iAM Capital Group plc

Annual Report 2018

iAM CAPITAL

iAM Capital Group plc

At a glance

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

Financial Highlights

for the year ended 31st December 2018

Key Performance Indicators	2018	2017	Change (%)
Revenues	£14.2m	£14.9m	- 5%
Operating Profit	£11.9m	£5.6m	+ 113%
EBITDA	£15.5m	£9.5m	+ 63%
Net Result After Tax	£7.0m	£1.9m	+ 268%
EPS	10.91p	3.66p	+ 198%

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Chairman's Statement

In the coming year we will continue to commit our resources to strengthen our core activities

I am happy to report that the Company continued to make excellent progress in 2018. The strong performance was attributable to the successful sale of our green energy subsidiary and to the continued growth of our real estate management platform. In the coming year, we will continue to commit our resources and strengthen our core activities, particularly in the real estate sector, in order to extend the success of our business model.

Reflecting this success, the Board is pleased to announce the payment of a maiden dividend of £0.01p per ordinary share.

On behalf of all 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 these accomplishments.

J D S Booth
Chairman
27th June 2019

We are now iAM Capital Group plc

In May 2018 we announced that Integrated Asset Management plc had changed its name to iAM Capital Group plc, together with its wholly owned FCA regulated subsidiary iAM Invest Ltd, from Integrated Alternative Investments Limited.

Our name change reflects iAM Capital's gradual progression from a prominent hedge fund of funds manager into a global proprietary investment group. Over the last two years alone, we have been sponsors or key participants in over a dozen innovative investments and syndicated transactions with a total value of over €300m.

We have a robust pipeline of investment opportunities and are excited about the future as we continue our efforts to build shareholder value. Our track record spans two decades of asset management and alternative investments, including a period when our securities were traded on the London Stock Exchange. In 2010, iAM Capital sold its onshore hedge fund business to Deutsche Bank and has since broadened its investment remit. Most recently, iAM Invest built a portfolio of alternative energy and real estate investments, part of which are held through a regulated Luxembourg alternative investment fund under its management.

iAM Capital House, 4 Hill Street, London

Chief Executive Officer's Review

iAM Capital continued to make huge strides in its sustained growth phase in 2018

During the last year, we realised significant value on our renewable energy investment strategy and saw the continued growth of our real estate business. In addition, we successfully launched our first Fintech fund together with Tel Aviv-based FinTLV. Our financial results reflected these accomplishments, enabling us to reach total gross revenue of £14.2m (compared to £14.9m in 2017), operating profit of £11.9m (compared to £5.6m in 2017), and net profit after tax of £7.0m (compared to £1.9m in 2017). An important part of the profit was due to the successful sale of our green energy business in which we held a controlling interest. The sale closed on December 27, 2018.

Asset Management

Towards the end of 2018, we started preparing for the launch of iAM Capital Fund SCA SICAV-RAIF, structured as a Luxembourg-based fund platform. During 2019 we plan to launch the first fund of this new platform, a second-generation European real estate fund investing in south-western Europe, focusing on residential and hospitality real estate opportunities. Further to the sale of our energy business, we have begun the liquidation process of the Integrated Green Opportunities sub-fund of Integrated SICAV-SIF (the "SIF"), for which iAM Invest serves as investment manager. Over the next year we anticipate that we will also be able to start the process of liquidating the SIF's Integrated Real Opportunities sub-fund ("IREO") and to begin making distributions to investors.

Green Energy PV Portfolio, Puglia

Balance Sheet Investments

Apart from cash, our main balance sheet investment is our holding in JRJ Partner 2 Limited Partnership through which we hold our MarexSpectron investment. During the year MarexSpectron reported excellent operating results, reflecting the maturity of the business and its ability to generate strong performances in more volatile commodity markets. While these record operating results were substantially offset by non-recurring charges, they attest to the continued growth of the business and its scalability.

In addition, during the second quarter of 2019, we closed on the acquisition of an indirect interest of 25% in Sweetstay Holdings Ltd., a Florence based European "new economy" hospitality platform, which provides us with a strategic window into this sector which straddles hospitality and real estate.

Corporate Transactions

As previously reported, in June 2018 we acquired 15% of Heritage Family Office Partners Ltd. ("Heritage"), a new global multi-family office offering high net worth families and individuals a wide range of wealth management and administrative services. We have been working closely with Heritage on several different fronts, including in connection with the launch of our new fund.

Our gross consolidated cash is very strong, standing at £20.5m at the year-end, (2017: £3.5m).

Cost Structure and Balance Sheet

In 2018 and during the first half of 2019, we continued to upgrade our staff to reflect higher levels of activity and projected growth. Our comparable cost from continuing operations in 2018 were £1,316,000 as opposed to £987,000 in 2017. Our staff count grew from 13 at the beginning of 2018 to 16 currently.

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.

Corporate Fundraising

We seek to continue to co-invest with our clients as we have always done. To enable us to continue this strategy as our business grows, at the end of 2018, we decided to selectively raise new capital from strategic investors, in a combination of equity and debt. As of the end of May 2019, we had raised £1,188,000 of equity at £0.66p per share, and £1,383,000 in debt at an average coupon of 5.58%.

Results Summary
Continuing operations only

	Fund Management £ 000	Consultancy £ 000	Central Operating Costs £ 000	2018 Total £ 000	2017 Total £ 000
Turnover	954	17	-	**971**	1,262
Cost of sales	(218)	-	-	**(218)**	(76)
Net Revenue	736	17	-	**753**	1,186
Depreciation and amortisation	-	-	(3)	**(3)**	(16)
Operating costs	(445)	-	(871)	**(1,316)**	(1,349)
Operating profit/(loss) before currency exchange differences	291	17	(874)	**(566)**	(179)
Currency exchange differences	17	-	-	**17**	(13)
Net (loss)/profit on financial assets	(37)	-	119	**82**	(85)
Share of loss of associate	-	-	(5)	**(5)**	(10)
Operating profit/(loss)	271	17	(760)	**(472)**	(287)
Net finance and other income	-	-	115	**115**	171
Profit/(loss) before tax	271	17	(645)	**(357)**	(116)

Operating Margins
Operating margins were negative in 2018. There was a net foreign currency exchange gain of £17,000 compared with a loss of £13,000 in 2017.

