we continued to execute on our green energy business plan, and together with the US based Bhn group we acquired a portfolio of five solar assets in southern Italy, with a total capacity of 4.5MW.

In late December 2021, the Company successfully consummated the sale of the portfolio to Sonnedix, an affiliate of JPMorgan.

Prior to the 2021 transaction, the Group completed the sale of its 34.3MW solar energy portfolio in Italy, at the end of 2018, and achieved a solid return from a small investment made in a green energy operating business.

During 2022, the Group will be looking to make further acquisitions in this sector together with Bhn and others. As a firm we remain committed to investing in 'green' projects that support sustainable growth, both in connection with our infrastructure projects and our real estate investment activities.

Fintech

2021 was challenging for technology startups. The market sentiment changed significantly, and investors went back to basics by focusing on tangible financial results and reducing their expectations for the future, as evidenced by the decrease in the valuations of many publicly traded tech start-ups.

However, global InsurTech investments skyrocketed to $13.7 billion, setting 2021 as a record year in terms of InsurTech capital investments and the number of deals. That undoubtedly strengthens our belief that the insurance sector needs innovative technologies to boost the sector's innovation, competitiveness, and performance, in spite of the challenging period in the markets, which included significant declines in market values of most publicly traded InsurTech companies.

With most of the FinTLV fund's capital invested, no new commitments were made during 2021 and the focus remained instead on working with the portfolio companies on their growth and subsequent follow-on investments. Generally speaking, the financial position of the portfolio companies remained stable at the end of 2021.

Over the past four years the FinTLV Ventures LP Fund, in which our CEO and a board member are both members of the investment committee and General Partner, have received excellent traction in the FinTech space in Israel and abroad, most notably in InsurTech.

Corporate and Balance Sheet Investments

We continue to hold our shareholding in Marex, which we acquired ten years ago. Marex net revenue was up +31% YoY, and the company continues to perform very well.

The proposed IPO during 2021 did not materialise due to market conditions, but Marex is continuing to grow and expand both geographic coverage and its product range.

Our investments in Sweetstay and Sweet Inn had another challenging year during 2021, with difficult market conditions continuing throughout the year, as varying degrees of lockdowns were being imposed across the regions of operations. On the positive side, the vaccination programs gathered steam during the latter half of 2021 easing the travel restrictions across Europe, leading to better conditions for the short stay letting industry.

We continue to strongly believe that the 'new normal' in hospitality will continue to favour the Professional Host. The conviction in our investment thesis in this sector, is playing out in 2022, and there are already strong signs of recovery in this sector.

ESG

The Group, through its FCA regulated subsidiary iAM Invest Ltd, is committed to managing its investments in a responsible way by integrating environmental, social, and governance ("ESG") criteria into a controlled and structured investment process. We believe this helps to generate strong risk-adjusted returns and aligns our investment goals to those of our investors and stakeholders.

We intend to use our influence where possible to improve the sustainability of the built environment and plan to do this through the careful selection of properties, the management, and refurbishment of buildings under our care. In doing so we aim to reduce carbon emissions from the built environment, mitigate the effects of climate change, minimise the consumption of resources, promote wellbeing and quality of life and protect biodiversity.

Best practices in the industry offer fund managers the ability to choose between different levels of detail and to customise their procedures and guidelines to their own capabilities and investor needs.

For example, as part of our ESG investment thesis, we started to identify assets in the semi-peripheral areas of Milan where there is an opportunity to integrate and develop high quality of life residential units in an area which satisfies better quality of life criteria, with access to good quality public transport and where universities, research centres are combined with an office district in localised cluster.

We have already invested in an asset that will be fully refurbished as an NZE (Near Zero Emissions) building.

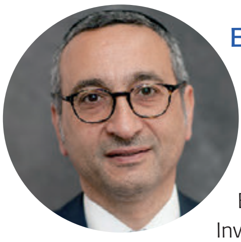
Moreover, we are also proud backers of charities and institutions that are helping to alleviate the plight of civilians and refugees in and around Ukraine.

Board of Directors

John Booth

Chairman

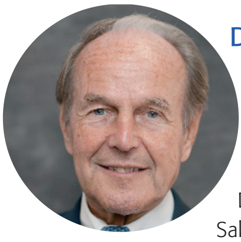
John Booth is a non-executive chairman of iAM Capital Group plc. He also chairs Maintel Holdings plc and serves as a non-executive director for several public and private companies. John began his financial career at Merrill Lynch and has since held senior positions at Hutton International Associates,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



Emanuel Arbib

CEO

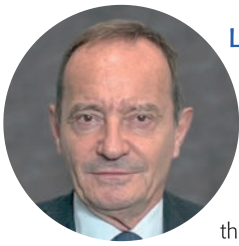
Emanuel Arbib is the CEO of iAM Capital Group plc and is the co-founder and Executive Chairman of iAM Invest Ltd, a wholly owned subsidiary. Previously Emanuel was a Director of Capital Management Limited, a family office specialising in real estate, alternative investments and fixed income. From there, 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 cross border real estate investing, finance and banking.



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.



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 2 500 000 sqm of territory and completed over 250 000 sqm of residences, 200 000 sqm of commercial areas and 300 000 sqm of offices.

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 corporate advisory boutique representing public and private companies and Kidron Capital Advisors 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.

Johanna Perugia

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 has 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 philantrophic organisations.

