

IAM INVEST LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

REGISTRATION NUMBER 04007950

IAM INVEST LIMITED

Contents

Officers and Professional Advisers	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditors' Report	5-7
Income Statement	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11-17

APPENDIX

Unaudited Capital Requirements Directive Pillar 3 disclosure

IAM INVEST LIMITED

Officers and Professional Advisers

Directors

E. M. Arbib
D. Masetti
M. Segall

Registered Office

4 Hill Street
Mayfair
London
W1J 5NE

Bankers

Barclays Bank Plc
Business Banking Larger Business
Floor 28, 1 Churchill Place
Canary Wharf
London
E14 5HP

Auditors

Sopher + Co LLP
Chartered Accountants & Statutory Auditors
5 Elstree Gate
Elstree Way, Borehamwood
Hertfordshire, WD6 1JD

Strategic Report

Overview

The directors present the Strategic Report, Directors' Report and the financial statements of IAM Invest Limited (the "Company") for the year ended 31 December 2018. The Company changed its name from Integrated Alternative Investments Limited to IAM Invest Limited on 20 April 2018.

The principal activity of the Company is the provision of investment management and investment advisory services. The Company specialises in the provision of services in the Hedge Funds market. There have not been any significant changes in the nature of principal activities during the year. The Company continues to manage a special situations investment vehicle based in Luxembourg.

Business review

The Company is authorised and regulated by the Financial Conduct Authority.

The directors are confident that despite the low level of assets under management in its Funds business, the Company will continue to trade profitably in the future. The Company continues to actively manage its cost base in line with the level in assets under management.

Key Performance Indicators

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

	2018	2017	Change
	£	£	
Turnover	1,112,950	1,261,659	-12%
Profit for the year before tax	430,445	693,642	-38%
Total capital resources, net of deductions	3,864,281	4,123,836	-6%

Future developments

The directors intend to manage the business in a prudent manner, while seeking to find suitable acquisition and other corporate opportunities to make the business more efficient in the long run.

Going concern

The Company has sufficient liquid resources. The directors are confident that the Company will continue to meet its liabilities as they fall due for the foreseeable future and therefore prepare the financial statements on the going concern basis.

Principal risks and uncertainties

The principal risk attached to the management of Hedge Funds is investment risk, being the poor performance of the underlying funds, either absolutely or relative to their peer group. This could result in a decrease in both management and performance fees received by the Company and in redemptions by investors leading to a decrease in Assets Under Management with similar effect. This risk is mitigated by the use of a robust and highly developed investment process which is implemented by skilled and experienced staff and the operation of a separate risk management function independent of the investment function which both ensures the investment team's adherence to the internal procedures as well as monitoring the portfolios against a range of pre-determined criteria using sophisticated risk management software.

Creditor Payment Policy

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

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

Signed on behalf of the Board of Directors on 18 April 2019 by:

E. M. Arbib
Director

Directors' Report

The directors submit their report together with the audited financial statements of IAM Invest Limited (the "Company") for the year ended 31 December 2018.

Directors

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

E. M. Arbib

D. Masetti

M. Segall

S. D. Shane (resigned 28 February, 2018)

Third Party Indemnity

Qualifying third party indemnity provisions for the benefit of the directors were in force during the year under review and remain in force at the date of approval of the director's report and financial statements.

Pillar 3 Disclosures

Details of the Company's unaudited Pillar 3 disclosures, required under Chapter 11 of the Financial Conduct Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU"), are appended to these financial statements.

Results and Dividends

The Company made a profit of £ 430,445 (2017: £ 693,642).

A dividend of £ 690,000 was paid in the year (2017: £ 480,000).

Auditors

In accordance with the Companies Act 2006, the Company has elected to dispense with the obligation to appoint auditors annually.

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

- (a) so far as each director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors for that purpose, in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Signed on behalf of the Board of Directors on 18 April 2019 by:

E. M. Arbib

Director

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

IAM INVEST LIMITED

Independent Auditors' Report to the Shareholders of IAM Invest Limited

Opinion

We have audited the financial statements of IAM Invest Limited (the "company") for the year ended 31 December 2018, which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and,
- have been properly 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 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 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 other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Independent Auditors' Report to the Shareholders of IAM Invest Limited

Opinion on 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, 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 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 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. This description forms part of our Auditors' Report.