Capital and Cash Flow

	2018 £ 000	2017 £ 000
Net assets	**18,367**	10,831
Net current assets	**17,734**	666
Cash at bank	**20,509**	3,508

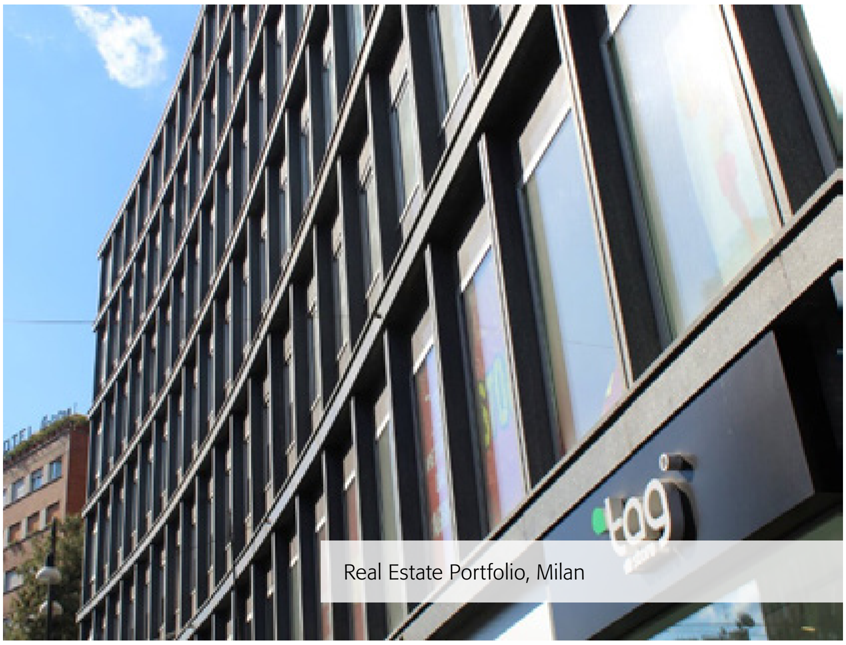
Dividends
The Company recommends the payment of a dividend of £0.01p per ordinary share, (2017: £nil).

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

E M Arbib
Chief Executive Officer
27th June 2019

A Year in Review

We continue to create and execute on attractive investment opportunities in our core areas of expertise



Real Estate Portfolio, Milan

Real Estate Portfolio, Paris

Real Estate

Over the past year we have strengthened our position in the European real estate market, actively pursuing opportunities in Italy and France where we have already sponsored and co-sponsored over €200m transactions since 2016.

Our first-generation real estate fund (IREO) launched in December 2015, and is currently invested in 13 projects, predominantly in Italy and France.

In Italy we are actively invested in Milan – we have one investment in Rome – and have participated in the acquisition of five mixed-use assets with a total transaction size of €67m. In France, we invested in over 40 residential units in Paris across five buildings with an aggregate value of €30m.

In 2018 alone we added a new mixed-use asset to our portfolio located in a prime residential district in Paris, and closed on a substantial deal in the centre of Milan comprising over 9,000sqm of residential and retail space.

In the US we exited one of our investments (made in 2015) realising a gross IRR of 59.2%. We have substantially exited our remaining investment in the US, a mezzanine loan for a prime hotel in downtown Miami, Florida.

At the end of 2018, we conducted independent third-party valuations on all our properties, and we are pleased to report that IREO is on track to significantly exceed expectations, with most transactions reaching or having already exceeded our business plan targets. IREO is nearly fully committed and is now closed to new subscriptions. We also expect to start making distributions ahead of our original schedule.

Overall, 2018 was an excellent year for IREO, with NAV performance of approximately +20% in the year alone, and with historical NAV performance of more than +50% since the inception of the Fund, placing it amongst the top non-speculative European real estate funds.

Green Energy

At the end of 2018 we sold our 34.3 MW solar energy portfolio in Italy through the sale of Econergy Renewables 1 Spa, to EF Solare Italia Spa, Italy's largest owner of solar energy plants and third PV operator in Europe.

Prices in the secondary Italian solar energy market have appreciated steadily since the acquisition of our portfolio in 2016. After monitoring marketing trends, we decided to take advantage of favourable conditions to exit the investment with a solid return for our shareholders and co-investors. We plan to deploy the proceeds realised from the sale, together with our existing capital and our investors' capital, in compelling asymmetric opportunities in Europe, and elsewhere.

The sale represents another realisation of our mission, which since 2001 has been to develop and monetise attractive alternative investment opportunities around the world, from hedge fund of funds to private equity investments

Fintech

Our journey in Fintech started in September 2018 with the launch of the FinTLV Ventures LP Fund. FinTLV is a Venture Capital Fund which aims to provide industry expertise and financial investment to start-ups developing innovative, new-age financial and insurance technologies.

The Fund incorporates a FinTech Open Innovation platform, powered by SOSA, a global network of tech-


FinTLV headquarters based in Tel Aviv, Israel

focused innovation funds. This dedicated platform directly connects FinTech and InsurTech leaders to the heart of the Israeli start-up ecosystem. Through this Fund we are pioneering the future of insurance technology, connecting advanced technologies with global financial corporates to meet their needs and challenges. This unique investment model enables us to invest in start-ups at an early-stage valuation, once they have successfully completed their Proof-of-Concept, and thus ensuring that investment risk is minimised.

FinTLV has already invested in three highly promising start-ups, including Black Swan Technologies, Carbyne911 and Foretellix. The Fund has also partnered with Sapiens International Corporation, a leading global provider of software solutions for the insurance industry with a 35-year proven track record. The aim of this partnership is to ultimately bridge the gap between Insurance carriers and InsurTech start-ups, with a focus on simplifying access to innovative insurance technologies.

Corporate Transactions

In June 2018, we acquired a 15% stake in Heritage Family Office Partners Ltd, a new global multi-family office offering high net worth families and individuals a wide range of wealth management and administrative services. Heritage benefits from a seasoned management team with decades of experience and a broad network of relationships. We believe our investment offers significant potential for important expansion opportunities and synergies in the years ahead.

