COMPANY REGISTRATION NUMBER 03359615

Annual Report

Year ended 31st December 2017

CONTENTS

Page

Chairman's Statement 2017

I am very pleased to report that the Company continued to make strong progress in 2017, thanks to the growth of our core businesses and robust performance in our main balance sheet investments in green energy and commodities trading. In April 2018 we rebranded the business better to reflect our current activities and plan: Integrated Asset Management PLC is renamed iAM Capital Group PLC and Integrated Alternative Investments Ltd is now called iAM Invest Ltd.

We are looking forward to a transformational year in which we are hoping to expand and bring strong synergies to in all our areas of activity delivering accelerating growth in shareholder value.

On behalf of our shareholders, I would like to thank our management team and staff for their efforts and achievements during the last year as we look forward to building on the successes of the last year.

J D S Booth
Chairman
20th June, 2018

Chief Executive Officer's Review

Overview of 2017

The last year saw the continuation and acceleration of our stated strategy to turn the Company into a niche merchant banking group focused more widely on alternative investments such as Renewable Energy and infrastructure, real estate and innovative financial technologies. Our financial results testify to the beginnings of that growth, with total revenue exceeding £14.9m (+105% year on year), EBITDA at £9.5m (+206% year on year), and net profit after tax at £1.9m compared with a loss in the previous year.

Asset Management

We have continued to grow our Luxembourg-based investment platform which is now mainly invested in real estate and renewable energy. Strong underlying performance has resulted in higher management and performance fees, which we are partly re-investing into upgrading our investment and support teams.

Balance Sheet Investments

Our main balance sheet investments are JRJ Partners which holds the MarexSpectron investment and Integrated Energy Holdings Ltd. During the year both businesses have performed well, as summarised in the Results table below. Excellent irradiation and more efficient management has produced good results in the energy subsidiaries, while a return to volatility, coupled with an initial round of US rate increases has produced strong results for MarexSpectron Ltd.

Corporate Transactions

No new corporate investments were made in 2017; however, in June 2018 we acquired 15% of Sheritage Capital Ltd ("Sheritage"), a new global multi-family office offering high net worth families and individuals a wide range of wealth management and administrative services. Sheritage benefits from a seasoned management team with decades of experience as well as a broad network of relationships. We believe our investment offers significant potential for important expansion opportunities and synergies in the years ahead.

Cost structure and Balance Sheet

In 2017, we started to grow our headcount and to upgrade our staff to reflect higher levels of activity and projected growth. We were able to finance this with cost reductions in other areas. Our comparable cost from continuing operations in 2017 were £987,000 as opposed to £994,000 in 2016. We believe our expanded in-house capacity will provide us with the bandwidth to handle multiple transactions simultaneously, to develop valuable synergies among our business segments, better position us to proactively manage investor relations, and strengthen our position in the market.

Our gross consolidated cash position (before commitments) has improved markedly in the last year thanks to the strong cash production of the energy business and to the acquisition of a hedge fund portfolio that we have begun to liquidate.

Results Summary

Continuing operations only

	Green Energy £ 000	Fund Management £ 000	Consultancy £ 000	Central Operating Costs £ 000	2017 Total £ 000	2016 Total £ 000
Turnover	13,652	1,262	-	-	**14,914**	7,264
Cost of sales	(2,788)	(76)	-	-	**(2,864)**	(1,542)
Net Revenue	10,864	1,186	-	-	**12,050**	5,722
Depreciation and amortisation	(3,850)	-	-	(16)	**(3,866)**	(1,877)
Operating costs	(1,494)	(270)	-	(717)	**(2,481)**	(1,543)
Operating profit/(loss) before currency exchange differences	5,520	916	-	(733)	**5,703**	2,302
Currency exchange differences	-	5	-	(18)	**(13)**	275
Acquisition transaction costs expense	-	-	-	-	**-**	(1,663)
Net (loss)/profit on financial assets	-	(227)	-	142	**(85)**	316
Share of loss of associate	-	-	-	(10)	**(10)**	(19)
Operating profit/(loss)	5,520	694	-	(619)	**5,595**	1,211
Net finance and other income	(4,446)	-	-	(77)	**(4,523)**	(2,230)
Profit/(loss) before tax	1,074	694	-	(696)	**1,072**	(1,019)

Operating Margins

Operating margins were positive in 2017. There was a net foreign currency exchange loss of £13,000 compared with a gain of £275,000 in 2016.

Chief Executive Officer's Review

Capital and Cash Flow

	2017	2016
	£ 000	£ 000
Net assets	**10,831**	7,747
Net current assets/(liabilities)	**666**	(2,600)
Cash at bank	**3,508**	1,444

Dividends

The Company does not recommend the payment of a dividend (2016: £nil).

I would like to thank all our staff for their continuing support and commitment.

E M Arbib
Chief Executive Officer
20th June, 2018

Strategic Report

The Directors present the Strategic Report, Directors' Report and the audited financial statements of iAM Capital Group PLC ("iAMCap") for the year ended 31st December, 2017.

Change of name

To reflect an expanded business vision, the Directors decided to change the name of the company from Integrated Asset Management PLC to iAM Capital Group PLC on 28 March, 2018. The name change reflects iAMCap's gradual progression from a hedge fund of funds manager into a global proprietary investment group.

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, green energy and consultancy services. A review of iAMCap's business activities during 2017 along with future developments and risk management is given in the Chairman's Statement and the Chief Executive's Review on pages 1 to 3.

Business review

Key performance indicators

In 2017 we continued to operate our traditional businesses with overall turnover higher, and as a result profit contribution up on 2016. As was highlighted in the previous year, revenue for consulting was down, as available resources were concentrated in the direction of enhancing the fund management and green energy operations side of the business. At the same time, central overheads were reduced year on year. No strict comparison is available for our green energy business which was acquired half way through 2016 and which is therefore shown separately and eliminated in the table below for comparison.

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.

	2017 Total £000s	2017 Energy business £000s	2017 Existing business £000s	2016 Total £000s	Change Continuing
Turnover	14,914	13,652	1,262	498	153%
Operating costs	2,481	1,494	987	994	1%
Operating result	5,595	5,520	75	(91)	182%
Net assets	10,831	3,652	7,179	6,784	6%

Principal risk and uncertainties

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

Operational Risk

Operational risk is the risk that the Group suffers a loss, either directly or indirectly, from inadequate or failed internal processes and systems or from external events. This risk manifests itself in slightly different ways across our two businesses, fund management and consultancy, but in summary would include:

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

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

Financial Risk

The Group operates in a number of different countries and is exposed to a number of financial risks and particularly currency risk. Through its green energy business the Group is also subject to interest rate risk due to the substantial loans taken out at the time of acquisition. Details of these and the measures undertaken by the Group to manage them are given in note 23 of the financial statements.

Investment Risk

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

Regulatory Environment

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

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

Strategic Report

Acquisitions, disposals and investment in subsidiaries

On 17 May 2017, the Company made a 100% investment in its subsidiary Integrated Recovery Ltd which was incorporated on the 27 April 2017 in the British Virgin Islands. On 1 November 2017, the Company's subsidiary iAM Invest Ltd made a 100% investment in Integrated Alternative Investments USA, LLC which was incorporated on the 2 February 2016 in Michigan USA. There were no other changes in the equity interests in the Group's subsidiaries

Share Capital

There were no changes to the Company's issued share capital during the year. The Company had 19,969,215 shares in issue throughout the year.