IAM INVEST LIMITED

Independent Auditors' Report to the Shareholders of IAM Invest Limited

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

23rd April 2019

IAM INVEST LIMITED

Income Statement for the year ended 31 December 2018

	Note	2018 Total £	2017 Total £
Turnover	1c, 2	1,112,950	1,261,659
Cost of Sales	2	(217,792)	(76,177)
Gross Profit		<u>895,158</u>	<u>1,185,482</u>
Administrative Expenses		(464,713)	(491,840)
Operating Profit	3	430,445	693,642
Interest receivable and similar income	6	-	-
Profit on Ordinary Activities before Taxation		<u>430,445</u>	<u>693,642</u>
Tax on profit on ordinary activities	7	-	-
Profit for the financial year		<u><u>430,445</u></u>	<u><u>693,642</u></u>

All of the activities of the company are classed as continuing. There were no recognised gains or losses for 2018 or 2017 other than those included in the income statement.

The notes on pages 11 - 17 form an integral part of these financial statements.

IAM INVEST LIMITED

COMPANY REGISTRATION NUMBER 04007950

Balance Sheet at 31 December 2018

	Note	2018 £	2017 £
Assets			
Investment in subsidiary	8	783	740
Current Assets			
Debtors	9	3,797,171	4,230,469
Cash at bank and in hand		241,639	70,866
		<hr/>	<hr/>
Total Assets		4,039,593	4,302,075
Current Liabilities			
Creditors: amounts falling due in less than one year	10	(175,312)	(178,239)
		<hr/>	<hr/>
Total Assets less Current Liabilities		<u>3,864,281</u>	<u>4,123,836</u>
 Capital and Reserves			
Called up share Capital	13	2,687,778	2,687,778
Other equity capital	13	680,000	680,000
Other reserves		53,000	53,000
Profit and Loss Account		443,503	703,058
		<hr/>	<hr/>
Shareholders' Funds		<u>3,864,281</u>	<u>4,123,836</u>

These financial statements were approved by the Board of Directors on 18 April 2019 and are signed on its behalf by:

E. M. Arbib
Director

The notes on pages 11 - 17 form an integral part of these financial statements.

IAM INVEST LIMITED

Statement of Changes in Equity for the year ended 31 December 2018

	Called up share capital £	Other equity capital £	Other reserves £	Income statement £	Total £
At 1st January, 2017	2,687,778	680,000	53,000	489,416	3,910,194
Profit for the year	-	-	-	693,642	693,642
Dividend paid	-	-	-	(480,000)	(480,000)
At 31st December, 2017	<u>2,687,778</u>	<u>680,000</u>	<u>53,000</u>	<u>703,058</u>	<u>4,123,836</u>
Profit for the year	-	-	-	430,445	430,445
Dividend paid	-	-	-	(690,000)	(690,000)
At 31st December, 2018	<u><u>2,687,778</u></u>	<u><u>680,000</u></u>	<u><u>53,000</u></u>	<u><u>443,503</u></u>	<u><u>3,864,281</u></u>

The notes on pages 11 - 17 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 2018

1 Principal Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies [see note 1(k)].

The company is also a wholly-owned subsidiary included in the consolidated financial statements of its immediate parent undertaking which is established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

IAM Invest Limited is a limited liability company incorporated and domiciled in England & Wales, with its registered office address and business address at 4 Hill Street, Mayfair, London W1J 5NE. The company's functional and presentational currency is the British Pound Sterling (£).

(b) Reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);

This information is included in the consolidated financial statements of iAM Capital Group PLC as at 31 December 2018 and these financial statements may be obtained from the company's registered address.

(c) Turnover

Turnover represents the fair value of consideration received for the provision of investment management and advisory services in the United Kingdom net of value-added tax, rebates and discounts allowed. Turnover is recognised when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the entity.

(d) Foreign currencies

Foreign currency transactions are translated into British Pound Sterling (£) 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.