New Opportunities

A Second-Generation Real Estate Fund

Following on from the success of IREO, and its closure to new investors, our focus towards the end of the year has been to plan the launch of our second-generation real estate fund, iAM Capital Europe II fund (iCE II) . The new fund will focus on creating capital growth through value-added enhancements, innovative financing, and organic growth in rental rates. We are currently raising up to €100m for ICE II, which aims to invest in select liquid cities in Southwest Europe, with focus on Italy and France.

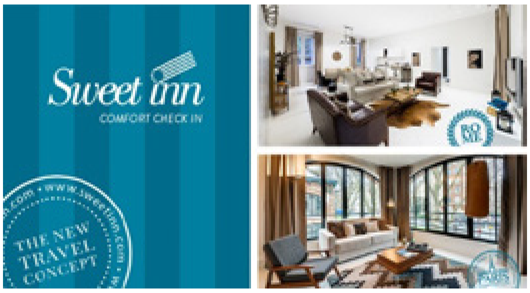
We are now uniquely positioned to put new money to work through our new Fund, in a deal pipeline that continues to grow. Our strong local partner networks give us early exposure to off-market opportunities and the ability to efficiently execute and manage investments.

At the same time, we expect investors to benefit from the recovering strength in our target markets, as well as the upward trend in rental growth in select cities, with liquid real estate markets.

An Innovative Hospitality Platform

With the rise of the short-term lettings industry, as exemplified by Airbnb, we identified a particularly interesting niche within this sector. In a world where millennials and Generation Z's are quickly becoming the dominant cohort, many businesses are being disrupted. Travel and hospitality are very much part of this trend. In 2015 we partnered with Sweet Inn principals (www.sweetinn.com), a successful start-up in this sector, to purchase properties in Paris, that Sweet Inn would then rent from us at premium rates.

To cement our relationships in the hospitality sector, in December 2018 we decided to acquire an important stake in Sweet Stay (www.sweetstay.com), another short-term letting business that operates in our target real estate markets, as well as in London, attracting more pipeline rentals. Sweet Stay specialises in the short term letting of apartments for holiday makers across Europe as well as in the sourcing of medium-term accommodation for corporate professionals. The company seeks to offer hotel-quality rentals in prime locations for customers looking for space, character and comfort.



For further information on any new or existing investment opportunities, please contact info@iamcapital.com

Board of Directors

John Booth

Chairman

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

Emanuel Arbib

CEO

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

Detlef Bierbaum

Director

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

Denis Masetti

Director

Denis Masetti has been active in the financial services industry for over 30 years. He has worked for Rasbank (Allianz Group), SAI-Fondiaria and ING-Sviluppo Investimenti and latterly Robert Fleming SIM in Italy. Denis founded Lombard Marketing Service; a Company linked to Lombard International Insurance. Denis also served as a partner and Director of JD Farrods Securities Limited.

Mark Segall

Director

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

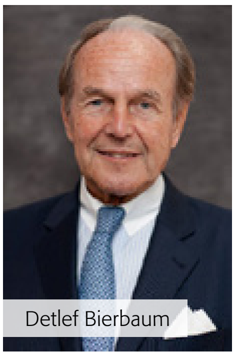
Johanna Arbib

Director

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


John Booth


Emanuel Arbib


Detlef Bierbaum


Denis Masetti


Mark Segall


Johanna Arbib

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 2018.

Overview

iAM Capital Group PLC is the parent company of an asset management, green energy and consultancy group (the "Group"). The principal activities of the group are fund management with a real estate focus, green energy and consultancy services. A review of iAMCap's business activities during 2018 along with future developments and risk management is given in the Chairman's Statement and the Chief Executive's Review on pages 01 and 02.

Business review

Key performance indicators

In 2018 we continued to operate our traditional businesses with overall turnover lower, and as a result a loss contribution for 2018. As was highlighted in the previous year, revenue for consulting was minimal, as we concentrated in the direction of enhancing the fund management side of the business and securing the sale of the green energy operations. At the same time, central overheads were higher year on year as investment was made in staff and facilities in preparation for the proposed business expansion. No strict comparison is available for our green energy business which was disposed of during 2018 and which is therefore shown separately and eliminated in the table below for comparison.

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 several different countries and is exposed to a number of financial risks and particularly currency risk.

Investment Risk

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

Regulatory Environment

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

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

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

	2018 Total £000s	2018 Discontinued Energy business £000s	2018 Existing business £000s	2017 Existing Total £000s	Change Continuing
Turnover	14,173	13,202	971	1,262	-23%
Operating costs net of depreciation and FX	2,819	1,503	1,316	1,349	2%
Operating result	11,854	12,326	(472)	(287)	
Net assets	18,367	10,911	7,456	7,179	4%

Acquisitions, disposals and investment in subsidiaries

On 27 December 2018, the Company's 27% owned subsidiary Integrated E-Energy Investments Sarl sold its 100% investment in Econergy Renewables 1 SpA. 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.

As of the end of May 2019, we had raised £1,188,000 of equity at £0.66p per share.

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 2018 were 31 days for the Company (2017: 30 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
27th June 2019

Directors' Report

The Directors present their annual report together with the audited financial statements for the year ended 31st December 2018.

Directors

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

Mr E M Arbib

Ms J Arbib Perugia (appointed 15 March 2019)

Mr D Bierbaum

Mr J D S Booth

Mr D Masetti

Mr M B Segall

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 John Booth.

Ms Johanna Arbib Perugia also offers herself for reappointment following her appointment during the year.

Results and Dividends

The profit attributable to equity holders for the year ended 31st December 2018 was £2,179,000 (2017: £703,000). The Directors have proposed the payment of a dividend of £0.01p for the year ended 31st December 2018 (2017: £nil).

Donations

During the year the Group made charitable donations totalling £10,500 (2017: £20,000).

During the year the Group made political donations totalling £nil (2017: £nil).

Third-Party Indemnity Provision

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

Subsequent Events

As of the end of May 2019, the Company had raised £1,188,000 of equity at £0.66p per share, and £1,383,000 in debt at an average coupon of 5.58%.

During the second quarter of 2019, the Company closed on the acquisition of an indirect interest of 25% in Sweetstay Holdings Ltd., a Florence based European "new economy" hospitality platform, which provides us with a strategic window into this sector which straddles hospitality and real estate.