Strategic Report

The Directors present the Group Strategic Report, Directors' Report and the audited financial statements of iAM Capital Group PLC for the year ended 31 December 2021.

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 the Group's business activities during 2021 along with future developments and risk management is given in the Chairman's Statement and the Chief Executive's Review on pages 1 to 4.

Business review

Financial Key Performance Indicators

During 2021 the turnover remained stable but shifted toward revenues generated from the second-generation real-estate fund as its committed capital increased throughout the year. Management, consultancy and advisory income generated by the Group increased by £398,000 when factoring in the fees receivable in relation to the second solar portfolio which are eliminated on consolidation. At the same time, central overheads were higher year on year due to increased staff costs and additional costs incurred as part of the sale of the second Italian solar portfolio. The Group continued to invest 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 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. See note 20 of the financial statements for details on how this risk is managed.

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 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.

	2021 Existing Total £000s	2020 Existing Total £000s	Change
Turnover	1,126	1,153	-2%
Adjusted total gross revenue	3,870	1,153	+236%
Operating costs net of depreciation and FX	1,715	1,477	+19%
Operating result	2,606	(685)	+480%
Net assets	13,110	10,338	+27%

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.

By Order of the Board

J D S Booth
Director
29th June 2022

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.

S172 Report

Directors' statement of compliance with duty to promote the success of the group.

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 2021.

- The Group continues to focus on managing its investment funds, raising capital into its second generation real estate fund, including a co-investment by the Group. The Group will invest its own balance sheet where it comes across attractive opportunities that fit its long-term strategy. The board of directors will closely monitor the ongoing developments in Europe and prepare the Group such that it can act quickly and decisively to mitigate any risk and take advantage of new opportunities.
- The Group operates a policy of equal opportunities in recruitment, promotion and training for all their employees. The Group 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 Group engages with suppliers and service providers. Further information regarding the Group's Creditor Payment Policy can be found in the Strategic Report section.
- The Group focusses on having a positive impact on the community and environment both through its focus on investing in renewable energy projects and as part of its investment processes for the investment funds the Group manages. The integration of Environmental, Social and Governance ("ESG") considerations into the Group's investment decision making processes and ownership practices is part of the commitment of board of directors to act in the best long-term interest of the Group and all its stakeholders. The Group actively seeks to achieve improvements in its ESG practices and implementation across its investment strategies and its own operations. The ESG policy can be found on the Group's website.
- The Group has implemented compliance policies as best practice and to satisfy the senior management & certification regime requirements of its regulated entity 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.

By Order of the Board

J D S Booth
Director
29th June 2022

Directors' Report

The Directors present their report and the financial statements for the year ended 31 December 2021.

Directors

The directors who served during the year were:

Mr. E M Arbib

Mr. D F E Bierbaum

Mr. J D S Booth

Mr. L Marchesini

Mrs. J A Perugia

Mr. M Segall

Results and Dividends

The profit attributable to equity holders for the year ended 31st December 2021 was £1,510,000 (2020 - loss of £710,000).

The directors propose the payment of a dividend of £0.02 per share for the year ended 31 December 2021 (2020 - £nil).

Donations

During the year the Group made charitable donations totalling £11,500 (2020 - £100,000).

During the year the Group made political donation totalling £nil (2020 - £nil).

Third-Party Indemnity Provision

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

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

By Order of the Board

J D S Booth
Director
29th June 2022

Subsequent Events

At the reporting date the directors proposed a dividend of £0.02 per share to be paid in 2022.

Please refer to note 24 in the financial statements.

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 2022. A notice of the AGM will be sent to shareholders in due course by the Company Secretary.

Auditors

Under section 487(2) of the Companies Act 2006, Sopher + Co LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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 these 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 no 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, J. Verkleij, 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 five Non-Executive Directors who met during the year. 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 five Non Executive Directors who attended a number of meetings during the year. The Directors who served on the Committee during the year were John Booth (Chairman) and Mark Segall. 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 of John Booth (Chairman) and Detlef Bierbaum, both 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) 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 Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRS"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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 for the group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the IFRS, 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 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 the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board

J D S Booth
Director
29th June 2022

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

Opinion

We have audited the financial statements of iAM Capital Group Plc for the year ended 31 December 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs).

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 2021 and of the Group's profit for the year then ended; and
- have been properly prepared in accordance with IFRS; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

Responsibilities of the directors

As explained more fully in the Directors' Responsibilities Statement set out 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with directors and other management, and from our commercial knowledge and experience of the financial services sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, health and safety legislation which are applicable;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the Group's and Company's remuneration policies.
- To address the risk of fraud through management bias and override of controls, we:
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with the tax authorities, relevant regulators and legal advisors.

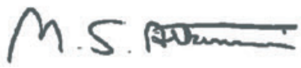
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. This 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 or the opinions we have formed.