(e) Current and deferred taxation policy

The tax expense for the year comprises current tax. Tax is recognised in the income statement.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met. Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements for the year ended 31 December 2018

1 Principal Accounting Policies (continued)

(f) Operating leases

Rentals payable under operating leases are charged to the income statement on a straight line basis over the lease term

(g) Going concern

The Company has sufficient liquid resources and ongoing investment advisory and management contracts. The directors are confident that the Company will continue to meet its liabilities as they fall due for the foreseeable future and therefore prepare the financial statements on the going concern basis.

(h) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

(i) Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. The company does not have debt instruments that are payable or receivable in more than one year.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

(j) Investment in subsidiary

Investments in subsidiaries are measured at cost less accumulated impairment.

(k) Judgements in applying accounting policies and key sources of estimation uncertainty

The information required to calculate the management and performance fees to be accrued at the year end is not always available at the date of the approval of the accounts. Management has therefore used their judgement and expertise, including considering market conditions specific to the Asset Under Management, to calculate reasonable estimates of what should be accrued at the year end.

Notes to the Financial Statements for the year ended 31 December 2018**2 Turnover and Cost of Sales**

Turnover is attributable to the Company's principal activity and primarily comprises of 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 balance sheet date, performance fees have been recognised based on reasonable estimates that consider the particular fund's performance to the balance sheet date and where evidence exists that suggests that the current performance will be sustainable to the end of the performance period.

	2018	2017
	£	£
An analysis of Turnover is as follows :		
Management Fees receivable	367,643	307,493
Performance Fees receivable	428,079	128,081
Other income	317,228	826,085
	<u>1,112,950</u>	<u>1,261,659</u>

The whole of the turnover is attributable to geographic markets outside the United Kingdom.

Cost of Sales

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.

3 Operating Profit

Operating profit on ordinary activities is stated after charging/(crediting):

	2018	2017
	£	£
Exchange loss on translation	(17,701)	(4,844)
Management Re-charge Expense	225,000	132,000
Provision against Inter-Co Account	37,294	226,653
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	6,000	5,000
Fees payable to the Company's auditor for other services:		
- Tax compliance services	3,000	2,000
	<u>3,000</u>	<u>2,000</u>

Notes to the Financial Statements for the year ended 31 December 2018**4 Directors' Remuneration**

	2018	2017
	£	£
Salaries and consultancy fees	36,985	50,710
Social security costs	3,051	3,937
	<u>40,036</u>	<u>54,647</u>

Directors' remuneration equates amounts paid to directors for qualifying services as directors of the Company. Remuneration paid to the highest paid director totalled £24,996 (2017: £24,996).

5 Staff Costs (excluding directors' remuneration)

	2018	2017
	£	£
Wages and salaries	96,685	38,218
Social security costs	10,136	3,681
Pension costs	1,745	643
	<u>108,566</u>	<u>42,542</u>

The average monthly number of employees (including directors) during the period was 5 (2017: 4).

All employees are engaged in marketing activities.

6 Interest Receivable and Similar Income

	2018	2017
	£	£
Bank interest	-	-
	<u>-</u>	<u>-</u>

7 Tax on profit on ordinary activities

	2018	2017
	£	£
(a) Analysis of (credit)/charge in the year		
UK corporation tax on result for the period	-	-
Adjustments in respect of prior periods	-	-
	<u>-</u>	<u>-</u>

Notes to the Financial Statements for the year ended 31 December 2018

7 Tax on profit on ordinary activities (Continued)

	2018 £	2017 £
(b) Factors affecting the tax charge for the year		
The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below.		
Profit on ordinary activities before tax	430,445	693,642
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 19.25%)	81,785	133,526
Adjustment in respect of:		
Expenses not deductible for tax purposes	25	15
Capital allowances in excess of depreciation	(286)	(354)
Utilisation of tax losses and other deductions	(81,524)	(133,187)
Tax charge/(credit) for the period	-	-

8 Investment in subsidiary

	2018 £	2017 £
100% equity interest in Integrated Alternative Investments US LLC	783	740
	783	740

Direct subsidiary undertakings - The following were subsidiary undertakings of the company:

<u>Name</u>	<u>Country of Incorporation</u>	<u>Class of shares</u>	<u>Holding</u>	<u>Principal activity</u>
Integrated Alternative Investments US LLC	USA	Ordinary	100%	Investment

At 31 December 2018 the subsidiary had Share Capital of £783 and Reserves of £nil.