Employees

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

Annual General Meeting ("AGM")

The Company's AGM is expected to be held in July 2019. 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
27th June 2019

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

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

Nomination Committee

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

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

Internal Control and Risk Management

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

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

Investor Relations

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

Going Forward

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

Statement of Directors' Responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

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

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

We have audited the financial statements of IAM Capital Group PLC (formerly Integrated Asset Management PLC) for the year ended 31 December 2018, set out on pages 14 to 40. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the directors

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is 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/ auditors responsibilities. 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

27th June 2019

Financial Statements

Consolidated Income Statement
for the year ended 31 December 2018

	Note	Continuing operations 2018 £000s	Discontinued operations 2018 £000s	Total 2018 £000s	Continuing operations 2017 £000s	Discontinued operations 2017 £000s	Total 2017 £000s
Revenue		971	13,202	14,173	1,262	13,652	14,914
Cost of sales		(218)	(2,544)	(2,762)	(76)	(2,788)	(2,864)
Net revenue		753	10,658	11,411	1,186	10,864	12,050
Operating costs		(1,302)	(5,155)	(6,457)	(1,378)	(4,982)	(6,360)
Net loss on financial assets	13	(68)	-	(68)	(219)	-	(219)
Net profit on financial liability		150	-	150	134	-	134
Share of loss of equity-accounted investees		(5)	-	(5)	(10)	-	(10)
Profit on sale of subsidiary		-	6,823	6,823	-	-	-
Operating (loss)/profit		(472)	12,326	11,854	(287)	5,882	5,595
Finance income	5	17	1	18	-	-	-
Finance expense	5	98	(4,595)	(4,497)	171	(4,694)	(4,523)
(Loss)/profit before taxation	3	(357)	7,732	7,375	(116)	1,188	1,072
Taxation	6	138	(466)	(328)	-	865	865
(Loss)/profit for the year		(219)	7,266	7,047	(116)	2,053	1,937
Attributable to :							
Total							
Owners of the parent		219	1,960	2,179	149	554	703
Non-controlling interest		(438)	5,306	4,868	(265)	1,499	1,234
		(219)	7,266	7,047	(116)	2,053	1,937
Earnings per share	7						
Total							
Basic		1.10p	9.82p	10.91p	0.78p	2.88p	3.66p
Diluted		1.10p	9.82p	10.91p	0.78p	2.88p	3.66p

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2018

	Note	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Profit for the year		7,047	1,937
Currency translation differences on overseas operations		170	142
Net gain/(loss) on available for sale financial assets	13	319	(143)
Net gain on interest rate swap		-	608
Total comprehensive income for the year		7,536	2,544
Total comprehensive income attributable to :			
Owners of the parent		2,568	808
Non-controlling interest		4,968	1,736
		7,536	2,544

Consolidated Statement of Financial Position

as at 31 December 2018

	Note	As at 31 December 2018 £000s	As at 31 December 2017 £000s
Assets			
Non-current assets			
Intangible assets	8	-	27,598
Tangible fixed assets	9	77	64,525
Equity-accounted investees	10	9	15
Financial assets	13	4,300	3,835
Other investments, including derivatives	14	-	1,240
Deferred Tax assets	16	154	2,955
Trade and other receivables	11	-	386
		4,540	100,554
Current assets			
Trade and other receivables	11	368	6,970
Cash and cash equivalents	12	20,509	3,508
Other financial assets	13	186	205
		21,063	10,683
Total assets		25,603	111,237
Liabilities			
Non-current liabilities			
Loans and borrowings	17	(2,389)	(88,509)
Bank guarantee		(1,518)	(1,582)
Deferred tax liabilities		-	(298)
		(3,907)	(90,389)
Current liabilities			
Loans and borrowings		-	(4,913)
Trade and other payables	18	(3,329)	(4,929)
Tax payable		-	(175)
		(3,329)	(10,017)
Total liabilities		(7,236)	(100,406)
Net assets		18,367	10,831
Capital and Reserves			
Called up share capital	19	998	998
Share Premium Account		1,029	1,029
Capital redemption reserve		672	672
Exchange difference reserve		241	171
Available for sale financial assets reserve		610	291
Other reserves		-	253
Retained earnings		6,739	4,307
Equity attributable to equity owners of the parent		10,289	7,721
Non-controlling interests		8,078	3,110
Total equity		18,367	10,831

The annual financial statements were approved and authorised for issue by the Board on 27th June 2019 and signed on their behalf by:

J D S Booth
Director

E M Arbib
Director

Company Statement of Financial Position
as at 31 December 2018

	Note	As at 31 December 2018 £000s	As at 31 December 2017 £000s
Assets			
Non-current assets			
Tangible fixed assets	9	77	81
Investment in subsidiaries	15	6,031	6,031
Investment in associate	10	9	15
Financial assets	13	4,015	3,530
Other investments, including derivatives	14	-	-
		10,132	9,657
Current assets			
Trade and other receivables	11	832	654
Cash and cash equivalents	12	387	84
Other financial assets	13	186	204
		1,405	942
Total assets		11,537	10,599
Current liabilities			
Trade and other payables	18	(4,500)	(3,944)
		(4,500)	(3,944)
Net assets		7,037	6,655
Capital and Reserves			
Called up share capital	19	998	998
Share Premium Account		1,029	1,029
Capital redemption reserve		672	672
Available for sale financial assets reserve		609	290
Retained earnings		3,729	3,666
Total equity		7,037	6,655

The annual financial statements were approved and authorised for issue by the Board on 27th June 2019 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 2018

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

	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 loss 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
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

Company Statement of Changes in Shareholders' Equity

for the year ended 31 December 2018

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

	Share capital £000s	Share premium £000s	Retained earnings £000s	Share Options reserve £000s	Other reserve £000s	Total £000s
Balance at 1 January 2017	998	1,029	3,922	-	1,105	7,054
Net loss 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