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 2022

Financial Statements

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2021

	Note	Total 2021 £000s	Total 2020 £000s
Revenue		1,126	1,153
Cost of sales		(589)	(614)
Net revenue		537	539
Operating costs		(1,949)	(1,828)
Other Operating Income		110	124
Net profit on trading		288	480
Profit on sale of current asset investments		2,744	-
Profit on sale of fixed asset investments	13	876	-
Operating (loss)/profit	3	2,606	(685)
Finance income	5	18	6
Finance expense	5	(508)	(81)
Profit /(Loss) before taxation		2,116	(760)
Taxation	6	(4)	42
Profit /(Loss) for the year		2,112	(802)
Attributable to:			
Total			
Owners of the parent		1,510	(710)
Non-controlling interest		602	(92)
		2,112	(802)
Earnings per share	7		
Total			
Basic		0.07p	-0.03p
Diluted		0.07p	-0.03p

Other Comprehensive Income

	Note	Year ended 31 December 2021 £000s	Year ended 31 December 2020 £000s
Profit/(Loss) for the year		2,112	(802)
Currency translation differences on overseas operations		(35)	(3)
Net gain on available for sale financial assets	12	650	331
Total comprehensive income for the year		2,727	(474)
Total comprehensive income attributable to:			
Owners of the parent		2,125	(475)
Non-controlling interest		602	1
		2,727	(474)

Consolidated Statement of Financial Position

as at 31 December 2021

	Note	As at 31 December 2021 £000s	As at 31 December 2020 £000s
Assets			
Non-current assets			
Tangible fixed assets	8	464	223
Equity-accounted investees	11	2	2
Financial assets	12	5,024	4,558
		5,490	4,783
Current assets			
Trade and other receivables	9	1,670	1,474
Cash and cash equivalents	10	5,020	807
Other financial assets	12	5,393	5,892
		12,083	8,173
Total assets		17,573	12,956
Liabilities			
Non-current liabilities			
Loans and borrowings	15	(1,595)	(1,400)
		(1'595)	(1,400)
Current liabilities			
Loans and borrowings	15	(1,246)	(512)
Trade and other payables	16	(1,622)	(706)
Tax payable		-	-
		(2,868)	(1,218)
Total liabilities		(4,463)	(2,618)
Net assets		13,110	10,338
Capital and Reserves			
Called up share capital	17	1,139	1,103
Share Premium Account		2,880	2,312
Capital redemption reserve		672	672
Exchange difference reserve		543	578
Available for sale financial assets reserve		1,741	1,091
Retained earnings		6,135	4,625
Equity attributable to equity owners of the parent		13,110	10,381
Non-controlling interests		-	(43)
Total equity		13,110	10,338

Company Statement of Financial Position

as at 31 December 2021

	Note	As at 31 December 2021 £000s	As at 31 December 2020 £000s
Assets			
Non-current assets			
Tangible fixed assets	8	463	223
Investment in subsidiaries	13 & 21	3,664	3,669
Investment in associate	11	2	2
Financial assets	12	5,024	4,558
		9,153	8,452
Current assets			
Trade and other receivables	9	5,866	4,135
Cash and cash equivalents	10	430	303
Other financial assets	12	1,632	897
		7,928	5,335
Total assets		17,081	13,787
Non-current liabilities			
Loans and Borrowings	15	(1,486)	(1,400)
		(1,486)	(1,400)
Current liabilities			
Loans and Borrowings	15	(183)	(64)
Trade and other payables	16	(2,973)	(3,239)
		(3,156)	(3,303)
Total liabilities		(4,642)	(4,703)
Net assets		12,439	9,084
Capital and Reserves			
Called up share capital	17	1,139	1,103
Share Premium Account		2,879	2,312
Capital redemption reserve		672	672
Available for sale financial assets reserve		1,741	1,091
Retained earnings		6,008	3,906
Total equity		12,439	9,084

Consolidated Statement of Changes in Equity
for the year ended 31 December 2021

	Share capital £000s	Share premium £000s	Retained earnings £000s	Other reserves £000s	Non-controlling interests £000s	Total £000s
Balance at 1 January 2021	1,103	2,312	4,625	2,341	(43)	10,338
Currency translation adjustments	-	-	-	(35)	-	(35)
Net gain on available for sale financial assets	-	-	-	650	-	650
Shares Issued in the year	36	568	-	-	-	604
Dividends paid	-	-	-	-	(559)	(559)
Profit for the year	-	-	1,510	-	602	2,112
Balance 31 December 2021	1,139	2,880	6,135	2,956	-	13,110

	Share capital £000s	Share premium £000s	Retained earnings £000s	Other reserves £000s	Non-controlling interests £000s	Total £000s
Balance at 1 January 2020	1,103	2,312	5,314	2,014	18	10,761
Currency translation adjustments	-	-	-	(4)	-	(4)
Net gain on available for sale financial assets	-	-	-	331	-	331
Dividends Adjustment	-	-	21	-	31	52
Loss for the year	-	-	(710)	-	(92)	(802)
Balance 31 December 2020	1,139	2,312	4,625	2,341	(43)	10,338

Company Statement of Changes in Equity
for the year ended 31 December 2021

	Share capital £000s	Share premium £000s	Retained earnings £000s	Other reserves £000s	Total £000s
Balance at 1 January 2021	1,103	2,312	3,906	1,763	9,084
Net gain on available for sale financial assets	-	-	-	650	650
Shares issued in the year	36	567	-	-	603
Loss for the year	-	-	2,102	-	2,102
Balance 31 December 2021	1,139	2,879	6,008	2,413	12,439

	Share capital £000s	Share premium £000s	Retained earnings £000s	Other reserve £000s	Total £000s
Balance at 1 January 2020	1,103	2,312	4,482	1,432	9,329
Net gain on available for sale financial assets	-	-	-	331	331
Profit for the year	-	-	(576)	-	(576)
Balance 31 December 2020	1,103	2,312	3,906	1,763	9,084