9 Debtors

	2018 £	2017 £
Trade debtors	158,571	352,435
Other debtors	11,135	8,873
Amounts due from group companies	3,625,605	3,867,161
Prepayments and accrued income	1,860	2,000
	3,797,171	4,230,469

10 Creditors

	2018 £	2017 £
Trade creditors	147,759	137,822
Accruals and deferred income	27,553	40,417
	175,312	178,239

Notes to the Financial Statements for the year ended 31 December 2018**11 Financial instruments**

	2018 £	2017 £
<u>Financial assets</u>		
Financial assets measured at amortised cost	<u>3,795,311</u>	<u>4,228,469</u>
<u>Financial liabilities</u>		
Financial liabilities measured at amortised cost	<u>175,312</u>	<u>178,239</u>

Basic financial assets measured at cost comprise trade debtors, other debtors and amounts due from related parties.

Basic financial liabilities measured at cost comprise trade creditors and accruals.

12 Deferred Tax

The Company has the following net deferred tax asset which has not been recognised as its recovery cannot be ascertained.

	2018 £	2017 £
Depreciation in advance of capital allowances	1,304	1,837
	<u>1,304</u>	<u>1,837</u>

13 Share Capital

	2018 £	2017 £
Allotted, called up and fully paid		
2,687,778 (2017: 2,687,778) Ordinary shares of £1 each	2,687,778	2,687,778
680,000 (2017: 680,000) Redeemable, non-cumulative preference shares of £1 each	680,000	680,000
	<u>3,367,778</u>	<u>3,367,778</u>

The redeemable shares are redeemable upon request at the sole discretion of the Company and rank pari passu in all respects with regards to voting rights and the winding up of the business with the ordinary shares.

14 Reserves

Other Reserves represents an undistributable reserve account established in 2006, when its ultimate parent undertaking at the time made a contribution to the Company. The contribution was made without any additional claim over the equity of the Company and there was no right to seek repayment.

The profit and loss reserve contains the cumulative balance of retained profit and losses since the company started trading. It is a distributable reserve.

Notes to the Financial Statements for the year ended 31 December 2018

15 Related Party Transactions

Key management personnel include all directors who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £40,036 (2017: £54,647).

During the year the Company was re-charged £225,000 (2017: £132,000) by its ultimate holding company, iAM Capital Group PLC ("IAMCG"), towards the cost of central overheads. The Company received £nil (2017: £240,330) by way of a re-charge from IAM towards consultancy costs that it had incurred in the year. At the year end the Company was owed £3,340,993 (2017: £3,562,911) by IAMCG.

During 2017 the company received equity interests in CGI 1100 Holdco LLC (£140,996) and CGI Sponsorship Capital LLC (£390,244) in lieu of consultancy fees earned. The equity interests in these two US entities were assigned at par value to the company's 100% owned US subsidiary namely Integrated Alternative Investments US LLC ("IAI US"). At the year end there was an amount of £284,605 (2017: £304,250) due to the Company

During the year the company purchased introducer services of £148,191 (2017: £77,409) from Arcap Partners Limited, a company in which E.M. Arbib is a director. There was a balance of £140,711 (2017: £123,837) due to Arcap Partners Limited at the balance sheet date.

During the year the Company charged Executive Management Fees of £159,236 (2017: £157,095) to Integrated Energy Holdings S.A., a company in which E.M. Arbib and G. Fano are directors. At the year end, there was an amount of £nil (2017: £159,716) due to the Company.

16 Immediate and Ultimate Controlling Party

The Company's immediate and ultimate controlling party is iAM Capital Group PLC, a company registered in Great Britain, the financial statements of which can be obtained from 4 Hill Street, London, W1J 5NE.

17 Events after the Reporting Date

There have been no material events since the balance sheet date which necessitate reporting.