Consolidated Cash Flow Statement

for the year ended 31 December 2018

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Cash flows from operating activities		
Cash generated/(used) from operations	8,890	9,495
Income tax paid	-	-
Tax received	-	-
Interest paid	(4,410)	(3,791)
Cash flows from operating activities - total Group	4,480	5,704
Cash flows from investing activities		
Purchase of property, plant and equipment	(1)	(229)
Sale of subsidiary	6,842	-
Purchase of non-current financial assets	(204)	(532)
Purchase of current financial assets	(39)	(913)
Purchase of financial portfolio	-	(74)
Sale of non-current financial assets	-	198
Sale of current financial assets	76	913
Cash acquired in lieu of bank guarantee	-	1,790
Intangible fixed assets	3,795	-
Interest received	17	-
Cash flows from investing activities - total Group	10,486	1,153
Cash flows from financing activities		
Repayment of loan receivable	16,145	540
Repayment of mezz loan	(10,333)	-
Repayment of borrowings	(4,903)	(5,333)
Cash flows from financing activities - total Group	909	(4,793)
Net increase in cash and cash equivalents	15,875	2,064
Cash and cash equivalents at beginning of year	2,462	398
Cash and cash equivalents at end of year	18,337	2,462
Cash and cash equivalents at end of year - discontinued operation	2,172	1,046
Net cash and cash equivalents at end of year	20,509	3,508

Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

for the year ended 31 December 2018

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Operating profit on ordinary activities	11,854	5,595
Depreciation and amortisation	3,657	3,866
Movement in fair value on financial assets	68	219
Net profit on financial liability	(150)	(134)
Profit on sale of subsidiary	(6,823)	
Result of associated company	5	10
Foreign currency translation	(19)	286
Decrease/(increase) in trade and other receivables	880	(230)
Decrease in trade and other payables	(582)	(117)
Net cash inflow from operating activities	8,890	9,495

Company Cash Flow Statement
for the year ended 31 December 2018

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Cash flows from operating activities		
Cash generated/(used) from operations	471	(717)
Income tax paid	-	-
Cash flows from operating activities	471	(717)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1)	(7)
Purchase of subsidiary	-	(1)
Purchase of non-current financial assets	(204)	-
Sale of non-current financial assets	-	198
Purchase of current financial assets	(39)	(8)
Sale of current financial assets	76	-
Interest received	-	-
Cash flows from investing activities	(168)	182
Cash flows from financing activities		
Interest paid	-	-
Repayment of Employee Share Ownership Trust Loan	-	540
Cash flows from financing activities	-	540
Net increase in cash and cash equivalents	303	5
Cash and cash equivalents at beginning of year	84	79
Cash and cash equivalents at end of year	387	84

Reconciliation of Operating Profit/(Loss) to Net Cash Inflow/(Outflow) from Operating Activities
for the year ended 31 December 2018

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Operating profit/(loss) on ordinary activities	91	(256)
Depreciation	5	16
Movement in fair value on financial assets	2	-
Result of associated company	5	10
Foreign currency translation	(10)	17
Increase in trade and other receivables	(179)	(482)
Increase/(decrease) in trade and other payables	557	(22)
Net cash inflow/(outflow) from operating activities	471	(717)

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 2018:

A number of new standards, amendments and interpretations are effective for the first time for 2018. The Group has adopted the amendments and revisions to standards as detailed below:

IFRS 9	Financial Instruments: Classification and Measurement.
IFRS 15	Revenue from Contracts with Customers.

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 financial statements. Although relevant, they are not expected to have a material impact on the Group's results:

	Effective Date
IFRS 16 - "Leases".	01 January 2019
IFRS 17 - "Insurance Contracts".	01 January 2021

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 2018. 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.

(d) Consolidation

Subsidiaries

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

i) Business combinations

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

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

ii) Non-controlling interests

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

iii) Associates

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

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

(e) Segment reporting

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

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

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

(f) Foreign currency translation

i) Functional and presentation currency

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

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

ii) Transactions and balances

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

iii) Group companies

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

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

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

(g) Tangible assets

i) Property, plant and equipment

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

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

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

*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 2018 is £74,000 (2017: £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 include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(m) Borrowings

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

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

(n) Share-based compensation

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

(o) Deferred income tax

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

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

(p) Revenue recognition

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

Revenue includes the following:

Management and performance fees

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

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

Green Energy revenues

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

Consultancy Services

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

Finance income

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

(q) Cost of sales

i) Fund Management

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

ii) Green Energy

Cost of sales comprises 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 expense 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 (which was disposed of during the year), Hedge Fund and Consultancy Services together with a segment for the central operating costs. The segmental results are as follows:-

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

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

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

2 Segmental reporting (continued)

31 December 2017	Hedge Fund £000s	Consultancy £000s	Central Operating costs £000s	Continuing Operations £000s	Discontinued Green Energy £000s	Group £000s
Revenue from external customers	1,262	-	-	1,262	13,652	14,914
Cost of sales	(76)	-	-	(76)	(2,788)	(2,864)
Net Revenue	1,186	-	-	1,186	10,864	12,050
Operating costs	(270)	-	(1,079)	(1,349)	(1,132)	(2,481)
Depreciation and amortisation	-	-	(16)	(16)	(3,850)	(3,866)
Currency exchange differences	5	-	(18)	(13)	-	(13)
Net (loss)/gain on financial assets	(227)	-	142	(85)	-	(85)
Share of loss of associate	-	-	(10)	(10)	-	(10)
Operating profit/(loss)	694	-	(981)	(287)	5,882	5,595
External interest receivable and similar income	-	-	-	-	-	-
External interest payable and similar expense	-	-	171	171	(4,694)	(4,523)
Inter-segment interest receivable	-	-	-	-	-	-
Inter-segment interest payable	-	-	-	-	-	-
Profit/(loss) before taxation	694	-	(810)	(116)	1,188	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.

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

(b) Geographical segments

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

3 Profit on ordinary activities before taxation

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

	2018 £000s	2017 £000s
Amortisation of intangible assets	-	278
Depreciation of property, plant and equipment	3,657	3,588
Exchange (gain)/loss	(17)	13
Operating lease rentals - land and buildings	138	102
Bank interest income	(18)	-
Audit services		
- fees payable to the Group's auditors for the audit of its financial statements	21	21
- audit related regulatory	86	79
Tax services	6	5
Other assurance services	32	24

4 Staff costs and employees

Staff costs including Directors' emoluments:

	2018 £000s	2017 £000s
Wages and salaries (Including bonuses)	425	420
Social security costs	42	43
Other staff costs	33	30
Total	500	493

The average monthly number of persons employed by the Group including Executive Directors was 15 (2017: 13) and is analysed as follows:

	2018	2017
Asset Management	10	7
Administration	5	6
Total	15	13

Directors' emoluments:

	2018 £000s	2017 £000s
Group		
Directors' emoluments	128	119

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 (2017: £12,250).