In May 2017, the Integrated Asset Management 2007 Employee Benefit Trust (the "Trust"), agreed to sell 1,800,000 shares in the Company to Eurydice Premier Ltd, an entity owned by a trust whose beneficiaries include an individual who was a director of iAMCap at the time of the sale, at a price of 30p per share. Following this transaction which was approved at a Board Meeting of the Company, the Trust was then able to repay £540,000 of its outstanding loan to the Company in June 2017.

Creditor Payment Policy

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

a To agree payment terms with suppliers in accordance with contractual or other legal obligations;

b To ensure that suppliers are aware of the terms of payment; and

c To make payment in accordance with the payment terms.

Average trade creditor days at 31st December 2017 were 30 days for the Company (2016: 40 days).

Going Concern

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

By Order of the Board

J D S Booth
Director
20th June, 2018

Directors' Report

The Directors present their annual report together with the audited financial statements for the year ended 31st December 2017

Directors

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

Mr E M Arbib
Mr D Bierbaum
Mr J D S Booth
Mr D Masetti
Mr M B Segall (appointed 5 March 2018)
Mr S D Shane (resigned 28 February 2018)

There were no changes to the Board of Directors during the year. The following Directors are due to retire by rotation at the next Annual General Meeting and, being eligible, offers themselves for reappointment: Mr Emanuel Arbib, Mr Detlef Bierbaum. Mr Mark Segall also offers himself for reappointment following his appointment during the year.

Results and Dividends

The profit attributable to equity holders for the year ended 31st December 2017 was £703,000 (2016: Loss £302,000). The Directors have not proposed the payment of a dividend for the year ended 31st December 2017 (2016: £nil).

Donations

During the year the Group made charitable donations totalling £20,000 (2016: £nil).

During the year the Group made political donations totalling £nil (2016: £nil).

Third Party Indemnity Provision

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

Subsequent Events

In June, 2018, iAMCap closed on an investment in Sheritage Capital Ltd ("Sheritage"), an Israeli limited company. Sheritage offers family office administrative and consulting services to a global client base. In the transaction iAMCap invested US$ 272,000 in debt and equity in exchange for a 15% interest in Sheritage.

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 September, 2018. A notice of the AGM will be sent to shareholders in due course.

Auditor

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

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

a so far as each Director is aware, there is no relevant audit information of which the Company’s Auditor is unaware; and

b each Director has taken all the steps that ought to have been taken as a Director, including making appropriate enquiries of fellow Directors and of the Company’s Auditor for that purpose, in order to be aware of any information needed by the Company’s Auditor in connection with preparing their report and to establish that the Company’s Auditor is aware of that information.

By Order of the Board

J D S Booth
Director
20th June, 2018

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 one Executive Director and four Non-Executive Directors.

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

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

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

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

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

Appointments to the Board

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

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

Support to the Board

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

Board Meetings

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

The Nomination Committee did not meet during the year.

Appropriate briefing papers are distributed to Directors in advance of Board meetings.

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

Audit Committee

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

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

Remuneration Committee

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

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

Corporate Governance Report

Nomination Committee

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

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

Internal Control and Risk Management

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

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

Investor Relations

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

Going Forward

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

Statement of Directors' Responsibilities

The directors are responsible for preparing the directors’ report, the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgements and accounting estimates that are reasonable and prudent;

- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Opinion

We have audited the financial statements of IAM Capital Group PLC (formerly Integrated Asset Management PLC) for the year ended 31 December 2017, set out on pages 12 to 38. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2017 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Opinion

Responsibilities of the directors

As explained more fully in the Directors' Responsibilities Statement on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

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

26th June, 2018

Consolidated Income Statement

for the year ended 31 December 2017

	Note	Total 2017 £000s	Total 2016 £000s
Revenue		14,914	7,264
Cost of sales		(2,864)	(1,542)
Net revenue		12,050	5,722
Operating costs		(6,360)	(3,145)
Net (loss)/profit on financial assets	13	(219)	316
Net profit on financial liability		134	-
Share of loss of equity-accounted investees		(10)	(19)
Acquisition transaction costs expense		-	(1,663)
Operating profit		5,595	1,211
Finance income	5	-	2
Finance expense	5	(4,523)	(2,232)
Profit/(loss) before taxation	3	1,072	(1,019)
Taxation	6	865	(292)
Profit/(loss) for the year		1,937	(1,311)
Attributable to :			
Total			
Owners of the parent		703	(302)
Non-controlling interest		1,234	(1,009)
		1,937	(1,311)
Earnings per share	7		
Total			
Basic		3.66p	-1.66p
Diluted		3.66p	-1.66p

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2017

	Note	Year ended 31 December 2017 £000s	Year ended 31 December 2016 £000s
Profit/(loss) for the year		1,937	(1,311)
Currency translation differences on overseas operations		142	159
Net (loss)/gain on available for sale financial assets	13	(143)	529
Net gain on interest rate swap		608	330
Total comprehensive income for the year		2,544	(293)
Total comprehensive income attributable to :			
Owners of the parent		808	403
Non-controlling interest		1,736	(696)
		2,544	(293)

Consolidated Statement of Financial Position

as at 31 December 2017

	Note	As at 31 December 2017 £000s	As at 31 December 2016 £000s
Assets			
Non-current assets			
Intangible assets	8	27,598	26,969
Tangible fixed assets	9	64,525	65,721
Equity-accounted investees	10	15	24
Financial assets	13	3,835	3,890
Other investments, including derivatives	14	1,240	440
Deferred Tax assets	16	2,955	1,734
Trade and other receivables	11	386	1,996
		100,554	100,774
Current assets			
Trade and other receivables	11	6,970	5,488
Cash and cash equivalents	12	3,508	1,444
Other financial assets	13	205	182
		10,683	7,114
Total assets		111,237	107,888
Liabilities			
Non-current liabilities			
Loans and borrowings	17	(88,509)	(90,307)
Bank guarantee		(1,582)	-
Deferred tax liabilities		(298)	(120)
		(90,389)	(90,427)
Current liabilities			
Loans and borrowings		(4,913)	(4,742)
Trade and other payables	18	(4,929)	(4,811)
Tax payable		(175)	(161)
		(10,017)	(9,714)
Total liabilities		(100,406)	(100,141)
Net assets		10,831	7,747
Capital and Reserves			
Called up share capital	19	998	998
Share Premium Account		1,029	1,029
Capital redemption reserve		672	672
Share options reserve		-	-
Exchange difference reserve		171	87
Investment in own shares		-	(2,519)
Available for sale financial assets reserve		291	433
Other reserves		253	90
Retained earnings		4,307	5,583
Equity attributable to equity owners of the parent		7,721	6,373
Non-controlling interests		3,110	1,374
Total equity		10,831	7,747

The annual financial statements were approved and authorised for issue by the Board on 20th June, 2018 and signed on their behalf by:

