



# **Integrated Asset Management plc**

**Interim Accounts**  
**(for the six months to 31 October 2000)**

INTEGRATED ASSET MANAGEMENT PLC

**CHAIRMAN'S STATEMENT**

**Interim accounts for the six months to 31 October 2000**

During the six months to 31 October 2000 IAM has started down the road to achieving its objective of creating a European financial services group focused on providing quality wealth management services to high net-worth individuals, smaller institutions and financial intermediaries. The Group has employed a strategy of growth through acquisition and joint ventures seeking to add portfolios of products, assets under management, cross-selling and operational synergies.

**Acquisitions**

The first of our acquisitions, the purchase of all the issued shares of Global Investment Advisors Limited, was approved by shareholders on 12 April 2000. This provided the first building block. In October we announced the investment in Interfin SIM, which was approved by shareholders in November. Unfortunately, the completion of this acquisition took some time as it required Bank of Italy approval. This was received in February 2001 and we announced the completion of this acquisition on 16 February 2001.

We now own a minimum of 50.002% of Interfin SIM and may, as a result of certain post completion adjustments increase our interest to some 60% at no further cost. This increase in our interest in Interfin results from the recent reduction in trading volumes in the retail stock broking sector however, we remain convinced that there are exciting opportunities in Italy for IAM's wealth management services. Interfin's established base of institutional customers and network of agents on the ground will form a base upon which the group can grow.

Your Board is continuing to pursue further opportunities to make acquisitions that fit into our strategy and hope to make further announcements about his shortly.

**Funding**

On 9 February 2001 IAM announced that Asset Management Investment Company plc (AMIC), the listed specialist investment trust, has subscribed for £2.0 million 12% convertible loan stock, 2006. The loan stock converts into 1,176,470 ordinary shares in IAM at 170p per share. We will be using this financing to accelerate our business expansion. We are delighted that AMIC has chosen to increase its investment in IAM at this stage of our development.

**Financial Performance**

At the start of the period covered by the accounts the Company completed the acquisition of Global Investment Advisors and the revenues of that company are

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recognised for 6 months. The Group had an increased operating loss before goodwill amortisation and cost of investigating acquisitions of £131,889 (1999: £72,141) as a result of the increased costs of operating and the costs of the various new business opportunities being developed. The Group earned £42,394 (1999: £3,764) on its cash resources which meant that the loss on ordinary activities before taxation was £167,656 (1999: £68,377). The Company had cash of some £1,867,784 at 31 October 2000, of which some £750,000 was used for the acquisition of Interfin.

**Prospects**

Since 30 November we have made a number of significant steps forward and we look forward to announcing more shortly. With the receipt of IMRO permission to extend Global's business we can move forward our plans to launch our own managed products. These products will be offered directly by Interfin and future members of the group to their clients and will also be sold in other channels.

Your board believes that IAM has now established a firm base for moving forward, using both acquisition and internal growth to achieve its long term objectives.

## INTEGRATED ASSET MANAGEMENT PLC

**UNAUDITED CONSOLIDATED PROFIT & LOSS****For the six months ended 31 October 2000**

	<i>Six months ended 31 October 2000 Unaudited £</i>	<i>Six months ended 30 October 1999 £</i>	<i>Year ended 30 April 1999 £</i>
<b>Turnover</b>	210,000	—	—
Operating costs	<u>(341,889)</u>	<u>(72,141)</u>	<u>(221,555)</u>
Operating loss before goodwill amortisation and acquisition investigation costs	(131,889)	(72,141)	(221,555)
Goodwill amortisation	(9,984)	—	(1,664)
Acquisition investigation costs	<u>(68,177)</u>	<u>—</u>	<u>—</u>
<b>Operating loss</b>	<u>(210,050)</u>	<u>(72,141)</u>	<u>(223,219)</u>
Investment income	<u>42,394</u>	<u>3,764</u>	<u>11,417</u>
<b>Loss on ordinary activities before taxation</b>	<u>(167,656)</u>	<u>(68,377)</u>	<u>(211,802)</u>
Taxation on loss on ordinary activities	—	—	—
<b>Loss attributable to shareholders</b>	<u><u>(167,656)</u></u>	<u><u>(68,377)</u></u>	<u><u>(211,802)</u></u>
<b>Loss per ordinary share</b>	<u>(3.10p)</u>	<u>(2.59p)</u>	<u>(7.60p)</u>

There are no recognised gains or losses other than those included in the profit and loss account.

All the operations of the group are continuing operations.

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**UNAUDITED CONSOLIDATED BALANCE SHEET****31 October 2000**

	<i>Six months ended 31 October 2000 Unaudited £</i>	<i>Six months ended 30 October 1999 £</i>	<i>Year ended 30 April 1999 £</i>
<b>Fixed assets</b>			
Intangible assets	164,807	—	98,178
Tangible assets	45,045	807	11,270
	<u>209,852</u>	<u>807</u>	<u>109,448</u>
<b>Current assets</b>			
Debtors	198,622	409,895	213,473
Cash and short term deposits	1,867,784	95,898	2,094,789
	<u>2,066,406</u>	<u>505,793</u>	<u>2,308,262</u>
<b>Creditors – amounts falling due within one year</b>	<u>(260,790)</u>	<u>(64,656)</u>	<u>(314,586)</u>
<b>Net current assets</b>	<u>1,805,616</u>	<u>441,137</u>	<u>1,993,676</u>
<b>Total assets less current liabilities</b>	<u>2,015,468</u>	<u>441,944</u>	<u>2,103,124</u>
<b>Capital and reserves</b>			
Called up share capital	1,137,200	528,600	1,057,200
Share premium account	3,138,542	1,862,537	3,138,542
Profit and loss	(2,260,274)	(1,949,193)	(2,092,618)
<b>Equity shareholders' funds</b>	<u>2,015,468</u>	<u>441,944</u>	<u>2,103,124</u>

