

**IAM INVEST LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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## **IAM INVEST LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	E Arbib D Baron M Segall
<b>Registered number</b>	04007950
<b>Registered office</b>	4 Hill Street London W1J 5NE
<b>Independent auditors</b>	Sopher + Co LLP Chartered Accountants & Statutory Auditors 5 Elstree Gate Elstree Way Borehamwood Hertfordshire WD6 1JD
<b>Bankers</b>	Barclays Bank Plc Business Banking Larger Business Floor 28, 1 Churchill Place Canary Wharf London E14 5HP

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**IAM INVEST LIMITED**

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## **IAM INVEST LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Introduction**

The directors present the strategic report for the year ended 31 December 2020.

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

#### **Business review**

The Company is authorised and regulated by the Financial Conduct Authority ("FCA").

The directors are pleased that the Company has managed to increase its turnover for the year 2020, despite the challenges around COVID-19 and the relating uncertainties. The Company continues to manage both sub-funds of the Integrated Investments SICAV-SIF, with IREO in its realisation phase. The assets under management of the IREO and IAO sub-funds have seen a drop of around 10% as a result of the impact of COVID-19 on the real estate market, which has impacted the ability of the Company to collect a performance fee for the year. We expect to see a recovery in the market during 2021. The IAM Capital Fund SCA SICAV-RAIF successfully launched its ICE II compartment, completed its first close, and is now working towards its final close. The Company continues to actively manage its cost base in line with the level of assets under management.

#### **Principal risks and uncertainties**

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

#### **Financial key performance indicators**

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

	<b>2020</b>	<b>2019</b>	<b>Change</b>
	<b>£</b>	<b>£</b>	
Turnover	865,772	649,133	33%
Profit for the year before tax	240,601	85,135	183%
Total capital resources, net of deductions	3,510,017	3,519,416	0%

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## **IAM INVEST LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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

The board of directors of IAM Invest Limited considers that the directors have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members and the group as a whole (having regard to the stakeholders and matters set out in S172(1)(a-f) of the Act) in the decisions taken during the financial year ended on 31 December 2020.

- The Company has successfully launched the ICE II compartment of the IAM Capital Fund during 2020 and it is working towards its final close during 2021. After a more challenging year, the Company is now looking to increase the size of its team in-line with the assets under management while keeping the level of costs under strict review. The board of directors will closely monitor the situation and prepare the Company so that it can act quickly and decisively with the aim to take advantage of any new opportunities arising.
- The Company and the group operate a policy of equal opportunities in recruitment, promotion and training for all their employees. The Company believes that all individuals should be treated fairly, with respect and that they are appropriately valued for their contribution to the organisation.
- As board of directors we aim to act responsibly and fairly in how the Company engages with suppliers, service providers and in an open and cooperative way with its regulatory body, the FCA. Further information regarding the Company's Creditor Payment Policy can be found in the Directors' Report section.
- The impact of the Company's operations on the community and environment is minimal due to the nature of its business. The ESG policy of the Company is published on its website.
- The Company has implemented compliance policies to satisfy the senior management & certification regime and provided training to all the staff to ensure they understand their obligation to act with integrity, due skill, care and diligence as well as paying due regard to the interests of customers and the requirement to treat them fairly. The board of directors believes it is of utmost importance to behave responsibly, to operate with high standards of business conduct and lead by example.
- The Company has a sole member but it takes into consideration acting fairly towards other members of the group.

This report was approved by the board on 23 April 2021 and signed on its behalf.

**E Arbib**  
Director

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## **IAM INVEST LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their report and the financial statements for the year ended 31 December 2020.

#### **Directors**

The directors who served during the year were:

E Arbib  
D Baron  
M Segall

#### **Results and dividends**

The profit for the year, after taxation, amounted to £240,601 (2019 - £85,135).

A dividend of £250,000 was paid in the year (2019 - £430,000).

#### **Future developments**

The Company is looking to increase the AUM of the ICE II compartment of the IAM Capital Fund and complete the final close during 2021 and increase its turnover.

#### **Company's policy for payment of creditors**

The Company 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 and to make payment in accordance with the payment terms.

#### **Subsequent events**

There are no subsequent events affecting the company since the reporting date.

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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**IAM INVEST LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Qualifying third party indemnity provisions**

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

**Pillar 3 disclosures**

Details of the Company's unaudited Pillar 3 disclosures, required under Chapter 11 of the Financial Conduct Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU"), will be published on our website.