J D S Booth
Director

E M Arbib
Director

Company Statement of Financial Position

as at 31 December 2017

	Note	As at 31 December 2017 £000s	As at 31 December 2016 £000s
Assets			
Non-current assets			
Tangible fixed assets	9	81	90
Investment in subsidiaries	15	6,031	6,570
Investment in associate	10	15	24
Financial assets	13	3,530	3,890
Other investments, including derivatives	14	-	-
		9,657	10,574
Current assets			
Trade and other receivables	11	654	185
Cash and cash equivalents	12	84	79
Other financial assets	13	204	182
		942	446
Total assets		10,599	11,020
Current liabilities			
Trade and other payables	18	(3,944)	(3,966)
		(3,944)	(3,966)
Net assets		6,655	7,054
Capital and Reserves			
Called up share capital	19	998	998
Share Premium Account		1,029	1,029
Capital redemption reserve		672	672
Share options reserve		-	-
Available for sale financial assets reserve		290	433
Retained earnings		3,666	3,922
Total equity		6,655	7,054

The annual financial statements were approved and authorised for issue by the Board on 20th June, 2018 and signed on their behalf by:

J D S Booth
Director

E M Arbib
Director

Consolidated Statement of Changes in Shareholders' Equity

for the year ended 31 December 2017

	Share capital £000s	Share premium £000s	Retained earnings £000s	Other reserves £000s	Non-controlling interests £000s	Total £000s
Balance at 1 January 2017	998	1,029	5,583	(1,237)	1,374	7,747
Currency translation adjustments	-	-	-	84	58	142
Net gain on available for sale financial assets	-	-	-	(143)	-	(143)
Net gain on interest rate swap	-	-	-	164	444	608
Total other comprehensive income	-	-	-	105	502	607
Profit for the year	-	-	703	-	1,234	1,937
Total comprehensive income for the year	-	-	703	105	1,736	2,544
Non-controlling interest on acquisition	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Cancellation of Investment in own shares	-	-	(1,979)	2,519	-	540
Cancelled/forfeited share options	-	-	-	-	-	-
Balance 31 December 2017	998	1,029	4,307	1,387	3,110	10,831

	Share capital £000s	Share premium £000s	Retained earnings £000s	Other reserves £000s	Non-controlling interests £000s	Total £000s
Balance at 1 January 2016	998	1,029	5,879	(1,937)	-	5,969
Currency translation adjustments	-	-	-	87	72	159
Net gain on available for sale financial assets	-	-	-	529	-	529
Net gain on interest rate swap	-	-	-	89	241	330
Total other comprehensive income	-	-	-	705	313	1,018
Loss for the year	-	-	(302)	-	(1,009)	(1,311)
Total comprehensive income for the year	-	-	(302)	705	(696)	(293)
Non-controlling interest on acquisition	-	-	-	-	2,978	2,978
Dividends	-	-	-	-	(908)	(908)
Cancellation of Investment in own shares	-	-	-	-	-	-
Cancelled/forfeited share options	-	-	6	(5)	-	1
Balance 31 December 2016	998	1,029	5,583	(1,237)	1,374	7,747

Company Statement of Changes in Shareholders' Equity

for the year ended 31 December 2017

	Share capital £000s	Share premium £000s	Retained earnings £000s	Share Options reserve £000s	Other reserves £000s	Total £000s
Balance at 1 January 2017	998	1,029	3,922	-	1,105	7,054
Net gain on available for sale financial assets	-	-	-	-	(143)	(143)
Total other comprehensive income	-	-	-	-	(143)	(143)
Loss for the year	-	-	(256)	-	-	(256)
Total comprehensive income for the year	-	-	(256)	-	(143)	(399)
Cancelled/forfeited/expired share options	-	-	-	-	-	-
Balance 31 December 2017	998	1,029	3,666	-	962	6,655

	Share capital £000s	Share premium £000s	Retained earnings £000s	Share Options reserve £000s	Other reserve £000s	Total £000s
Balance at 1 January 2016	998	1,029	2,863	6	576	5,472
Net gain on available for sale financial assets	-	-	-	-	529	529
Total other comprehensive income	-	-	-	-	529	529
Profit for the year	-	-	1,053	-	-	1,053
Total comprehensive income for the year	-	-	1,053	-	529	1,582
Cancelled/forfeited/expired share options	-	-	6	(6)	-	-
Balance 31 December 2016	998	1,029	3,922	-	1,105	7,054

Consolidated Cash Flow Statement

for the year ended 31 December 2017

	Year ended 31 December 2017 £000s	Year ended 31 December 2016 £000s
Cash flows from operating activities		
Cash generated/(used) from operations	9,495	(3,807)
Income tax paid	-	(1,393)
Tax received	-	1,050
Interest paid	(3,791)	(2,083)
Cash flows from operating activities - total Group	5,704	(6,233)
Cash flows from investing activities		
Purchase of property, plant and equipment	(229)	(4)
Purchase of subsidiaries	-	6,348
Purchase of associate	-	(43)
Purchase of non-current financial assets	(532)	-
Purchase of current financial assets	(913)	(76)
Purchase of financial portfolio	(74)	-
Sale of non-current financial assets	198	240
Sale of current financial assets	913	588
Cash acquired in lieu of bank guarantee	1,790	-
Interest received	-	2
Cash flows from investing activities - total Group	1,153	7,055
Cash flows from financing activities		
Payment of dividends	-	(908)
Repayment of loan receivable	540	-
Repayment of borrowings	(5,333)	(830)
Cash flows from financing activities - total Group	(4,793)	(1,738)
Net increase/(decrease) in cash and cash equivalents	2,064	(916)
Cash and cash equivalents at beginning of year	1,444	2,360
Net cash and cash equivalents at end of year	3,508	1,444

Reconciliation of Operating Profit to Net Cash (Outflow)/Inflow from Operating Activities

for the year ended 31 December 2017

	Year ended 31 December 2017 £000s	Year ended 31 December 2016 £000s
Operating profit on ordinary activities	5,595	1,211
Depreciation and amortisation	3,866	1,877
Movement in fair value on financial assets	219	(316)
Net profit on financial liability	(134)	-
Result of associated company	10	19
Other non-cash movements	-	(1,185)
Foreign currency translation	286	4
Increase in trade and other receivables	(230)	(1,593)
Decrease in trade and other payables	(117)	(3,824)
Net cash inflow/(outflow) from operating activities	9,495	(3,807)

Company Cash Flow Statement

for the year ended 31 December 2017

	Year ended 31 December 2017 £000s	Year ended 31 December 2016 £000s
Cash flows from operating activities		
Cash used from operations	(717)	897
Income tax paid	-	-
Cash flows from operating activities	(717)	897
Cash flows from investing activities		
Purchase of property, plant and equipment	(7)	(4)
Purchase of subsidiary	(1)	(2,380)
Purchase of associate	-	(43)
Purchase of non-current financial assets	-	-
Sale of non-current financial assets	198	240
Purchase of current financial assets	(8)	(76)
Sale of current financial assets	-	588
Disposal of discontinued operation, net of cash disposed	-	-
Interest received	-	1
Cash flows from investing activities	182	(1,674)
Cash flows from financing activities		
Interest paid	-	-
Repayment of Employee Share Ownership Trust Loan	540	-
Cash flows from financing activities	540	-
Net increase/(decrease) in cash and cash equivalents	5	(777)
Cash and cash equivalents at beginning of year	79	856
Cash and cash equivalents at end of year	84	79

