



Interim Report and Financial Statements
For the six months ended 30th June 2003

Contents

Chairman's Statement

1

Unaudited Consolidated Profit and Loss Account

2

Unaudited Consolidated Statement of
Total Recognised Gains and Losses

3

Unaudited Consolidated Balance Sheet

4

Reconciliation of Movement in
Equity Shareholders' Funds

5

Unaudited Consolidated Cashflow Statement

6

Notes to the Interim Financial Statements

8

Independent Review Report to
Integrated Asset Management plc

10

Chairman's Statement

I am pleased to report that during the six-month period ended 30th June 2003 your company has continued to make good progress against the background of a long awaited, yet still modest improvement in market conditions, which has continued into the current period.

Turnover for the six months period remained steady at £2,434,879 (six months ended 30th June 2002: £2,525,254), whilst the operating loss before goodwill amortisation more than halved to £235,384 (six months ended 30th June 2002: £493,597). Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) have shown significant improvement, -£174,275 (six months to June 2002: -£455,044). Assets under management grew to \$330 million (including those to be brought on board by the acquisition of Appleton International) and this growth will assist the group's move to profitability.

It was a particularly busy six months for the company with a number of significant developments taking place. As mentioned above we have agreed to acquire, subject to FSA approval, Appleton International Limited which was the UK subsidiary of PSG Investment Services the South African financial services group. Appleton International Limited manages the Condor European and Kingfisher hedge funds. Pending receiving FSA consent, Integrated via its FSA regulated subsidiary GAIM Advisors is currently providing investment management services to Appleton. This not only adds significant funds to our alternative investment portfolio but also offers additional distribution channels, particularly in South Africa. It is also anticipated that it will lead to further collaboration with PSG Investment Services in the future.

Our distribution network, particularly in Europe and the Middle East, has also been brought in-house with the 100% acquisition of JD Farrods Securities Limited.

In September 2003, the company acquired the broking business of Investory Limited. This will form the core of a new Integrated Financial Products ("IFP") division. IFP will be managed by experienced brokers, who have been active in equity and derivatives markets for many years and have invested personally in shareholdings totalling approximately 10% of Integrated. The new division, based in London, will work closely with the Interfin broking division in Milan.

Interfin SIM SpA, our wholly-owned Italian money broker, continues to perform strongly and has made a significant contribution to the trading of the group.

I am also pleased to be able to report that our leading Fund, GAIM Hedge fund has improved its net asset value per share by over 5% during the year to 30th June across all four of its share classes, with increases ranging from 5.02% - 5.63%.

GAIM Paragon has seen good investment performance and costs continue to be tightly managed. This will enhance the division's results as markets continue to improve.

Finally, I would like to offer my thanks to all our shareholders and staff for their continued support and efforts throughout the past six months. As the company continues to grow its assets under management thanks both to internal growth and acquisitions, we look forward to reporting significant progress at year-end.

J D S Booth

Chairman

29th September 2003

Unaudited Consolidated Profit and Loss Account

For the six months ended 30th June 2003

		Unaudited Six months ended 30th June 2003 £	Unaudited Six months ended 30th June 2002 £	Audited Year ended 31st December 2002 £
Turnover				
From continuing operations	3	2,434,879	2,525,254	4,979,290
		2,434,879	2,525,254	4,979,290
Operating costs		(2,670,263)	(3,018,851)	(6,159,194)
Operating loss before goodwill amortisation		(235,384)	(493,597)	(1,179,904)
Goodwill amortisation	4	(268,276)	(287,600)	(211,296)
Operating loss		(503,660)	(781,197)	(1,391,200)
Investment income		12,456	22,952	40,098
Interest payable		(107,920)	(134,934)	(281,036)
Loss on ordinary activities before taxation		(599,124)	(893,179)	(1,632,138)
Taxation on loss on ordinary activities	5	–	–	1,595
Loss for the period		(599,124)	(893,179)	(1,630,543)
Minority interest		102,444	86,614	68,859
Loss attributable to shareholders		(496,680)	(806,565)	(1,561,684)
Loss per ordinary share	6	(5.22)p	(10.90)p	(17.85)p
Diluted loss per share	6	–	–	(17.83)p

Unaudited Consolidated Statement of Total Recognised Gains and Losses

For the six months ended 30th June 2003

	Unaudited Six months ended 30th June 2003 £	Unaudited Six months ended 30th June 2002 £	Audited Year ended 31st December 2002 £
Loss for the period	(496,680)	(806,565)	(1,561,684)
Currency translation difference on foreign currency net investment	59,860	–	61,693
Total recognised loss	(436,820)	(806,565)	(1,499,991)

Unaudited Consolidated Balance Sheet

30th June 2003

	Unaudited 30th June 2003 £	Unaudited 30th June 2002 £	Audited 31st December 2002 £
Fixed assets			
Intangible assets	1,975,552	2,605,293	2,267,833
Tangible assets	142,863	150,761	118,193
Investments	83,085	138,796	81,130
	2,201,500	2,894,850	2,467,156
Current assets			
Debtors	1,313,338	1,710,328	1,124,725
Short term investments	100,007		112,568
Cash and short term deposits	1,725,872	1,148,337	1,240,698
	3,139,217	2,858,665	2,477,991
Creditors, amounts falling due within one year	(1,170,107)	(1,453,242)	(1,265,149)
Net current assets	1,969,110	1,405,423	1,212,842
Total assets less current liabilities	4,170,610	4,300,273	3,679,998
Creditors, amounts falling due after more than one year	(4,002,536)	(2,696,553)	(3,045,055)
	168,074	1,603,720	634,943
Capital and reserves			
Called up share capital	1,886,275	1,678,802	1,692,819
Shares to be issued	191,500	350,561	191,049
Share premium account	4,085,571	4,210,996	4,219,501
Exchange difference reserve	121,556	–	61,693
Profit and loss account	(5,957,369)	(4,705,570)	(5,460,689)
Equity shareholders' funds	327,533	1,534,789	704,373
Minority interests - equity interest	(159,459)	68,931	(69,430)
	168,074	1,603,720	634,943