The highest paid Director received salary and related benefits of £82,000 (2017: £78,000), which included contributions to money purchase pension schemes.

5 Net finance costs

Group	2018 £000s	2017 £000s
Interest income on:		
Barclays Bank deposit accounts	1	-
Union Bancaire Privee deposit accounts	16	-
ING Bank deposit accounts	1	-
Finance income	18	-
Interest expenses on:		
Secured bank loans	(3,192)	(3,308)
Secured bond issue	(1,019)	(857)
Unsecured third-party loan	(298)	(279)
Sundry loans	12	(79)
Finance costs	(4,497)	(4,523)
Net finance costs recognised in profit or loss	(4,479)	(4,523)

6 Taxation

(a) Analysis of tax charge for the year

	2018 £000s	2017 £000s
Current tax		
Current tax on profits for the year	656	642
Adjustments in respect of prior periods		(56)
Total current tax	656	586
Deferred tax	(328)	(1,451)
Effects of changes in corporation tax rates	-	-
Origination and reversal of temporary differences	-	-
Total tax charge for the year	328	(865)

(b) Factors affecting the tax charge for the year

	2018 £000s	2017 £000s
Profit before taxation	7,375	1,072
Tax calculated at domestic tax rates applicable to profits in the respective countries	618	635
Effect of:		
Disallowable expenses and non-taxable income	5	7
Capital allowances in excess of depreciation	(1)	(1)
Short term timing differences		-
Tax losses utilised		-
Other tax adjustments		-
Deferred tax adjustments	(328)	(1,451)
Adjustment in respect of prior periods	-	(56)
Unrelieved tax losses and other deductions in the period	34	1
Total tax charge/(credit) for the year	328	(865)

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 Nil (2017 744,658)

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:

	2018 £000s	2017 £000s
Total profit from continuing operations used in calculating basic and diluted EPS	219	350
Total profit used in calculating basic and diluted EPS	2,179	703
	No. '000s	No. '000s
Weighted average number of ordinary shares used in calculating basic EPS	19,969	19,225
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	19,969	19,225

Basic EPS from continuing operations has been calculated using the profit from continuing operations £219,000 (excluding non-controlling interests) divided by the weighted average number of ordinary shares 19,969,215.

Diluted EPS from continuing operations has been calculated using the profit from continuing operations £219,000 (excluding non-controlling interests) divided by the weighted average number of ordinary shares 19,969,215.

Potentially dilutive instruments that have not been included in the calculation of diluted EPS, because they were antidilutive comprise share options over Nil (2017: 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 2018	23,559	246	4,172	14	27,991
Disposal of subsidiary	(23,559)	(246)	(4,172)	(14)	(27,991)
Movement on exchange	-	-	-	-	-
At 31st December 2018	-	-	-	-	-
Amortisation					
At 1st January 2018	-	(42)	(346)	(5)	(393)
Charge in the year	-	-	-	-	-
Disposal of subsidiary	-	42	346	5	393
Movement on exchange	-	-	-	-	-
At 31st December 2018	-	-	-	-	-
Net Book Value					
At 31st December 2018	-	-	-	-	-
Cost					
At 1st January 2017	22,789	238	4,035	14	27,076
Disposal of subsidiary	-	-	-	-	-
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)
Disposal of subsidiary	-	-	-	-	-
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

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 2018	1,928	90,469	123	303	249	93,072
Additions	-	-	-	1	-	1
Disposal of subsidiary	(1,928)	(90,469)	-	(5)	-	(92,402)
Movement on exchange	-	-	-	-	-	-
At 31st December 2018	-	-	123	299	249	671
Depreciation						
At 1st January 2018	-	(27,955)	(121)	(222)	(249)	(28,547)
Charge in the year	-	(3,650)	(2)	(5)	-	(3,657)
Disposal of subsidiary		31,605	-	5	-	31,610
Movement on exchange	-	-	-	-	-	-
At 31st December 2018	-	-	(123)	(222)	(249)	(594)
Net Book Value						
At 31st December 2018	-	-	-	77	-	77
Cost						
At 1st January 2017	1,867	87,296	120	299	249	89,831
Additions	-	222	3	4	-	229
Disposal of subsidiary	-	-	-	-	-	-
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)
Charge in the year	-	(3,569)	(12)	(7)	-	(3,588)
Disposal of subsidiary	-	-	-	-	-	-
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

Company	Vehicles & equipment £000s	Fixtures & fittings £000s	Leasehold improvements £000s	Total £000s
Cost				
At 1st January 2018	123	297	249	669
Additions	-	1	-	1
Disposals	-	-	-	-
At 31st December 2018	123	298	249	670
Depreciation				
At 1st January 2018	(121)	(218)	(249)	(588)
Charge in the year	(2)	(3)	-	(5)
Disposals	-	-	-	-
At 31st December 2018	(123)	(221)	(249)	(593)
Net Book Value				
At 31st December 2018	-	77	-	77
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

10 Equity-accounted investees

Associates

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

	Group and Company 2018 £000s	2017 £000s
Percentage ownership interest	50%	50%
Non-current assets	-	5
Current assets	19	25
Current liabilities	-	-
Net assets	19	30
Carrying amount of interest in associate	9	15
Revenue	-	-
Loss from continuing operations	(10)	(20)
Group's share of operating loss	(5)	(10)

11 Trade and other receivables

Amounts due after more than one year	Group		Company	
	2018 £000s	2017 £000s	2018 £000s	2017 £000s
Guarantee deposits received	-	379	-	-
Other tax receivables	-	-	-	-
Other receivables	-	7	-	-
Total	-	386	-	-

Amounts due within one year	Group		Company	
	2018 £000s	2017 £000s	2018 £000s	2017 £000s
Trade receivables (Note 22)	179	4,087	20	23
VAT and other tax receivables	-	2,402	-	-
Amounts owed by group undertakings	-	-	674	369
Other receivables	148	265	131	255
Prepayments	41	216	7	7
Total	368	6,970	832	654

12 Cash and cash equivalents

	Group		Company	
	2018 £000s	2017 £000s	2018 £000s	2017 £000s
Cash at bank and in hand	20,509	3,508	387	84
Total cash and cash equivalents	20,509	3,508	387	84

There is a bank guarantee held with Union Bancaire Privee against Group cash balances of £1,830,937 (2017: £1,730,513).