Consolidated Statement of Cash Flows

for the year ended 31 December 2021

	Year ended 31 December 2021 £000s	Year ended 31 December 2020 £000s
Cash flows from operating activities		
Cash generated/(used) from operations	(148)	(1,668)
Deferred Tax Movement	-	-
Finance costs	508	81
Finance income	(18)	(6)
Tax Paid	4	(9)
Cash flows from operating activities - total Group	346	(1,602)
Cash flows from investing activities		
Purchase of tangible fixed assets	(12)	(5)
Purchase of non-current financial assets	-	(237)
Sale of non-current financial assets	9	-
Capital repayment received from non-current asset investments	177	204
Purchase of available for sale assets	(384)	(3,031)
Sale of available for sale assets	1,601	1,840
Proceeds received on disposal of subsidiary less divested cash	2,744	-
Receipt of escrow funds in relation to disposal of subsidiary	876	-
Interest received	18	6
Cash flows from investing activities - total Group	5,029	(1,223)
Cash flows from financing activities		
Proceeds from issue of share capital	603	(4)
Finance lease capital repayments	(11)	(4)
Interest paid	(508)	(26)
Loans (repaid)/received	(69)	448
Dividend paid to parent shareholders	-	-
Dividend paid to non-controlling interests	(558)	-
Exchange movements on foreign subsidiaries	(15)	-
Cash flows from financing activities - total Group	(1,161)	418
Net decrease in cash and cash equivalents	4,214	(2,407)
Cash and cash equivalents at beginning of year	807	3,214
Net cash and cash equivalents at end of year	5,020	807

Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities
for the year ended 31 December 2021

	Year ended 31 December 2021 £000s	Year ended 31 December 2020 £000s
Operating profit on ordinary activities	2,112	(802)
Depreciation on owned assets	15	6
Depreciation on right of use assets net of rental payments	(9)	(10)
Profit on sale of available for sales assets	(261)	52
Profit on sale of fixed asset investment	(3,620)	-
Unrealised movement in fair value on financial assets	(13)	(415)
Unrealised foreign currency (gains)/losses	(22)	100
Profit on disposal of tangible fixed assets	-	(10)
Decrease/(increase) in trade and other receivables	(196)	(732)
Decrease in trade and other payables	1,846	(143)
Net cash inflow from operating activities	(148)	(1,668)

Company Statement of Cash Flows
for the year ended 31 December 2021

	Year ended 31 December 2021 £000s	Year ended 31 December 2020 £000s
Cash flows from operating activities		
Cash generated/(used) from operations	(166)	681
Finance Costs	81	87
Finance Income	(94)	(6)
Dividends Received	(2,595)	-
Cash flows from operating activities	(2,774)	762
Cash flows from investing activities		
Dividends Received	2,595	-
Sale of subsidiary	5	-
Purchase of tangible fixed assets	(12)	(5)
Purchase of non-current financial assets	-	(237)
Sale of non-current financial assets	9	-
Capital repayment received from non-current asset investments	177	204
Purchase of current financial assets	(584)	(551)
Sale of current financial assets	140	-
Interest received	84	-
Cash flows from investing activities	2,414	(589)
Cash flows from financing activities		
Proceeds from issue of share capital	603	-
Finance lease - repayments	(11)	(4)
Interest paid	(105)	(1)
Cash flows from financing activities	487	(5)
Net increase in cash and cash equivalents	127	168
Cash and cash equivalents at beginning of year	303	135
Cash and cash equivalents at end of year	430	303

Reconciliation of Operating Profit/(Loss) to Net Cash Inflow/(Outflow) from Operating Activities
for the year ended 31 December 2021

	Year ended 31 December 2021 £000s	Year ended 31 December 2020 £000s
Operating profit/(loss) on ordinary activities	2,102	(576)
Depreciation on owned assets	15	6
Depreciation on right of use assets	(9)	(10)
Movement in fair value on financial assets	(291)	29
Unrealised foreign currency (gains)/losses	-	(27)
Profit on disposal of tangible fixed assets	-	(10)
Decrease/(increase) in trade and other receivables	196	(595)
Increase/(decrease) in trade and other payables	31	70
Decrease in amounts owed to/from group undertakings	(2,210)	1,794
Net cash inflow/(outflow) from operating activities	(166)	681

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 financial statements are set out below. These policies have been consistently applied to all the years presented.

(a) **Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs).

The 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 in these financial statements.

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

i) **Standards effective in 2021:**
The Group has adopted the amendments and revisions to standards as detailed below:

Amendments to IAS 1, Presentation of financial statements on classification of liabilities

Amendments to IFRS16, 'Leases' – Covid-19 related rent concessions

Amendments to IFRS9, IAS 39, IFRS7, IFRS4 and IFRS16 Interest Rate Benchmark Reform Phase 2

None of these amendments have had a material impact on the accounts or disclosures.

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 37: Onerous contracts - Cost of fulfilling a contract	1 January 2022
Amendments to IAS 16: Property, plant and equipment - Proceeds before intended use	1 January 2022
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41: Annual improvements to IFRS standards 2018-2020	1 January 2022
Amendments to IFRS 3: References to conceptual framework	1 January 2022
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies	1 January 2023
Amendments to IAS 8: Definition of accounting estimates	1 January 2023
Amendments to IAS 12: Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023

(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 two business segments: 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**

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
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 2021 is £74,000 (2020: £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) **Financial assets**

i) **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 include 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) **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.