IAM INVEST LIMITED

The pages which follow do not form part of the audited statutory financial statements of the Company.

IAM INVEST LIMITED

Unaudited Capital Requirements Directive Pillar 3 disclosure

Background

The Capital Requirements Directive ('the Directive') of the European Union created a revised regulatory framework across Europe governing how much capital financial services firms must retain. In the United Kingdom, this is being implemented by our regulator, the Financial Conduct Authority ('FCA') who has created new rules and guidance specifically through the creation of the General Prudential Sourcebook ('GENPRU') and the Prudential Sourcebook for Banks, Building Societies and Investment Firms ('BIPRU').

The FCA framework consists of three 'Pillars':

Pillar 1 sets out the minimum capital requirements that we need to retain to meet our credit, market and operational risk;

Pillar 2 requires us, and the FCA, to take a view on whether we need to hold additional capital against firm-specific risks not covered by Pillar 1; and

Pillar 3 requires us to develop a set of disclosures which will allow market participants to assess key information about our underlying risks, risk management controls and capital position.

The rules in BIPRU 11 set out the provision for Pillar 3 disclosure. This must be done in accordance with a formal disclosure document. The disclosure of this document meets our obligation with respect to Pillar 3.

The rules provide that we may omit one or more of the required disclosures if we believe that the information is immaterial. Materiality is based on the criterion that the omission or misstatement of any information would be likely to change or influence the decision of a reader relying on that information. Where we have considered a disclosure to be immaterial, we have stated this in the document.

In addition, we may also omit one or more of the required disclosures where we believe that the information is regarded as proprietary or confidential. In our view, proprietary information is that which, if it were shared, would undermine our competitive position. Information is considered to be confidential where there are obligations binding us to confidentiality with our customers, suppliers and counterparties. Where we have omitted information for either of these two reasons we have stated this in the relevant section and the reason for this.

Scope and application of the requirements

IAM Invest Limited ("Integrated" or "the Firm") is authorised and regulated by the FCA and has permission to provide discretionary investment management and investment advisory services on behalf of professional clients and eligible counterparties.

The Firm is a wholly owned subsidiary of Integrated Asset Management plc, a UK domiciled company. The Firm is subject to consolidated reporting but holds an investment firm consolidation waiver.

IAM INVEST LIMITED

Unaudited Capital Requirements Directive Pillar 3 disclosure (Continued)

Risk Management

Integrated is a Limited Liability Company. The Directors of the Firm determine its business strategy and risk appetite along with designing and implementing a risk management framework that recognizes the risks that the business faces. They also determine how those risks may be mitigated and assess on an ongoing basis the arrangements to manage those risks. The Directors meet on a regular basis and discuss current projections for profitability and regulatory capital management, business planning and risk management. The Directors manage the Firm's risks through a framework of policy and procedures having regard to relevant laws, standards, principles and rules (including FCA principle and rules) with the aim to operate a defined and transparent risk management framework. These policies and procedures are updated as required.

The Firm is small with an operational infrastructure appropriate to its size. It carries no market risk, other than foreign exchange risk on its accounts receivable in foreign currency, and credit risk from management and performance fees receivable. The Firm follows the standardised approach to market risk and the simplified standard approach to credit risk. The Firm is subject to the Fixed Overhead Requirement and is not required to calculate an operational risk capital charge.

The main features of the Firm's capital resources for regulatory purposes are as follows:

	£'000's
Capital Item	
Tier 1 capital less innovative tier 1 capital	3,864
Total tier 2, innovative tier 1 and tier 3 capital	-
Deductions from tier 1 and tier 2 capital	-
Total capital resources, net of deductions	<u>3,864</u>

As discussed above the firm is a limited licence firm and as such its capital requirements are greater of:

Base capital requirement of €50,000; or
The sum of its market and credit risk requirements; or
Its Fixed Overhead Requirement.

It is the Firm's experience that the Fixed Overhead Requirement establishes its capital requirements and hence market and credit risks are considered not to be material. The Firm has not omitted any disclosures on the grounds of confidentiality.

Approved for issue 31 December 2018