13 Financial assets

(a) Movement in fair value

Non-current Available-for-sale financial assets	Group 2018 £000s	Group 2017 £000s	Company 2018 £000s	Company 2017 £000s
Movement in fair value				
At 1st January	3,835	3,890	3,530	3,890
Additions	204	532	204	-
Disposals	-	(198)	-	(198)
Transfer to Current available-for-sale financial assets	-	-	-	-
Movement on exchange	27	-	9	-
Realised gain through profit and loss	-	-	-	-
Impairment through profit and loss	(66)	(227)	(28)	-
Net gain/(loss) in movement in fair value through other comprehensive income	300	(162)	300	(162)
At 31st December	4,300	3,835	4,015	3,530

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 2018 the Company received a return of capital of £nil (2017: £198,356) which is shown as a disposal in the above analysis.

During 2017 the Group received equity interests in CGI 1100 Holdco LLC and CGI 1100 Sponsorship Capital LLC in lieu of consultancy fees earned. The equity interests in these two US entities were assigned at par value by iAM Invest Ltd to its 100% owned US subsidiary, namely Integrated Alternative Investments USA LLC. At the year end, the Board have taken a decision to impair the valuation of these equity interests by 40% (2017: 40%) and 75% (2017: 50%) respectively.

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

Current Available-for-sale financial assets	Group 2018 £000s	Group 2017 £000s	Company 2018 £000s	Company 2017 £000s
Movement in fair value				
At 1st January	205	182	204	182
Additions	39	913	39	8
Disposals	(76)	(913)	(76)	-
Transfer from Non-Current available-for-sale financial assets	-	-	-	-
Movement on exchange	1	(4)	2	(5)
Realised gain through profit and loss	-	8	-	-
Impairment through profit and loss	(2)	-	(2)	-
Net gain in movement in fair value through other comprehensive income	19	19	19	19
At 31st December	186	205	186	204

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 £39,000.

During the year the Group received a final redemption on funds that it used to manage that were based in the Cayman Islands and British Virgin Islands. The redemptions received totalled £75,840.

Current Fair value through profit and loss financial assets	Group 2018 £000s	Group 2017 £000s	Company 2018 £000s	Company 2017 £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.

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	
	2018	2017	2018	2017
Available-for-sale financial assets - Non-current	£000s	£000s	£000s	£000s
Level 1	-	-	-	-
Level 2	-	-	-	-
Level 3	4,300	3,835	4,015	3,530
	4,300	3,835	4,015	3,530

	Group		Company	
	2018	2017	2018	2017
Available-for-sale financial assets - Current	£000s	£000s	£000s	£000s
Level 1	-	-	-	-
Level 2	186	205	186	204
Level 3	-	-	-	-
	186	205	186	204

	Group		Company	
	2018	2017	2018	2017
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.

14 Other investments, including derivatives

	Group		Company	
	2018	2017	2018	2017
	£000s	£000s	£000s	£000s
Non-current investments				
Interest rate swaps used for hedging	-	1,240	-	-
	-	1,240	-	-

15 Investments

Company	Subsidiaries £000s	Employee Trusts £000s	Total £000s
Cost			
At 1st January 2018	6,031	-	6,031
Additions	-	-	-
Disposals	-	-	-
At 31st December 2018	6,031	-	6,031
Impairment			
At 1st January 2018	-	-	-
Disposals	-	-	-
Charge for the year	-	-	-
At 31st December 2018	-	-	-
Net book value at 31st December 2018	6,031	-	6,031
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

A list of the Company's subsidiaries and details of the changes in ownership interest during the year can be found at Note 23.

16 Deferred tax

	Group 2018 £000s	Group 2017 £000s	Company 2018 £000s	Company 2017 £000s
Deferred tax assets				
Italian tax relating to Green Energy business	154	2,955	-	-
	154	2,955	-	-

Apart from that which has already been recognised in the financial statements, the group has deferred tax assets of £1,482,000 (2017: £1,473,000) 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 £1,482,000 (2017: £1,473,000) in respect of tax losses, which have not been recognised due to the lack of certainty as to the utilisation of these assets.

17 Loans and borrowings

Group	2018 £000s	2017 £000s
Non-current liabilities		
Secured bank loans	-	76,157
Secured bond issue	-	9,988
Unsecured third-party loan	2,389	2,364
	2,389	88,509
Current liabilities		
Secured bank loans	-	4,913
Secured bond issue	-	-
Unsecured third-party loan	-	-
	-	4,913

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

The secured bond issue was 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 2018 £000s	Carrying Amount 2018 £000s	Face Value 2017 £000s	Carrying Amount 2017 £000s
Secured bank loan - Mediocredito Italiano SpA	EUR	Euribor+2.65%	2030	-	-	84,111	80,626
Secured bank loan - Cassa di Risparimio del Veneto SpA	EUR	Euribor+2.65%	2021	-	-	444	444
Secured Bond issue	EUR	Fixed 8%	2024	-	-	10,222	9,988
Unsecured third-party loan	EUR	Fixed 12%	2036	2,389	2,389	2,364	2,364
				2,389	2,389	97,141	93,422

18 Trade and other payables

	Group 2018 £000s	Group 2017 £000s	Company 2018 £000s	Company 2017 £000s
Current				
Trade payables	178	3,986	30	19
Amounts owed to group undertakings	-	-	3,341	3,563
Other creditors	1,194	458	-	-
Other taxation and social security costs	12	9	12	9
Accruals and deferred income	1,945	476	1,117	353
Total	3,329	4,929	4,500	3,944

19 Share capital

	2018 £000s	2018 Number of ordinary 5p shares 000s	2017 £000s	2017 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.