The interim financial statements were approved by the board on and signed on their behalf by:

J D S Booth

Directors 29th September 2003

E M Arbib

Unaudited Reconciliation of the Movement in Equity Shareholders' Funds

For the six months ended 30th June 2003

	Unaudited Six months ended 30th June 2003 £	Unaudited Six months ended 30th June 2002 £	Audited Year ended 31st December 2002 £
Loss for the period	(496,680)	(806,565)	(1,561,684)
Exchange difference reserve	59,863	–	61,693
Shares issued	193,456	531,299	553,821
Reduction in share premium	(133,930)	–	–
Adjustment in shares to be issued	451	(1,131,822)	(1,291,334)
Net additions to equity shareholders' funds	(376,840)	(1,407,088)	(2,237,504)
Opening equity shareholders' funds	704,373	2,941,877	2,941,877
Closing equity shareholders' funds	327,533	1,534,789	704,373

Unaudited Consolidated Cash Flow Statement

For the six months ended 30th June 2003

	Unaudited Six months ended 30th June 2003 £	Unaudited Six months ended 30th June 2002 £	Audited Year ended 31st December 2002 £
Cash flow from operating activities	(402,141)	(1,135,098)	(1,259,856)
Return on investments and servicing of finance			
Interest received	12,456	22,952	40,098
Interest payable	(107,920)	(134,934)	(281,036)
	(95,464)	(111,982)	(240,938)
Taxation	-	-	1,595
Capital expenditure			
Purchase of tangible fixed assets	(45,740)	-	(34,164)
Sale/(purchase) of investments	12,561	-	(51,962)
Purchase of intangible assets	-	-	(120,207)
	(33,179)	-	(206,333)
Net cash outflow before financing	(530,784)	(1,247,080)	(1,705,532)
Financing			
Issue of ordinary share capital	306,000	-	-
Issue of convertible loan note	670,977	-	735,000
Cash inflow/(outflow) from increase in debt and lease financing	38,981	188,963	4,766
Net cash inflow from financing	1,015,958	188,963	739,776
Increase/(decrease) in cash in the period	485,174	(1,058,117)	(965,756)
	At 1st January 2003	Cashflow	At 30th June 2003
Analysis of net funds	1,240,698	485,174	1,725,872

Unaudited Reconciliation of Operating Profit to Net Cash Outflow from Operating Activities

For the six months ended 30th June 2003

	Unaudited Six months ended 30th June 2003 £	Unaudited Six months ended 30th June 2002 £	Audited Year ended 31st December 2002 £
Operating loss on ordinary activities	(503,660)	(781,197)	(1,391,200)
Depreciation and amortisation of intangibles	61,109	38,353	90,828
Amortisation of goodwill	268,276	287,600	413,631
Shares issued for surrendered debt	41,048	–	37,500
	(133,227)	(455,244)	(849,241)
Foreign currency translation	14,471	17,749	(49,916)
(Increase)/decrease in debtors	(188,613)	(299,278)	225,719
(Decrease)/increase in creditors	(95,042)	(398,325)	(586,418)
Net cash outflow from operating activities	(402,141)	(1,135,098)	(1,259,856)

Notes to the Interim Accounts

For the six months ended 30th June 2003

1. Basis of preparation

The unaudited interim financial information, which has been approved by the Board of Directors and which does not comprise statutory accounts has been prepared on the basis of accounting policies set out in the group's accounts for the year ended 31st December 2002. The group's accounts for the year ended 31st December 2002 have been reported on by the auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

2. Basis of consolidation

The consolidated accounts are based on the accounts of Integrated Asset Management plc and its subsidiaries made up to 30th June 2003. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

3. Turnover

All amounts derive from continuing activities.

4. Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions is capitalised. Positive goodwill is amortised to nil by equal instalments over its estimated useful life of 5 years. Such goodwill is subject to periodic review for impairment in accordance with Financial Reporting Standard 11: Impairment of tangible fixed assets and goodwill.

5. Taxation on ordinary activities

	Six months ended 30th June 2003 £	Six months ended 30th June 2002 £	Year ended 31st December 2002 £
Current year UK corporation tax	–	–	–
Adjustment in respect of prior years	–	–	(1,595)
	–	–	(1,595)

6. Earnings per ordinary share

The calculation of the basic earnings per share is based on a loss for the six months to 30th June 2003 of £496,680 (six months to 30th June 2002 loss £806,565 and year to 31st December 2002 loss £1,561,684) divided by the weighted average number of ordinary shares in issue for the six months to 30th June 2003 of 9,515,191 (six months to 30th June 2002 of 8,185,715 and year to 31st December 2002 of 8,749,358).

Diluted earnings per share is shown where there are outstanding potential dilutive ordinary shares. The calculation and diluted earnings per share is based on a loss for the year to 31st December 2002 of £1,561,684 divided by the diluted weighted average number of ordinary shares at 31st December 2002 of 8,758,228.

7. Interim report

The Interim report will today be sent to registered shareholders. Further copies will be available to the public from the company's registered office: 4 Hill Street, London, W1J 5NE.

Independent Review Report by Moore Stephens to Integrated Asset Management plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 30th June 2003 set out on pages 2 to 9 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The Listing Rules of the Financial Services Authority require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30th June 2003.

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Moore Stephens
Chartered Accountants
29th September 2003

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