## INTEGRATED ASSET MANAGEMENT PLC

**CONSOLIDATED CASH FLOW STATEMENT****For the 6 months ended 31 October 2000**

	<i>Six months ended 31 October 2000 Unaudited £</i>	<i>Six months ended 30 October 1999 £</i>	<i>Year ended 30 April 1999 £</i>
<b>Net cash outflow from operating activities</b>	(190,080)	(385,988)	(46,125)
<b>Capital expenditure</b>			
Purchase of tangible fixed assets	(40,312)	(758)	(1,207)
Purchase of intangible assets	(74,806)	—	—
<b>Acquisitions and disposals</b>			
Acquisition of subsidiary	(1,807)	—	(224,880)
Net cash acquired with subsidiary	—	—	79,752
<b>Net cash outflow before financing</b>	(307,005)	(386,746)	(192,460)
<b>Financing</b>			
Issue of ordinary share capital	80,000	—	1,982,250
Expenses paid in connection with share issue	—	—	(177,645)
<b>Net cash inflow from financing</b>	80,000	—	1,804,605
(Decrease)/increase in cash in the period	<u>(227,005)</u>	<u>(386,746)</u>	<u>1,612,145</u>

## INTEGRATED ASSET MANAGEMENT PLC

**RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES****For the six months ended 31 October 2000**

	<i>Six months ended 31 October 2000 Unaudited £</i>	<i>Six months ended 30 October 1999 £</i>	<i>Year ended 30 April 1999 £</i>
<b>Loss on ordinary activities</b>	(167,656)	(68,377)	(211,802)
Depreciation charge	6,537	101	239
Amortisation of goodwill	9,984	—	1,664
Decrease/(increase) in debtors	14,851	(342,980)	(62,870)
(Decrease)/increase in creditors	(53,796)	25,268	226,644
<b>Net cash outflow from operating activities</b>	<u>(190,080)</u>	<u>(385,988)</u>	<u>(46,125)</u>

**Analysis of net funds**

	<i>At 1 May 2000</i>	<i>Cashflow</i>	<i>At 30 October 2000</i>
	2,094,789	(227,005)	1,867,784

**RECONCILIATION OF THE MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS****For the six months ended 31 October 2000**

	<i>Six months ended 31 October 2000 Unaudited £</i>	<i>Six months ended 30 October 1999 £</i>	<i>Year ended 30 April 1999 £</i>
Loss for the period attributable to equity shareholders	(167,656)	(68,377)	(211,802)
Shares issued	80,000	—	1,982,250
Expenses paid in connection with share issues	—	—	(177,645)
<b>Net additions to equity shareholders' funds</b>	<u>(87,656)</u>	<u>(68,377)</u>	<u>1,592,803</u>
Opening equity shareholders' funds	2,103,124	510,321	510,321
<b>Closing equity shareholders' funds</b>	<u>2,015,468</u>	<u>441,944</u>	<u>2,103,124</u>

INTEGRATED ASSET MANAGEMENT PLC

**NOTES TO THE INTERIM ACCOUNTS**

**For the six months ended 31 October 2000**

**1. Basis of preparation**

The unaudited interim financial information, which has been approved by the Board of Directors, has been prepared on the basis of accounting policies set out in the Group's accounts for the year ended 30 April 2000. The Group's accounts for the year ended 30 April 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 31 October 2000. 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. 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 installments over its estimated useful life of 5 years. Such goodwill is subject to periodic review for impairment in accordance with FRS 11: Impairment of tangible fixed assets and goodwill.

**4. Turnover**

All amounts derive from continuing activities within the UK

**5. Earnings per ordinary share**

The calculation of earnings per share is based on a loss for the 6 months of £167,656 (6 months to October 1999 loss £68,377 and 12 months to April 2000, loss £211,802). Divided by the weighted average of ordinary shares in issue for the 6 months and 31 October 2000 of 5,413,591 (6 months to October 1999 2,643,000 and 12 months to October 1999 of 2,643,000).

**6. Taxation on Ordinary Activities**

There is no UK Corporation tax charge due to the availability of losses

**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

INTEGRATED ASSET MANAGEMENT PLC

**INDEPENDENT REVIEW REPORT BY MOORES STEPHENS TO INTEGRATED ASSET MANAGEMENT PLC.**

**Introduction**

We have been instructed by the Company to review the financial information set out on pages 3 to 7 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.

**Review work performed**

We conducted our review in accordance with guidance contained in Bulletin 1999/4 Review of interim financial information issued by the Auditing Practices Board. 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. A review is substantially less in scope than an audit performed in accordance with 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 31 October 2000.

Moore Stephens

**Integrated Asset Management plc**

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**Directors**

John Booth *Chairman*  
Emanuel Arbib *Chief Executive*  
Raffaello Nemni *Executive Director*  
Norman Epstein *Non Executive*  
Mark Segall *Non Executive*

Keith Williams *Company Secretary*

**Auditors**

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Chartered Accountants  
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