20 Related parties

Group

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

	Revenue		Expenses	
	2018	2017	2018	2017
	£000s	£000s	£000s	£000s
Current				
Related companies	-	-	398	469
Directors	-	-	(14)	76
Total	-	-	384	545

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	
	2018	2017	2018	2017
	£000s	£000s	£000s	£000s
Related companies	-	-	141	293
Directors	25	11	-	38
Total	25	11	141	331

Related companies represent those companies of which certain Directors of the Company are also Directors, namely Arcap Partners Ltd, where E. Arbib is a Director, for the provision 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:

	2018	2017
	£000s	£000s
Short-term employee benefits	128	119
Share-based payments	-	-
Total	128	119

Company

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

	2018	2017
	£000s	£000s
Management fees receivable from iAM Invest Investments Ltd	(225)	(132)
Management fees payable to iAM Invest Ltd	-	-
Dividend receivable from iAM Invest Ltd	(690)	(480)

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

	2018	2017
	£000s	£000s
Amounts due to iAM Invest Ltd	(3,341)	(3,563)
Amounts due from Integrated Recovery Ltd	674	369

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:

	2018 £000s	2017 £000s
Within one year	250	250
Between two and five years	375	625
After five years	-	-
Total	625	875

22 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 2018 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 2018, the total amount of US Dollar's hedged was $Nil (2017: $Nil). The fair value of the open hedging contracts was £Nil (2017: £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 2018, if the Euro had strengthened/weakened by 10% against Sterling with all other variables held constant, pre-tax result would increase/(decrease) by £63,000/(£51,000) respectively [2017: £31,000/(£25,000)], principally as a result of the increase/decrease in assets and liabilities denominated in foreign currencies; other components of equity would increase/(decrease) by £638,000/(£413,000) respectfully [2017: £410,000/(£182,000)], principally as a result of the unhedged portion of net investment in foreign operations.

At 31 December 2018, if the US Dollar had strengthened/weakened by 10% against Sterling with all other variables held constant, pre-tax result would increase/(decrease) by £60,000/(£49,000) respectively [2017: £89,000/(£72,000)], principally as a result of the increase/decrease in assets and liabilities denominated in foreign currencies.

Interest rate risk

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

Liquidity risk

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

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

Credit risk

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

The Group's credit risk exposure in respect of its green energy operations was at the close of the previous 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.

22 Financial risk management (continued)

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

	2018 £000s	2017 £000s
Trade receivables - Green energy		
Receivable from GSE	-	3,172
Other related trade receivables	-	699
Carrying amount	-	3,871

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

	2018 £000s	2017 £000s
Trade receivables - Fund management		
Neither past due nor impaired		
Low risk	179	193
Carrying amount	179	193
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	179	216

Group	2018 £000s	2017 £000s
Trade receivables (note 11)		
Green energy	-	3,871
Fund management	179	216
Carrying amount	179	4,087

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% (2017: 15%) movement in market prices, that would affect the value of its "Fair value through profit and loss" financial assets at the statement of financial position date.

	Group 2018 £000s	2017 £000s	Company 2018 £000s	2017 £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 its respective requirements throughout the year of ownership.

23 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 2018 % Owned	31 December 2017 % Owned
Hedge Fund Management			
iAM Invest Ltd	UK	100%	100%
Integrated Alternative Investments USA LLC	USA	100%	100%
Integrated Recovery Ltd	BVI	100%	100%
Green Energy interests			
Integrated Energy Holdings Ltd	UK	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%
Enersol Srl	Italy	-	27.0%
Helios 1 Srl	Italy	-	27.0%
Laem Srl	Italy	-	27.0%
LD Vert Srl	Italy	-	27.0%
Meridiana Energy Srl	Italy	-	27.0%
Nur Energie Italia Srl	Italy	-	27.0%
PVP1 Srl	Italy	-	27.0%
Rinnovabili Srl	Italy	-	27.0%
San Marzano Srl	Italy	-	27.0%
Sonnen Systeme Italia Srl	Italy	-	27.0%
Sun Plant Tree Srl	Italy	-	27.0%

24 Discontinued operations

In December 2018, the Group sold its 27.02% interest in Econergy Renewables 1 SpA, and its results have been shown in the consolidated income statement as discontinued operations for 2017 & 2018.

	2018 £000s	2017 £000s
Sales consideration received	10,422	-
Retention withheld (see note below)	(886)	
Total consideration	9,536	-
Cash disposed of	(1,046)	-
Costs of disposal	(2,569)	-
Net cash inflow on disposal of discontinued operation	5,921	-
Net assets disposed (other than cash):		
Goodwill and intangible assets	(27,598)	
Land, plant and equipment	(64,444)	
Financial fixed assets	(1,240)	
External loans	80,316	
Shareholder loans	15,972	
Trade and other receivables	(9,707)	-
Trade and other payables	7,603	-
	902	-
Pre-tax gain on disposal of discontinued operation	6,823	-
Related tax expense	-	-
Gain on disposal of discontinued operation	6,823	-

Retention

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

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

Earnings per share from discontinued operations, are shown in the Consolidated Income Statement on page 14 and note 7 on page 29.

Statement of cash flows

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

	2018 £000s	2017 £000s
Operating activities	(2,383)	611
Investing activities	3,795	(219)
Financing activities	(4,903)	(4,830)
Net cash from discontinued operations	(3,491)	(4,438)

25 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.

26 Events after the reporting date

As of the end of May 2019, the Company had raised £1,188,000 of equity at £0.66p per share, and £1,383,000 in debt at an average coupon of 5.58%.

During the second quarter of 2019, the Company closed on the acquisition of an indirect interest of 25% in Sweetstay Holdings Ltd., a Florence based European "new economy" hospitality platform, which provides us with a strategic window into this sector which straddles hospitality and real estate.

Company Information

Directors
E M Arbib
J Arbib Perugia
D Bierbaum
J D S Booth
D Masetti
M B Segall

Secretary
D Baron

Registered Office
4 Hill Street
London, W1J 5NE

Advisers

Auditors
Sopher + Co LLP
5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

Office Locations

Principal Office
iAM Capital Group PLC
iAM Invest Ltd

4 Hill Street,
London, W1J 5NE
Tel: +44 (0) 20 7514 9200
Fax: +44 (0) 20 7514 9211
info@iamcapital.com
www.iamcapital.com

iAM CAPITAL

4 Hill Street
London, W1J 5NE

Tel: +44 (0)20 7514 9200
Fax: +44 (0)20 7514 9211

info@iamcapital.com
www.iamcapital.com