(o) **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 in accordance with the respective fund's offering documents and as a percentage of the capital that has been committed to funds 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.

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.

(p) **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.

(q) **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.

(r) **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.

(s) **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 fund management and consultancy services units as opposed to any geographical basis, do not see the requirement for any geographical analysis.

The Group is organised into two business segments Fund Management and Consultancy Services together with a segment for the central operating costs. The segmental results are as follows:

Business Type 31 December 2021	Fund Management £000s	Consultancy £000s	Central Operating costs £000s	Group £000s
Revenue from external customers	742	384	-	1,126
Cost of sales	(141)	-	(448)	(589)
Net Revenue	601	384	(448)	537
Operating costs	(446)	-	(1,269)	(1,715)
Other operating income	-	-	110	110
Depreciation and amortisation	-	-	(256)	(256)
Gain on sale of current asset investments	-	-	2,744	2,744
Gain on sale of fixed asset investments	-	-	876	876
Currency exchange differences	(13)	-	35	22
Net gain on financial assets / liabilities	-	-	288	288
Operating profit	142	384	2,080	2,606
External interest receivable and similar income	-	-	18	18
External interest payable and similar expense	-	-	(508)	(508)
Profit before taxation	142	384	1,590	2,116

Included within the Revenue from external customers of £1,126,000 are amounts £742,000 (within fund management segment) and £384,000 (within consultancy segment), each of which generate more than 10% of the total external income.

	Fund Management £000s	Consultancy £000s	Central costs £000s	Group £000s
Segment assets	1,183	-	16,388	17,571
Segment liabilities	(235)	-	(4,227)	(4,462)
	948	-	12,161	13,109
Capital expenditure on segment assets	-	-	496	496

31 December 2020	Fund Management £000s	Consultancy £000s	Central Operating costs £000s	Group £000s
Revenue from external customers	866	287	-	1,153
Cost of sales	(143)	-	(471)	(614)
Net Revenue	723	287	(471)	539
Operating costs	(485)	-	(992)	(1,477)
Other operating income	-	-	124	124
Depreciation and amortisation	-	-	(247)	(247)
Currency exchange differences	3	-	(107)	(104)
Net gain on financial assets / liabilities	-	-	480	480
Operating profit/(loss)	241	287	(1,213)	(685)
External interest receivable and similar income	-	-	6	6
External interest payable and similar expense	-	-	(81)	81
Profit/(loss) before taxation	241	287	(1,288)	(760)

Included within the Revenue from external customers of £1,153,000 are amounts of £866,000 (within fund management segment) and £287,000 (within consultancy segment), each of which generate more than 10% of the total external income.

	Fund Management £000s	Consultancy £000s	Central costs £000s	Group £000s
Segment assets	3,751	-	9,205	12,956
Segment liabilities	(241)	-	(2,376)	(2,617)
	3,510	-	6,829	10,339
Capital expenditure on segment assets	-	-	31	31

(b) **Geographical segments**

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

3 Operating Profit

Operating profit is stated after charging/(crediting):

	2021 £000s	2020 £000s
Depreciation of property, plant and equipment	(256)	(247)
Exchange gain/(loss)	22	(104)
Audit services		
- fees payable to the Group's auditors for the audit of iAM Capital	17	14
- fees payable to the Group's auditors in respect of auditing subsidiaries	12	12
Tax services	-	-
Other assurance services	-	5

4 Staff costs and employees

Staff costs including Directors' emoluments:

	2021 £000s	2020 £000s
Wages and salaries (Including bonuses)	901	717
Social security costs	92	72
Other staff costs	89	28
Total	1,082	817

The average monthly number of persons employed by the Group including Executive Directors was 20 (2020: 19) and is analysed as follows:

	2021	2020
Asset Management and administration	20	19
Total	20	19

Directors' emoluments:

	2021 £000s	2020 £000s
Group		
Directors' emoluments	261	156

The highest paid Director received salary and related benefits of £91,102 (2020: £41,922), which included £53,752 (2020: £814) contributions to a pension scheme.

5 Net finance costs

Group	2021 £000s	2020 £000s
Interest income on:		
Other Loans	20	6
Finance income	20	6
Interest expenses on:		
Secured bank loans	7	-
Interest on finance leases and hire purchases	10	9
Other loans	491	72
Finance cost	508	81
Net finance costs recognised in profit or loss	488	75

6 Taxation

(a) Analysis of tax charge for the year

	2021 £000s	2020 £000s
Current tax		
Current tax on profits for the year	6	1
Adjustments in respect of prior periods	(2)	41
Total current tax	4	42
Deferred tax	-	-
Effects of changes in corporation tax rates	-	-
Origination and reversal of temporary differences	-	-
Total tax charge for the year	4	42

(b) Factors affecting the tax charge for the year

	2021 £000s	2020 £000s
Profit/(Loss) before taxation	2,116	(760)
Tax calculated at the domestic tax rates applicable to profits/(losses) in the respective countries	402	(144)
Effect of:		
Other differences leading to an increase (decrease) in the tax charge	180	83
Disallowable expenses and non-taxable income	(747)	26
Capital allowances in excess of depreciation	(1)	(1)
Other tax adjustments	-	-
Deferred tax adjustments	-	-
Unrelieved tax losses and other deductions in the period	170	79
Total tax charge/(credit) for the year	4	42

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:

	2021 £000s	2020 £000s
Total profit/(loss) used in calculating basic and diluted EPS	1,510	(710)

	No. '000s	No. '000s
Weighted average number of ordinary shares used in calculating basic EPS	22,784	22,072
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	22,784	22,072

Basic EPS has been calculated using the profit of £1,510,000 (excluding non-controlling interests) divided by the weighted average number of ordinary shares 22,748,245.