Reconciliation of Operating (Loss)/Profit to Net Cash (Outflow)/Inflow from Operating Activities

for the year ended 31 December 2017

	Year ended 31 December 2017 £000s	Year ended 31 December 2016 £000s
Operating (loss)/profit on ordinary activities	(256)	1,050
Depreciation	16	14
Movement in fair value on financial assets	-	(316)
Result of associated company	10	19
Write back of impairment in investments	-	(270)
Additional costs/profit on sale of subsidiary	-	-
Foreign currency translation	17	(20)
Increase in trade and other receivables	(482)	(43)
(Decrease)/Increase in trade and other payables	(22)	463
Net cash (outflow)/inflow from operating activities	(717)	897

Notes to the Financial Statements

1 Principal accounting policies

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

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

(a) Basis of preparation

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

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

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

(b) New IFRS's and interpretations

Standards effective in 2017:

A number of new standards, amendments and interpretations are effective for the first time for 2017. The Group has adopted the amendments and revisions to standards as detailed below:

Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Various standards	Annual improvements to IFRSs 2014-2016 Cycle
Amendments to IAS 7	Disclosure initiative

The adoption of these new standards, amendments and interpretations has not had a material impact on the results of financial position of the Group.

Standards and interpretations which become effective in future periods:

The International Accounting Standards Board and IFRS Interpretations Committee have issued a number of new accounting standards, amendments to existing standards and interpretations with an effective date after the date of these financial statements. The Group has not decided to early adopt the following and as such the new standards are not applicable to these financials statements. Although relevant, they are not expected to have a material impact on the Group's results:

	Effective Date
IFRS 9 - "Financial Instruments: Classification and Measurement".	01 January 2018
IFRS 15 - "Revenue from Contracts with Customers".	01 January 2018
IFRS 16 - "Leases".	01 January 2019

There are a number of other standards and interpretations, and revisions to existing standards and interpretations, in issue but not in force at 31 December 2017. These are not considered likely to have a material impact on the Group's financial statements.

(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) Share-based payments

Management must make judgements concerning the probability of share options vesting when calculating the fair value of options granted. These judgements consider the historical average length of time option holders stay with the Group and the probability of option holders achieving certain performance criteria based on their performance to the statement of financial position date.

iii) Acquisition of subsidiary

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

iv) Bank guarantee

Management must make judgements concerning the fair value of the bank guarantee held against cash reserves. Judgements and assessments are made using standard pricing techniques and models, as well as consideration of the current legal status of potential and on-going proceedings.

Notes to the Financial Statements continued

(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, Hedge Fund Management and Consultancy Services. These reflect the Group's internal reporting segments.

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

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

(f) Foreign currency translation

i) Functional and presentation currency

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

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

ii) Transactions and balances

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

iii) Group companies

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

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

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

Notes to the Financial Statements continued

(g) Tangible assets

i) Property, plant and equipment

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

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

Motor vehicles	3 - 5 years
Computer and communication equipment	3 - 5 years
Furniture, fixtures and fittings *	4 - 6 years
Leasehold improvements	5 years
Freehold land	

*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 2017 is £74,000 (2016: £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.

ii) Freehold land

Freehold land is not depreciated

iii) Photovoltaic equipment

Photovoltaic equipment and plants are depreciated over a useful life of twenty years.

(h) Intangible assets

i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the acquisition date. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

ii) Other Intangible assets

Amortisation 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:

Plant and expansion costs	5 years
Concessions, licences, trademarks and similar rights	18 - 25 years
Other intangible assets	18 - 25 years

(i) Impairment of non-financial assets

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

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

(j) i) Financial assets - Non-derivative

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenue includes the following:

Management and performance fees

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

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

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

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

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

Notes to the Financial Statements continued

(q) Cost of sales

i) Fund Management

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

ii) Green Energy

Cost of sales comprises of the maintenance and management of photovoltaic plants owned by the Group and the costs of technical and professional services received as well as the use of third-party assets.

(r) Employee benefits

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

(s) Available for sale investments

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

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

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

2 Segmental reporting

(a) Business segments

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

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

Business Type **31 December 2017**	**Green Energy £000s**	**Hedge Fund £000s**	**Consultancy £000s**	**Central Operating costs £000s**	**Group £000s**
Revenue from external customers	13,652	1,262	-	-	14,914
Cost of sales	(2,788)	(76)	-	-	(2,864)
Net Revenue	10,864	1,186	-	-	12,050
Operating costs	(1,494)	(270)	-	(717)	(2,481)
Depreciation and amortisation	(3,850)	-	-	(16)	(3,866)
Currency exchange differences	-	5	-	(18)	(13)
Acquisition transaction costs expense	-	-	-	-	-
Net loss on financial assets / liabilities	-	(227)	-	142	(85)
Share of loss of associate	-	-	-	(10)	(10)
Operating profit/(loss)	5,520	694	-	(619)	5,595
External interest receivable and similar income	-	-	-	-	-
External interest payable and similar expense	(4,446)	-	-	(77)	(4,523)
Inter-segment interest receivable	-	-	-	-	-
Inter-segment interest payable	-	-	-	-	-
Profit/(loss) before taxation	1,074	694	-	(696)	1,072

Included within the Revenue from external customers of £14,914,000 are amounts of £11,805,000 (within green energy) received from one customer and £nil (within hedge fund segment) and £nil (within consultancy segment), each of which generate more than 10% of the total external income.

	Green Energy £000s	Hedge Fund £000s	Consultancy £000s	Central costs £000s	Inter-segment elimination £000s	Group £000s
Segment assets	101,859	4,607	-	9,007	(4,236)	111,237
Segment liabilities	(98,207)	(482)	-	(5,953)	4,236	(100,406)
	3,652	4,125	-	3,054	-	10,831
Capital expenditure on segment assets	222	-	-	7	-	229

Notes to the Financial Statements continued

2 Segmental reporting (continued)

31 December 2016	Green Energy £000s	Hedge Fund £000s	Consultancy £000s	Central Operating costs £000s	Group £000s
Revenue from external customers	6,766	498	-	-	7,264
Cost of sales	(1,379)	(163)	-	-	(1,542)
Net Revenue	5,387	335	-	-	5,722
Operating costs	(549)	(248)	-	(746)	(1,543)
Depreciation and amortisation	(1,863)	-	-	(14)	(1,877)
Currency exchange differences	(10)	21	-	264	275
Acquisition transaction costs expense	(1,663)	-	-	-	(1,663)
Net gain on financial assets	-	-	-	316	316
Share of loss of associate	-	-	-	(19)	(19)
Operating profit/(loss)	1,302	108	-	(199)	1,211
External interest receivable and similar income	-	1	-	1	2
External interest payable and similar expense	(2,232)	-	-	-	(2,232)
Inter-segment interest receivable	-	-	-	-	-
Inter-segment interest payable	-	-	-	-	-
(Loss)/profit before taxation	(930)	109	-	(198)	(1,019)

Included within the Revenue from external customers of £7,264,000 are amounts of £5,559,000 (within green energy) received from one customer and £nil (within hedge fund segment) and £nil (within consultancy segment), each of which generate more than 10% of the total external income.