**Disclosure of information to auditors**

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

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

**Auditors**

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

This report was approved by the board on 23 April 2021 and signed on its behalf.

**E Arbib**  
Director

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## **IAM INVEST LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IAM INVEST LIMITED**

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#### **Opinion**

We have audited the financial statements of IAM Invest Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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



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## **IAM INVEST LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IAM INVEST LIMITED (CONTINUED)**

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#### **Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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## IAM INVEST LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IAM INVEST LIMITED (CONTINUED)

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

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

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

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

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

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the Group's and Company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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## IAM INVEST LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IAM INVEST LIMITED (CONTINUED)

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

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

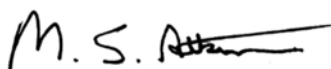
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance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

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

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

#### Use of our report

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

23 April 2021

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IAM INVEST LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020

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	Note	2020 £	2019 £
Turnover	2.5,4	865,772	649,133
Cost of sales		(142,963)	(70,165)
<b>Gross profit</b>		<b>722,809</b>	578,968
Administrative expenses		(482,208)	(493,833)
<b>Operating profit</b>	6	<b>240,601</b>	85,135
Tax on profit	10	-	-
<b>Profit for the financial year</b>		<b>240,601</b>	85,135

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 12 to 20 form part of these financial statements.

**IAM INVEST LIMITED**  
**REGISTERED NUMBER:04007950**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	11	783	783
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	3,288,351	3,313,178
Cash at bank and in hand		461,712	281,274
		<u>3,750,063</u>	<u>3,594,452</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	13	(240,829)	(75,819)
<b>Net current assets</b>		<u>3,509,234</u>	<u>3,518,633</u>
<b>Net assets</b>		<u><u>3,510,017</u></u>	<u><u>3,519,416</u></u>
<b>Capital and reserves</b>			
Called up share capital	14	2,687,778	2,687,778
Other equity capital	14	680,000	680,000
Other reserves	15	53,000	53,000
Profit and loss account	15	89,239	98,638
		<u><u>3,510,017</u></u>	<u><u>3,519,416</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 April 2021.

**E Arbib**  
Director

The notes on pages 12 to 20 form part of these financial statements.

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**IAM INVEST LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 January 2019</b>	<b>2,687,778</b>	<b>53,000</b>	<b>443,503</b>	<b>3,184,281</b>
Profit for the year	-	-	85,135	85,135
Dividends paid	-	-	(430,000)	(430,000)
<b>At 1 January 2020</b>	<b>2,687,778</b>	<b>53,000</b>	<b>98,638</b>	<b>2,839,416</b>
Profit for the year	-	-	240,601	240,601
Dividends paid	-	-	(250,000)	(250,000)
<b>At 31 December 2020</b>	<b>2,687,778</b>	<b>53,000</b>	<b>89,239</b>	<b>2,830,017</b>

The notes on pages 12 to 20 form part of these financial statements.

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## IAM INVEST LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. General information

IAM Invest Limited is a private limited liability company registered in England and Wales. Its registered office and business address is 4 Hill Street, London W1J 5NE.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Exemption from preparing consolidated financial statements

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

##### 2.3 Financial reporting standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of iAM Capital Group Plc as at 31 December 2020 and these financial statements may be obtained from Companies House.

##### 2.4 Going concern

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

##### 2.5 Turnover

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

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## **IAM INVEST LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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## **2. Accounting policies (continued)**

### **2.6 Foreign currency translation**

The financial statements are presented in the British Pound Sterling (£), which is also the functional currency of the Company. Transactions in currencies, other than the functional currency of the Company, are recorded at the rate of exchange on the date the transaction occurred. Monetary items denominated in other currencies are translated at the rate prevailing at the end of the reporting period. All differences are taken to the Statement of Comprehensive Income. Non-monetary items that are measured at historic cost in a foreign currency are not retranslated.

### **2.7 Current and deferred taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### **2.8 Pensions**

The Company contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

### **2.9 Holiday pay accrual**

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



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## **IAM INVEST LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **2. Accounting policies (continued)**

##### **2.10 Financial instruments**

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

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

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

Cash is represented by cash in hand and deposits with financial institutions.

##### **2.11 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.12 Dividends**

Equity dividends are recognised when they become legally payable.