Diluted EPS has been calculated using the profit of £1,510,000 (excluding non-controlling interests) divided by the weighted average number of ordinary shares 22,748,245.

8 Tangible fixed assets

Group	Right of Use Assets £000s	Vehicles & equipment £000s	Fixtures & fittings £000s	Leasehold improvements £000s	Total £000s
Cost					
At 1st January 2021	600	117	306	249	1,272
Additions	484	-	5	7	496
Disposals	(600)	-	-	-	(600)
At 31st December 2021	484	117	311	256	1,168
Depreciation					
At 1st January 2021	(479)	(95)	(226)	(249)	(1,049)
Charge in the year	(241)	(5)	(3)	(2)	(251)
Charge in the year on financed assets	-	(4)	-	-	(4)
Disposals	600	-	-	-	600
At 31st December 2021	(120)	(104)	(229)	(251)	(704)
Net Book Value					
At 31st December 2021	364	13	82	5	464
Cost					
At 1st January 2020	600	123	301	249	1,273
Additions	-	26	5	-	31
Disposals	-	(32)	-	-	(32)
At 31st December 2020	600	117	306	249	1,272
Depreciation					
At 1st January 2020	(239)	(123)	(224)	(249)	(835)
Charge in the year	(240)	-	(2)	-	(242)
Charge in the year on financed assets	-	(4)	-	-	(4)
Disposals	-	32	-	-	32
At 31st December 2020	(479)	(95)	(226)	(249)	(1,049)
Net Book Value					
At 31st December 2020	121	22	80	0	223

Company	Right of Use Assets £000s	Vehicles & equipment £000s	Fixtures & fittings £000s	Leasehold improvements £000s	Total £000s
Cost					
At 1st January 2021	600	117	306	249	1,272
Additions	484	-	5	7	496
Disposals	(600)	-	-	-	(600)
At 31st December 2021	484	117	311	256	1,168
Depreciation					
At 1st January 2021	(479)	(95)	(227)	(249)	(1,050)
Charge in the year	(241)	(5)	(3)	(2)	(251)
Charge in the year on financed assets	-	(4)	-	-	(4)
Disposals	600	-	-	-	600
At 31st December 2021	(120)	(104)	(230)	(251)	(705)
Net Book Value					
At 31st December 2021	364	13	81	5	463
Cost					
At 1st January 2020	600	123	301	249	1,273
Additions	-	26	5	-	31
Disposals	-	(32)	-	-	(32)
At 31st December 2020	600	117	306	249	1,272
Depreciation					
At 1st January 2020	(239)	(123)	(224)	(249)	(835)
Charge in the year	(240)	-	(2)	-	(242)
Charge in the year on financed assets	-	(4)	-	-	(4)
Disposals	-	32	-	-	32
At 31st December 2020	(479)	(95)	(227)	(249)	(1,049)
Net Book Value					
At 31st December 2020	121	22	79	-	223

9 Trade and other receivables

Amounts due within one year	Group		Company	
	2021	2020	2021	2020
	£000s	£000s	£000s	£000s
Trade receivables	299	225	231	221
VAT and other tax receivables	2	31	-	13
Amounts owed by group undertakings	-	-	5,063	3,137
Short term loans	144	448	144	448
Other receivables	582	560	125	226
Prepayments & Accrued Income	643	210	303	90
Total	1,670	1,474	5,866	4,135

Included in other receivables is a loan owed from a director, amounting to £16,575 (2020 - £17,781). The loan was repaid within 9 months of year end.

10 Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	£000s	£000s	£000s	£000s
Cash at bank and in hand	5,020	807	430	303
Total cash and cash equivalents	5,020	807	430	303

11 Equity-accounted investees

Associates

The Group's equity interest in its associates are comprised of a 45% holding in Sweet Dreams Holdings Limited and a 50% holding in KIAM Partners Limited.

	Group and Company	
	2021	2020
	£000s	£000s
Non-current assets	-	-
Current assets	2	2
Current liabilities	-	-
Net assets	2	2
Carrying amount of interest in associate	2	2
Revenue	-	-
Loss from continuing operations	-	-
Group's share of operating loss	-	-

In 2021 the Group's share of profit from associated entities is immaterial and has not been reflected.

12 Financial assets

(a) Movement in fair value

	Group		Company	
Non-current	2021	2020	2021	2020
Available-for-sale financial assets	£000s	£000s	£000s	£000s
Movement in fair value				
At 1st January	4,558	4,496	4,558	4,222
Additions	-	237	-	237
Transfers to other receivables	-	(274)	-	-
Capital returned	(177)	(204)	(177)	(204)
Transfer to Current available-for-sale financial assets	-	(28)	-	(28)
Movement on exchange	-	-	-	-
Realised gain through profit and loss	-	-	-	-
Unrealised gain/(losses) through the profit and loss	-	-	-	-
Disposals	(7)	-	(7)	-
Net gain/(loss) in movement in fair value through other comprehensive income	650	331	650	331
At 31st December	5,024	4,558	5,024	4,558

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 the year, Marex Group Ltd returned capital to the Company totalling $245,628.