	Green Energy £000s	Hedge Fund £000s	Consultancy £000s	Central costs £000s	Inter-segment elimination £000s	Group £000s
Segment assets	100,419	4,073	-	6,840	(3,444)	107,888
Segment liabilities	(99,456)	(163)	-	(3,966)	3,444	(100,141)
	963	3,910	-	2,874	-	7,747
Capital expenditure on segment assets	-	-	-	4	-	4

(b) Geographical segments

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

3 Profit/(loss) on ordinary activities before taxation

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

	2017 £000s	2016 £000s
Amortisation of intangible assets	278	107
Depreciation of property, plant and equipment	3,588	1,770
Exchange gain/(loss)	13	(275)
Operating lease rentals - land and buildings	102	30
Bank interest income	-	(2)
Audit services		
- fees payable to the Group's auditors for the audit of its financial statements	21	16
- audit related regulatory	79	68
Tax services	5	5
Other assurance services	24	129

Notes to the Financial Statements continued

4 Staff costs and employees

Staff costs including Directors' emoluments:

	2017 £000s	2016 £000s
Wages and salaries (Including bonuses)	420	373
Social security costs	43	37
Other staff costs	30	42
Total	493	452

The average monthly number of persons employed by the Group including Executive Directors was 13 (2016: 12) and is analysed as follows:

	2017	2016
Asset Management	7	6
Administration	6	6
Total	13	12

Directors' emoluments:

	2017 £000s	2016 £000s
Group		
Directors' emoluments	119	142

The Directors are potential beneficiaries of the Employee Benefit Trust. £12,250 has been contributed in respect of Directors money purchase pension schemes during the period (2016: £25,000).

The highest paid Director received salary and related benefits of £78,000 (2016: £100,000), which included contributions to money purchase pension schemes.

5 Net finance costs

Group	2017 £000s	2016 £000s
Interest income on:		
Barclays deposit accounts	-	2
Finance income	-	2
Interest expenses on:		
Secured bank loans	(3,308)	(1,665)
Secured bond issue	(857)	(426)
Unsecured third party loan	(279)	(139)
Sundry loans	(79)	(2)
Finance costs	(4,523)	(2,232)
Net finance costs recognised in profit or loss	(4,523)	(2,230)

Notes to the Financial Statements continued

6 Taxation

(a) Analysis of tax charge for the year

	2017 £000s	2016 £000s
Current tax		
Current tax on profits for the year	642	826
Adjustments in respect of prior periods	(56)	-
Total current tax	586	826
Deferred tax	(1,451)	(534)
Effects of changes in corporation tax rates	-	-
Origination and reversal of temporary differences	-	-
Total tax charge for the year	(865)	292

(b) Factors affecting the tax charge for the year

	2017 £000s	2016 £000s
Profit/(loss) before taxation	1,072	(1,019)
Tax calculated at domestic tax rates applicable to profits in the respective countries	635	826
Effect of:		
Disallowable expenses and non-taxable income	7	6
Capital allowances in excess of depreciation	(1)	(1)
Short term timing differences	-	-
Tax losses utilised	-	-
Other tax adjustments	-	(18)
Deferred tax adjustments	(1,451)	(534)
Adjustment in respect of prior periods	(56)	-
Unrelieved tax losses and other deductions in the period	1	13
Total tax (credit)/charge for the year	(865)	292

Notes to the Financial Statements continued

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.

The weighted average number of shares includes a deduction for the shares held by the Employee Share Ownership Trust of 744,658 (2016 1,800,000)

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:

	2017 £000s	2016 £000s
Total profit/(loss) from continuing operations used in calculating basic and diluted EPS	703	(302)
Total profit/(loss) used in calculating basic and diluted EPS	703	(302)

	No. '000s	No. '000s
Weighted average number of ordinary shares used in calculating basic EPS	19,225	18,169
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	19,225	18,169

Basic EPS from continuing operations has been calculated using the profit from continuing operations £703,000 (excluding non-controlling interests) divided by the weighted average number of ordinary shares 19,224,557.

Diluted EPS from continuing operations has been calculated using the profit from continuing operations £703,000 (excluding non-controlling interests) divided by the weighted average number of ordinary shares 19,224,557.

Potentially dilutive instruments that have not been included in the calculation of diluted EPS, because they were antidilutive comprise share options over Nil (2016: Nil) ordinary shares.

8 Intangible assets

Group	Goodwill £000s	Plant and expansion costs £000s	Concessions licences, trade marks & similar £000s	Other intangible assets £000s	Total £000s
Cost					
At 1st January 2017	22,789	238	4,035	14	27,076
Acquisitions through business combinations	-	-	-	-	-
Movement on exchange	770	8	137	-	915
At 31st December 2017	23,559	246	4,172	14	27,991
Amortisation					
At 1st January 2017	-	(15)	(90)	(2)	(107)
Charge in the year	-	(26)	(249)	(3)	(278)
Movement on exchange	-	(1)	(7)	-	(8)
At 31st December 2017	-	(42)	(346)	(5)	(393)
Net Book Value					
At 31st December 2017	23,559	204	3,826	9	27,598
Cost					
At 1st January 2016	-	-	-	-	-
Acquisitions through business combinations	21,978	230	3,891	13	26,112
Movement on exchange	811	8	144	1	964
At 31st December 2016	22,789	238	4,035	14	27,076
Amortisation					
At 1st January 2016	-	-	-	-	-
Charge in the year	-	(15)	(90)	(2)	(107)
Movement on exchange	-	-	-	-	-
At 31st December 2016	-	(15)	(90)	(2)	(107)
Net Book Value					
At 31st December 2016	22,789	223	3,945	12	26,969

Notes to the Financial Statements continued

9 Tangible fixed assets

Group	Land and Buildings £000s	Plant and Equipment £000s	Vehicles & equipment £000s	Fixtures & fittings £000s	Leasehold improvements £000s	Total £000s
Cost						
At 1st January 2017	1,867	87,296	120	299	249	89,831
Additions	-	222	3	4	-	229
Acquisitions through business combinations	-	-	-	-	-	-
Movement on exchange	61	2,951	-	-	-	3,012
At 31st December 2017	1,928	90,469	123	303	249	93,072
Depreciation						
At 1st January 2017	-	(23,537)	(109)	(215)	(249)	(24,110)
Acquisitions through business combinations	-	-	-	-	-	-
Charge in the year	-	(3,569)	(12)	(7)	-	(3,588)
Movement on exchange	-	(849)	-	-	-	(849)
At 31st December 2017	-	(27,955)	(121)	(222)	(249)	(28,547)
Net Book Value						
At 31st December 2017	1,928	62,514	2	81	-	64,525
Cost						
At 1st January 2016	-	-	120	289	249	658
Additions	-	-	-	4	-	4
Acquisitions through business combinations	1,800	84,188	-	6	-	85,994
Movement on exchange	67	3,108	-	-	-	3,175
At 31st December 2016	1,867	87,296	120	299	249	89,831
Depreciation						
At 1st January 2016	-		(98)	(211)	(249)	(558)
Acquisitions through business combinations	-	(21,776)	-	-	-	(21,776)
Charge in the year	-	(1,754)	(11)	(5)	-	(1,770)
Movement on exchange	-	(7)	-	1	-	(6)
At 31st December 2016	-	(23,537)	(109)	(215)	(249)	(24,110)
Net Book Value						
At 31st December 2016	1,867	63,759	11	84	-	65,721