#### **3. Judgments in applying accounting policies and key sources of estimation uncertainty**

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

Management use their judgement to determine whether there are indicators of impairment of the Company's assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the assets.

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**IAM INVEST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**4. Turnover**

Turnover is attributable to the Company's principal activity and primarily comprises of the following:

Management and Performance fees

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

Performance fees are calculated as a percentage of the net appreciation in a fund's net asset values at the end of a performance period. The length of a performance period varies between funds. 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 reporting date, performance fees have been recognised based on reasonable estimates that consider the particular fund's performance to the reporting date and where evidence exists that suggests that the current performance will be sustainable to the end of the performance period.

Consultancy fees

Consultancy fees are based on underlying agreements. They are recognised once the service has been provided and economic benefits will flow to the Company.

All sales are recognised net of Value Added Tax where applicable.

An analysis of turnover by class of business is as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Management fees	<b>342,798</b>	305,563
Performance fees	<b>153,483</b>	55,335
Advisory fees	<b>171,290</b>	-
Other income	<b>198,201</b>	288,235
	<b>865,772</b>	649,133

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

**5. Cost of sales**

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

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**IAM INVEST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**6. Operating profit**

The operating profit is stated after charging:

	<b>2020</b>	2019
	<b>£</b>	£
Exchange differences	<b>(3,107)</b>	21,317
Management recharge	<b>123,936</b>	123,936
	<b><u>123,936</u></b>	<u>123,936</u>

**7. Auditors' remuneration**

	<b>2020</b>	2019
	<b>£</b>	£
Fees payable to the company's auditor for the audit of the company's annual financial statements	<b>9,000</b>	6,600
Non audit services	<b>4,500</b>	-
	<b><u>13,500</u></b>	<u>6,600</u>

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2020</b>	2019
	<b>£</b>	£
Wages and salaries	<b>257,046</b>	246,383
Social security costs	<b>29,310</b>	27,270
Pension costs	<b>3,591</b>	4,164
	<b><u>289,947</u></b>	<u>277,817</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2020</b>	2019
	<b>No.</b>	No.
Employees	<b>6</b>	7
	<b><u>6</u></b>	<u>7</u>

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**IAM INVEST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	32,997	34,948
Company contributions to defined contribution pension schemes	681	-
Consultancy fees	-	1,221
	<u>33,678</u>	<u>36,169</u>

During the year retirement benefits were accruing to 1 director (2019 - NIL) in respect of defined contribution pension schemes.

**10. Taxation**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>240,601</u>	<u>85,135</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	45,714	16,176
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,829	-
Capital allowances for year in excess of depreciation	(192)	(235)
Group relief	(48,351)	(15,941)
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

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**IAM INVEST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**11. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
At 1 January 2020	<b>783</b>
At 31 December 2020	<b>783</b>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>
Integrated Alternative Investments US LLC	USA	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves</b>	<b>Profit/(Loss)</b>
Integrated Alternative Investments US LLC	<b>783</b>	<b>-</b>

**IAM INVEST LIMITED**

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**12. Debtors**

	2020 £	2019 £
Trade debtors	3,982	303,365
Amounts owed by group undertakings	2,863,387	2,964,203
Other debtors	307,171	44,659
Prepayments and accrued income	113,811	951
	<u>3,288,351</u>	<u>3,313,178</u>

**13. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	18,859	9,477
Amounts owed to group undertakings	740	-
Accruals and deferred income	221,230	66,342
	<u>240,829</u>	<u>75,819</u>

**14. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
2,687,778 (2019 - 2,687,778) Ordinary shares of £1 each	2,687,778	2,687,778
680,000 (2019 - 680,000) Redeemable preference shares of £1 each	680,000	680,000
	<u>3,367,778</u>	<u>3,367,778</u>

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

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## **IAM INVEST LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **15. Reserves**

##### **Other reserves**

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

##### **Profit and loss account**

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

#### **16. Pension commitments**

The Company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £3,591 (2019 - £4,164). Contributions payable to the fund by the Company are presented in the consolidated financial statements of the parent company.

#### **17. Related party transactions**

Key management personnel include all directors who together have authority and responsibility for planning, directing and controlling the activities of the company. Compensation to key management personnel consists only of the directors' remuneration as set out in note 9.

During the year the company was charged management fee and commission of £89,789 (2019 - £40,920) by an entity which is connected to one of the directors.

#### **18. Controlling party**

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