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 September 2020, the Company closed on an investment in Next Insurance through FINTLV Opportunity 2 Limited Partnership, an Israeli based limited partnership. The Company invested US$ 300,000 in the company.

	Group		Company	
Current	2021	2020	2021	2020
Available-for-sale financial assets	£000s	£000s	£000s	£000s
Movement in fair value				
At 1st January	5,892	3,928	897	205
Additions	968	3,406	584	692
Transfer from Non-Current available-for-sale financial assets	-	27	-	27
Disposals	(1,740)	(1,907)	(140)	-
Movement on exchange	-	9	-	9
Unrealised gain/(losses) through the profit and loss	273	429	291	(36)
Impairment through profit and loss	-	-	-	-
Net gain in movement in fair value through other comprehensive income	-	-	-	-
At 31st December	5,393	5,892	1,632	897

The Group's other investments are principally in various funds and equities through the Integrated Recovery subsidiary. Further investment additions to these funds were made in the year totalling £384,000 (2020: £3,406,000).

During the year the second solar portfolio was purchased and sold and thus was classified as a current asset investment. The total purchase price for the second solar portfolio was €6,730,000. It was sold on 20 December 2021 for €12,962,000 realising a profit of €6,232,000. The net profit is presented as profit on sale of current asset investment in the Statement of Comprehensive Income.

(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	
	2021	2020	2021	2020
Available-for-sale financial assets - Non-current	£000s	£000s	£000s	£000s
Level 1	-	-	-	-
Level 2	-	-	-	-
Level 3	5,024	4,558	5,024	4,558
	5,024	4,558	5,024	4,558

	Group		Company	
	2021	2020	2021	2020
Available-for-sale financial assets - Current	£000s	£000s	£000s	£000s
Level 1	3,848	4,995	-	-
Level 2	1,545	897	1,632	897
Level 3	-	-	-	-
	5,393	5,892	1,632	897

	Group		Company	
	2021	2020	2021	2020
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, 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. 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 £000s
Cost	
At 1st January 2021	3,669
Additions	-
Disposals	-5
At 31st December 2021	3,664
Impairment	
At 1st January 2021	-
Disposals	-
Charge for the year	-
At 31st December 2021	-
Net book value at 31st December 2021	3,664
Cost	
At 1st January 2020	3,669
Additions	-
Disposals	-
At 31st December 2020	3,669
Impairment	
At 1st January 2020	-
Disposals	-
Charge for the year	-
At 31st December 2020	-
Net book value at 31st December 2020	3,669

During the year, an amount of €1,000,000 was received in relation to the sale of Econergy Renewables 1 SpA by Integrated E-Energy Investments Sarl ("Seller") to EF Solare Italia S.p.A. ("Purchaser") which occurred in December 2018. These funds were escrowed upon sale and were not recorded previously due to the potential that they may be drawn upon by the Purchaser to satisfy the Seller's contingent liabilities under the purchase agreement. This income is presented as profit on sales of fixed asset investments.

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

Apart from that which has already been recognised in the financial statements, the group has deferred tax assets of £2,849,156 (2020: £2,005,974) 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 £2,442,936 (2020: £1,836,431) 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 2021 £000s	Group 2020 £000s	Company 2021 £000s	Company 2020 £000s
Non-current liabilities				
IFRS16 lease liabilities	124	-	124	-
Hire purchase liabilities	16	20	16	20
Other loans	109	-	-	-
Unsecured third party loan	1,346	1,380	1,346	1,380
	1,595	1,400	1,486	1,400
Current liabilities				
IFRS16 lease liabilities	179	61	179	61
Secured bank loans	379	448	-	-
Other loans	684	-	-	-
Hire purchase liabilities	4	3	4	3
	1,246	512	183	64

Terms and repayment schedule

	Curr	Nominal interest rate	Year of Maturity	Face Value 2021 £/€ 000s	Carrying Amount 2021 £000s	Face Value 2020 £/€ 000s	Carrying Amount 2020 £000s
Unsecured third party loan	GBP	Fixed 6%	2025	800	800	800	800
Unsecured third party loan	EUR	Fixed 5%	2025	650	546	650	580
					1,346		1,380

16 Trade and other payables

	Group 2021 £000s	Group 2020 £000s	Company 2021 £000s	Company 2020 £000s
Current				
Trade payables	85	53	40	27
Amounts owed to group undertakings	-	-	2,580	2,863
Other creditors	396	105	74	46
Other taxation and social security costs	96	19	22	17
Accruals and deferred income	1,045	529	257	286
Total	1,622	706	2,973	3,239

17 Share capital

	2021 £000s	2021 Number of ordinary 5p shares 000s	2020 £000s	2020 Number of ordinary 5p shares 000s
Authorised:				
At 1st January	9,425	188,504	9,425	188,504
At 31st December	9,425	188,504	9,425	188,504
Allotted and fully paid:				
At 1st January	1,103	22,072	1,103	22,072
Share Issue	36	712	-	-
At 31st December	1,139	22,060	1,103	22,072

There were no changes in the year to the Company's Authorised share capital. During the year 712,000 shares with a par value of £0.05 were issued. The Company now has 22,784,245 shares in issue.