Company	Vehicles & equipment £000s	Fixtures & fittings £000s	Leasehold improvements £000s	Total £000s
Cost				
At 1st January 2017	120	293	249	662
Additions	3	4	-	7
Disposals	-	-	-	-
At 31st December 2017	123	297	249	669
Depreciation				
At 1st January 2017	(109)	(214)	(249)	(572)
Charge in the year	(12)	(4)	-	(16)
Disposals	-	-	-	-
At 31st December 2017	(121)	(218)	(249)	(588)
Net Book Value				
At 31st December 2017	2	79	-	81
Cost				
At 1st January 2016	120	289	249	658
Additions	-	4	-	4
Disposals	-	-	-	-
At 31st December 2016	120	293	249	662
Depreciation				
At 1st January 2016	(98)	(211)	(249)	(558)
Charge in the year	(11)	(3)	-	(14)
Disposals	-	-	-	-
At 31st December 2016	(109)	(214)	(249)	(572)
Net Book Value				
At 31st December 2016	11	79	-	90

Notes to the Financial Statements continued

10 Equity-accounted investees

Associates

The Group's equity interest in its material associate, Integrated Capital S.R.L. is 50%.

	Group and Company	
	2017	2016
	£000s	£000s
Percentage ownership interest	50%	50%
Non-current assets	5	22
Current assets	25	27
Current liabilities	-	(1)
Net assets	30	48
Carrying amount of interest in associate	15	24
Revenue	-	-
Loss from continuing operations	(20)	(38)
Group's share of operating loss	(10)	(19)

11 Trade and other receivables

Amounts due after more than one year	Group		Company	
	2017	2016	2017	2016
	£000s	£000s	£000s	£000s
Guarantee deposits received	379	367	-	-
Other tax receivables	-	1,532	-	-
Other receivables	7	97	-	-
Total	386	1,996	-	-

Amounts due within one year	Group		Company	
	2017	2016	2017	2016
	£000s	£000s	£000s	£000s
Trade receivables (Note 23)	4,087	4,359	23	3
VAT and other tax receivables	2,402	244	-	-
Amounts owed by group undertakings	-	-	369	-
Other receivables	265	192	255	174
Prepayments	216	693	7	8
Total	6,970	5,488	654	185

12 Cash and cash equivalents

	Group		Company	
	2017	2016	2017	2016
	£000s	£000s	£000s	£000s
Cash at bank and in hand	3,508	1,444	84	79
Total cash and cash equivalents	3,508	1,444	84	79

There is a bank guarantee held with Credit Suisse against Group cash balances of £1,730,513 (2016: £Nil).

Notes to the Financial Statements continued

13 Financial assets

(a) Movement in fair value

Non-current **Available-for-sale financial assets**	Group 2017 £000s	 2016 £000s	Company 2017 £000s	 2016 £000s
Movement in fair value				
At 1st January	3,890	3,300	3,890	3,300
Additions	532	-	-	-
Disposals	(198)	(240)	(198)	(240)
Transfer to Current available-for-sale financial assets	-	-	-	-
Movement on exchange	-	-	-	-
Realised gain through profit and loss	-	-	-	-
Impairment through profit and loss	(227)	-	-	-
Net (loss)/gain in movement in fair value through other comprehensive income	(162)	830	(162)	830
At 31st December	3,835	3,890	3,530	3,890

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. In 2017 the Company received a return of capital of £198,356 (2016: £240,008) which is shown as a disposal in the above analysis.

During the year the Group received equity interests in CGI 1100 Holdco LLC and CGI 1100 Sponsorship Capital LLC in lieu of consultancy fees earned. The equity interests in these two US entities were assigned at par value by iAM Invest Ltd to its 100% owned US subsidiary, namely Integrated Alternative Investments USA LLC. At the year end, the Board have taken a decision to impair the valuation of these equity interests by 40% and 50% respectively.

Current **Available-for-sale financial assets**	Group 2017 £000s	 2016 £000s	Company 2017 £000s	 2016 £000s
Movement in fair value				
At 1st January	182	659	182	659
Additions	913	76	8	76
Disposals	(913)	(588)	-	(588)
Transfer from Non-Current available-for-sale financial assets	-	-	-	-
Movement on exchange	(4)	20	(5)	20
Realised gain through profit and loss	8	316	-	316
Impairment through profit and loss	-	-	-	-
Net gain/(loss) in movement in fair value through other comprehensive income	19	(301)	19	(301)
At 31st December	205	182	204	182

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

The Group's other investments are principally in the funds it manages. Further investment additions to these funds were made in the year totalling £8,000.

During the year the Group purchased a portfolio of funds and cash together with a bank guarantee liability through its new subsidiary Integrated Recovery Ltd. All the funds were subsequently sold before the year-end realising a profit of £8,204.

Current **Fair value through profit and loss financial assets**	Group 2017 £000s	 2016 £000s	Company 2017 £000s	 2016 £000s
Movement in fair value				
At 1st January	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Movement on exchange	-	-	-	-
Net loss in movement in fair value through profit and loss	-	-	-	-
At 31st December	-	-	-	-

The Group's other current financial assets represent shares held in Vanoil Energy Limited which are listed on the Canadian Stock Exchange. The shares are currently suspended and as such have been included at a zero fair value. Any gains or losses have been taken through profit or loss.

Notes to the Financial Statements continued

13 Financial assets (continued)

(b) Fair value hierarchy

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

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

	Group		Company	
	2017	2016	2017	2016
Available-for-sale financial assets - Non-current	£000s	£000s	£000s	£000s
Level 1	-	-	-	-
Level 2	-	-	-	-
Level 3	3,835	3,890	3,530	3,890
	3,835	3,890	3,530	3,890

	Group		Company	
	2017	2016	2017	2016
Available-for-sale financial assets - Current	£000s	£000s	£000s	£000s
Level 1	-	-	-	-
Level 2	205	182	204	182
Level 3	-	-	-	-
	205	182	204	182

	Group		Company	
	2017	2016	2017	2016
Fair value through profit and loss financial assets - Current	£000s	£000s	£000s	£000s
Level 1	-	-	-	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	-	-	-	-

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

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

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

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

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

Notes to the Financial Statements continued

14 Other investments, including derivatives

	Group 2017 £000s	Group 2016 £000s	Company 2017 £000s	Company 2016 £000s
Non-current investments				
Interest rate swaps used for hedging	1,240	440	-	-
	1,240	440	-	-

The Group has taken out a loan with Mediocredito Italiano S.p.A for an original amount of Euro 102,500,00. The loan with a maturity date in December 2030 provides for repayment through half-yearly instalments and the application of a variable interest rate of 2.65% plus or minus the EURIBOR rate. In order to limit the risk resulting from fluctuations in interest rates, the Group subscribed, at the same time as the financing, an Interest Rate Swap contract which has as a notional value the total amount of the loan agreed and as duration the same duration of the loan.