18 Related parties

Group

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

	Revenue		Expenses	
	2021 £000s	2020 £000s	2021 £000s	2020 £000s
Related Companies	36	-	(971)	(171)
Directors	-	-	-	-
Total	36	-	(971)	(171)

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	
	2021 £000s	2020 £000s	2021 £000s	2020 £000s
Related companies	311	202	(857)	(191)
Directors	16	48	-	-
Total	327	250	(857)	(191)

The related companies are made up of Sweet Dreams Holdings Limited, Sweetstay Holdings Limited, Arcap Partners Limited, Risiomenda Limited and Marquis Realty Holdings LLC. Sweet Dreams Holdings and Sweetstay Holdings Limited are companies which iAM Capital have significant influence over and makes up the £311,000 amounts owed by related parties. E. Arbib is a member of the key management personnel at Arcap Partners Limited. Arcap Partners Limited controls Risiomenda Limited which has received rental payments from the group. Arcap Partner Limited also controls Marquis Realty Holdings LLC, which has made business introductions to the group and receives fees from the Group. 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:

	2021 £000s	2020 £000s
Short-term employee benefits	261	124
Share-based payments	-	-
Total	261	124

Company

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

	2021 £000s	2020 £000s
Management fees receivable from iAM Invest Ltd	124	124
Dividend from IEH Ltd	122	-
Dividend from iAldgate Hospitality Ltd	1,922	-
Dividend from iAM Invest Ltd	550	250

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

	2021 £000s	2020 £000s
Amounts due from subsidiaries		
Integrated Recovery Ltd	4,561	3,035
Integrated Energy Holdings Ltd	460	85
iAldgate Hospitality Ltd	9	-
iAM Capital Management SARL	34	19
Total	5,064	3,137
Amounts due to subsidiaries		
iAM Invest Limited	2,580	2,863
Total	2,580	2,863

19 Hire purchase commitments

At 31st December the Group was committed to make the following minimum payments under non-cancellable hire purchases of motor vehicles falling due as follows:

	2021 £000s	2020 £000s
Within one year	4	3
Between one and two years	16	4
Between two and five years	-	16
After five years	-	-
Total	20	23

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 2021.

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

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.

At 31 December 2021, if the Euro had strengthened/weakened by 10% against Sterling with all other variables held constant, pre-tax result would increase/(decrease) by £463,000/ (£379,000) respectively [2020: £124,000/ (£112,000)], principally as a result of the increase/decrease in assets and liabilities denominated in foreign currencies.

At 31 December 2021, if the US Dollar had strengthened/weakened by 10% against Sterling with all other variables held constant, pre-tax result would increase/(decrease) by £533,000/ (£436,000) respectively [2020: £539,000/ (£490,000)], 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.

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 liquidity over its respective requirements throughout the year of ownership.

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. Trade receivables for fee debtors in operations are analysed below.

	2021 £000s	2020 £000s
Trade receivables - Operating		
Receivable from Sweetstay	212	202
Other	87	23
Carrying amount	299	225

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

	2021 £000s	2020 £000s
Trade receivables - Fund management		
Neither past due nor impaired		
Low risk	-	-
Carrying amount	-	-
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	299	225

Group	2021 £000s	2020 £000s
Trade receivables (note 9)		
Operating	299	225
Fund management	-	-
Carrying amount	299	225

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% (2020: 15%) fall in market prices, which would affect the value of its "Fair value through profit and loss" financial assets at the statement of financial position date.

	Group		Company	
	2021 £000s	2020 £000s	2021 £000s	2020 £000s
Current assets	(786)	(888)	(245)	(135)

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 its 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 2021 % Owned	31 December 2020 % Owned
Fund Management			
iAM Invest Ltd	UK	100%	100%
Integrated Alternative Investments USA LLC	USA	100%	100%
Integrated Recovery Ltd	BVI	100%	100%
Green Energy interests			
Integrated Energy Holdings Ltd	UK	100%	53.7%
iAM Bhn S.a.r.l.	Luxembourg	100%	
Bhn Tre Srl	Italy	100%	
Bhn Quattro Srl	Italy	100%	
Fimgroup Srl	Italy	100%	
iAldgate Hospitality Ltd	UK	100%	100%
Bhnlux S.a.r.l.	Luxembourg	100%	
Bhn Cinque Srl	Italy	100%	
Other			
iAM Capital Management S.a.r.l	Luxembourg	100%	100%
iAM Capital Opportunities II Ltd	UK	100%	

22 **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.

23 **Capital commitments**

As at the reporting date, the group had committed to invest $250,000 in an unlisted investment fund. $125,000 of the commitment was paid in March 2022. The remainder is expected to be called in 2022.

The group also had outstanding commitments of €1,306,000 to its second-generation real estate investment fund. Expected to be fully called in 2022.

24 **Events after the reporting date**

After the reporting date, the directors proposed a dividend of £0.02 per share to be paid in 2022. There are no further events after the reporting date that require disclosure or discussion.

Company Information

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Mr. D F E Bierbaum
Mr. J D S Booth
Mr. L Marchesini
Mrs. J A Perugia
Mr. M Segall

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