15 Investments

Company	Subsidiaries £000s	Employee Trusts £000s	Total £000s
Cost			
At 1st January 2017	6,030	2,519	8,549
Additions	1	-	1
Disposals	-	(2,519)	(2,519)
At 31st December 2017	6,031	-	6,031
Impairment			
At 1st January 2017	-	(1,979)	(1,979)
Disposals	-	1,979	1,979
Charge for the year	-	-	-
At 31st December 2017	-	-	-
Net book value at 31st December 2017	6,031	-	6,031
Cost			
At 1st January 2016	3,650	2,519	6,169
Additions	2,380	-	2,380
Disposals	-	-	-
At 31st December 2016	6,030	2,519	8,549
Impairment			
At 1st January 2016	-	(2,249)	(2,249)
Disposals	-	-	-
Charge for the year	-	270	270
At 31st December 2016	-	(1,979)	(1,979)
Net book value at 31st December 2016	6,030	540	6,570

A list of the Company's subsidiaries and details of the changes in ownership interest during the year can be found at Note 24.

16 Deferred tax

	Group 2017 £000s	Group 2016 £000s	Company 2017 £000s	Company 2016 £000s
Deferred tax assets				
Italian tax relating to Green Energy business	2,955	1,734	-	-
	2,955	1,734	-	-

Apart from that which has already been recognised in the financial statements, the group has deferred tax assets of £1,473,000 (2016: £1,620,000) in respect of tax losses, which have not been recognised due to the lack of certainty as to the utilisation of these assets.

The Company has deferred tax assets of £1,473,000 (2016: £1,620,000) in respect of tax losses, which have not been recognised due to the lack of certainty as to the utilisation of these assets.

Notes to the Financial Statements continued

17 Loans and borrowings

Group	2017 £000s	2016 £000s
Non-current liabilities		
Secured bank loans	76,157	77,937
Secured bond issue	9,988	10,084
Unsecured third party loan	2,364	2,286
	88,509	90,307
Current liabilities		
Secured bank loans	4,913	4,742
Secured bond issue	-	-
Unsecured third party loan	-	-
	4,913	4,742

The secured bank loans are secured by a pledge of the quotas of the Italian subsidiaries and certain related receivables.

The secured bond issue is secured by the pledges of the equity of Integrated Energy Holdings S.A. and Integrated E-Energy Investments SarL., together with a pledge over the bank account of Integrated Energy Holdings S.A.'s bank account.

Terms and repayment schedule

	Curr	Nominal interest rate	Year of Maturity	Face Value 2017 £000s	Carrying Amount 2017 £000s	Face Value 2016 £000s	Carrying Amount 2016 £000s
Secured bank loan - Mediocredito Italiano SpA	EUR	Euribor+2.65%	2030	84,111	80,626	86,108	82,250
Secured bank loan - Cassa di Risparimio del Veneto SpA	EUR	Euribor+2.65%	2021	444	444	429	429
Secured Bond issue	EUR	Fixed 8%	2024	10,222	9,988	10,300	10,084
Unsecured third party loan	EUR	Fixed 12%	2036	2,364	2,364	2,286	2,286
				97,141	93,422	99,123	95,049

18 Trade and other payables

	Group 2017 £000s	Group 2016 £000s	Company 2017 £000s	Company 2016 £000s
Current				
Trade payables	3,986	3,867	19	10
Amounts owed to group undertakings	-	-	3,563	3,444
Other creditors	458	184	-	-
Other taxation and social security costs	9	7	9	7
Accruals and deferred income	476	753	353	505
Total	4,929	4,811	3,944	3,966

19 Share capital

	2017 £000s	2017 Number of ordinary 5p shares 000s	2016 £000s	2016 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	998	19,969	998	19,969
At 31st December	998	19,969	998	19,969

There were no changes in the year to the Company's Authorised share capital or to its Allotted and fully paid share capital. The Company has 19,969,215 shares in issue.

Notes to the Financial Statements continued

20 Related parties

Group

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

	Revenue		Expenses	
	2017	2016	2017	2016
	£000s	£000s	£000s	£000s
Current				
Related companies	-	-	469	286
Directors	-	-	76	-
Total	-	-	545	286

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	
	2017	2016	2017	2016
	£000s	£000s	£000s	£000s
Related companies	-	-	293	284
Directors	11	1	38	-
Total	11	1	331	284

Related companies represent those companies of which certain Directors of the Company are also Directors, namely JD Farrods, where D. Masetti is a Director, for the provision of marketing services, and Arcap Partners Ltd, where E. Arbib is a Director, for the receipt of consultancy and introducer Services. Arcap Partners Ltd controls Risiomenda Ltd which is included in the above analysis for the provision of rental payments. 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:

	2017	2016
	£000s	£000s
Short-term employee benefits	119	142
Share-based payments	-	-
Total	119	142

Company

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

	2017	2016
	£000s	£000s
Management fees receivable from iAM Invest Investments Ltd	(132)	(111)
Management fees payable to iAM Invest Ltd	-	-
Dividend receivable from iAM Invest Ltd	(480)	(980)

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

	2017	2016
	£000s	£000s
Amounts due to iAM Invest Ltd	(3,563)	(3,444)
Amounts due from Integrated Recovery Ltd	369	-

In May 2017, the Integrated Asset Management 2007 Employee Benefit Trust (the "Trust"), agreed to sell 1,800,000 shares in the Company to Eurydice Premier Ltd, an entity owned by a trust whose beneficiaries include an individual who was a director of iAMCap at the time of the sale, at a price of 30p per share. Following this transaction which was approved at a Board Meeting of the Company, the Trust was then able to repay £540,000 of its outstanding loan to the Company in June 2017.

21 Operating lease commitments

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

	2017 £000s	2016 £000s
Within one year	250	223
Between two and five years	625	875
After five years	-	-
Total	875	1,098

22 Guarantees and commitments

Below is a summary of the guarantees and commitments provided by third parties for companies belonging to the group:-

Helios 1 Srl
€ 40,000 refers to the guarantee issued by Cofintrade company for the environmental remediation costs to be borne by the company.

LD Vert Srl
€ 514,821 represents the amount of the guarantee issued by the Vittoria Assicurazioni Institute in favour of the Revenue Agency (“Agenzia delle Entrate”), following the request for VAT refund submitted by the company;

Meridiana Energy Srl
€ 80,000 refers to guarantees issued by third parties for environmental remediation costs.

Nur Energie Italia Srl
€ 224,500 refers to the guarantee provided by the company Creocapital S.p.A. in favour of the company and for the benefit of the Municipality of Lecce, for the construction of the network connection for the photovoltaic system;

€ 114,000 is the amount of the guarantee issued by China Taiping Insurance for the environmental remediation costs to be borne.

PVP1 Srl
€ 25,000 refers to the guarantee issued by the Monte dei Paschi di Siena, for the environmental remediation costs to be borne by the company.

Rinnovabili Srl
€ 20,000 refers to guarantees issued by third parties for the environmental remediation costs .

San Marzano Srl
€ 20,000 is the amount of the guarantee issued by Allianz Lloyd Adriatico, in favour of the San Marzano Municipality of San Giuseppe, for sustaining environmental remediation costs incurred by the company.

Sun Plant Tree Srl
€ 19,817 refers to the amount of the guarantee provided by the Intesa San Paolo Institute in favour of the Municipality of Acquaviva delle Fonti (BA) for the execution of environmental restoration and remediation.

23 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 2017 due to the continuing relative low level of management fee income.

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

At 31 December 2017, the total amount of US Dollar's hedged was $Nil (2016: $Nil). The fair value of the open hedging contracts was £Nil (2016: £Nil) and this if applicable would have been included in accruals and deferred income.

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

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

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

At 31 December 2017, if the Euro had strengthened/weakened by 10% against Sterling with all other variables held constant, pre-tax result would increase/(decrease) by £31,000/(£25,000) respectively [2016: £70,000/(£57,000)], principally as a result of the increase/decrease in assets and liabilities denominated in foreign currencies; other components of equity would increase/(decrease) by £410,000/(£-182,000) respectfully [2016: £332,000/(£113,000)], principally as a result of the unhedged portion of net investment in foreign operations.

At 31 December 2017, if the US Dollar had strengthened/weakened by 10% against Sterling with all other variables held constant, pre-tax result would increase/(decrease) by £89,000/(£72,000) respectively [2016: £12,000/(£10,000)], principally as a result of the increase/decrease in assets and liabilities denominated in foreign currencies.

Interest rate risk

The Group through its investment in Green Energy has a substantial loan with Mediocredito Italiano S.p.A, standing at €94.8m as at 31 December 2017. The loan provides for repayment through half-yearly instalments and the application of a variable interest rate of 2.65% plus or minus the EURIBOR rate. To hedge its exposure to changes in the variable interest rate the Group has entered into a Interest Rate Swap contract which has a notional value of the total outstanding amount of the loan for the duration of the loan through to December 2030.

In addition to the loan with Mediocredito Italiano S.p.A. the only other loan that carries a variable interest rate is one with Istituto Cassa di Risparmio del Veneto S.p.A. for an amount of €500,000. This loan is due to be repaid in full on 31 March 2021 and is charged interest at a rate of 2.65% plus or minus EURIBOR. No derivative is currently in place to cover the interest rate exposure on this smaller loan.

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

Liquidity risk

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

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

Notes to the Financial Statements continued

23 Financial risk management (continued)

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

The Group's credit risk exposure in respect of its green energy operations was at the close of the financial year exclusively towards the Manager of the Energy Services ("Gestore dei Servizi Energetici" or "GSE") who pay the incentive tariffs on the energy produced by the plants owned by the Group. Due to the nature of the counterparty, no particular risk is considered in the recovery of receivables resulting from sales to GSE.

Trade receivables for fee debtors in the green energy operations are analysed below.

	2017 £000s	2016 £000s
Trade receivables - Green energy		
Receivable from GSE	3,172	3,834
Other related trade receivables	699	468
Carrying amount	3,871	4,302

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

	2017 £000s	2016 £000s
Trade receivables - Fund management		
Neither past due nor impaired		
Low risk	193	57
Carrying amount	193	57
Past due but not impaired		
Low risk	23	-
Carrying amount	23	-
Past due but not impaired consists of:		
31 to 60 days	23	-
61 to 90 days	-	-
91 to 120 days	-	-
Over 120 days	-	-
	23	-
Total Carrying amount	216	57

Group	2017 £000s	2016 £000s
Trade receivables (note 11)		
Green energy	3,871	4,302
Fund management	216	57
Carrying amount	4,087	4,359

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% (2016: 15%) movement in market prices, that would effect the value of its "Fair value through profit and loss" financial assets at the statement of financial position date.

	Group		**Company**	
	2017 £000s	2016 £000s	2017 £000s	2016 £000s
Current assets	-	-	-	-

Capital risk management
The Group manages its capital to ensure that all entities within the Group are able to operate as going concerns and exceed any minimum externally imposed capital requirements. The capital of the Group and Company consists of equity attributable to the equity owners of the parent company, comprising issued share capital, share premium, retained earnings and other reserves as disclosed in the Statement of Changes in Shareholders' Equity.

One operating subsidiary within the Group is subject to the requirements of their respective regulators, primarily the Financial Conduct Authority (“FCA”) in the UK. This subsidiary held surplus capital over it's respective requirements throughout the year of ownership.

Notes to the Financial Statements continued

24 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 2017 % Owned	31 December 2016 % Owned
Hedge Fund Management			
iAM Invest Ltd	UK	100%	100%
Integrated Alternative Investments USA LLC	USA	100%	-
Integrated Recovery Ltd	BVI	100%	-
Green Energy interests			
Integrated Energy Holdings Ltd	UK	53.7%	53.7%
Integrated Energy Holdings SA	Luxembourg	27.0%	27.0%
Integrated E-Energy Investments Sarl	Luxembourg	27.0%	27.0%
Econergy Renewables 1 SpA	Italy	27.0%	27.0%
Enersol Srl	Italy	27.0%	27.0%
Helios 1 Srl	Italy	27.0%	27.0%
Laem Srl	Italy	27.0%	27.0%
LD Vert Srl	Italy	27.0%	27.0%
Meridiana Energy Srl	Italy	27.0%	27.0%
Nur Energie Italia Srl	Italy	27.0%	27.0%
PVP1 Srl	Italy	27.0%	27.0%
Rinnovabili Srl	Italy	27.0%	27.0%
San Marzano Srl	Italy	27.0%	27.0%
Sonnen Systeme Italia Srl	Italy	27.0%	27.0%
Sun Plant Tree Srl	Italy	27.0%	27.0%

Notes to the Financial Statements continued

25 Acquisition of subsidiaries

There were no acquisition of subsidiaries during 2017. In the previous year, the Group acquired a controlling stake in 11 Photovoltaic energy companies based in Italy and active in the production of photovoltaic energy, holding a total portfolio of installations providing 34 MWh of power.

A. Consideration transferred

	2017 £000s	2016 £000s
Cash consideration paid	-	25,575

B. Acquisition-related costs

The Group incurred acquisition-related costs of £ nil on notary fees, legal costs and due diligence costs (2016:£1,663,000). These costs have been included in operating expenses.

C. Identifiable assets acquired and liabilities assumed

	2017 £000s	2016 £000s
Intangible assets	-	4,132
Land, plant and equipment	-	64,978
Receivables and prepayments	-	6,941
Cash at bank	-	31,923
Loans and borrowings	-	(95,879)
Payables and accruals	-	(8,498)
Total	-	3,597

D. Goodwill

	2017 £000s	2016 £000s
Consideration transferred	-	25,575
Fair value of Identifiable net assets	-	(3,597)
Total of Goodwill recognised	-	21,978

26 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.

27 Events after the reporting date

In June, 2018, iAMCap closed on an investment in Sheritage Capital Ltd ("Sheritage"), an Israeli limited company. Sheritage offers family office administrative and consulting services to a global client base. In the transaction iAMCap invested US$ 272,000 in debt and equity in exchange for a 15% interest in Sheritage.

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