

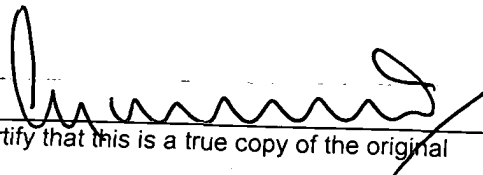
Nedgroup Investment Advisors (UK) Limited

Directors' report and financial statements

For the year ended 31 December 2019

Company Registration No 02627187




I certify that this is a true copy of the original

Simon J Spenser FCCA MloD (Dip)
Company Secretary
Certified Accountant
Nedgroup Investments, Douglas, Isle of Man, IM1 1EU
+44 (0)1624 645155

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Nedgroup Investment Advisors (UK) Limited

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Nedgroup Investment Advisors (UK) Limited

Company information

Directors:

N Andrew
A G K Hamilton a
A V Lodge b
A Yeadon

Key: a Member and Chairman of Audit Committee
 b Chairman of the Board

Secretary:

S J Spenser

Registered office:

1st Floor
Millennium Bridge House
2 Lambeth Hill
London
EC4V 4GG

Auditors:

Deloitte LLP
The Old Courthouse
Athol Street
Douglas
Isle of Man
IM99 1XJ

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Nedgroup Investment Advisors (UK) Limited

Directors' report

The Directors present the annual report and the audited financial statements of Nedgroup Investment Advisors (UK) Limited ("the Company") for the year ended 31 December 2019.

Principal activity

The Company is incorporated in the United Kingdom and has its registered office in London. The Company is regulated by the Financial Conduct Authority. The principal activity of the Company in the year under review was the provision of investment advisory services.

The directors expect to continue developing and generating revenues from its activities in the forthcoming year. We have considered the impact of the United Kingdom leaving the European Union on 31 January 2020 on the company's operations and deem this to have no material impact. The directors will continue to monitor any future developments and consider the impact it could potentially have on the company and its operations.

The directors are not aware of any subsequent events.

Business review

The Company made a profit before taxation of US\$837,288 (2018: profit US\$572,683) and a profit after taxation of US\$673,828 (2018: profit US\$467,789).

Dividends

No dividends were paid during the year (2018: nil). A dividend of US\$1,000,000 was declared on 20 December 2019.

Directors

The Directors who served during the year and to date were:

N Andrew
A G K Hamilton
A V Lodge
A Yeadon

Directors' interests

The Directors held no shares in the Company during the year or to date (2018: nil).

Qualifying third party indemnity provisions

There were no qualifying third party indemnity provisions in force during the year.

Going concern

The Directors are of the opinion that the use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern. The Company is not dependent on external finance and projected cash flows indicate adequate financial resources to meet liabilities as they fall due.

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Nedgroup Investment Advisors (UK) Limited

Directors' report (continued)

Going concern (continued)

In the Directors assessment of adopting the going concern basis of accounting, the Board took into account both current performance and the Company's outlook, which considered the potential impact of the Covid-19 pandemic on the Company's capital and funding position. As part of this assessment, the Board considered a variety of scenarios, taking into account:

- the impacts on profit due to potential reductions in revenues derived from assets on which it provides advisory services;
 - the sufficiency of the Company's capital base throughout the going concern period;
 - the adequacy of the Company's liquidity;
- the status of the parent Nedbank group and the financial and operational linkages that exist with the Company; and
- the operational resilience of the Company's priority business functions, dependencies on suppliers, and the ability to provide continuity of service to its customers.

Based on the current financial forecasts and stress test analysis, the Company's capital, funding, and operational capabilities support the Board's assessment that they have a reasonable expectation that the Company will continue in operational existence for the foreseeable future.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy is subject to a number of risks such as market risk (the impact of market factors on the assets on which the Company provides advisory services) and retention of key staff. The Board of Directors has overall responsibility for the establishment and oversight of a risk management framework and the Group has an established and comprehensive policy for the control of risks associated with its business activities. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits.

Employees

The Company had 5 employees during the year (2018:5 employees).

Political Contributions

The Company made no political donations or incurred any disclosable political expenditure during the year (2018: nil).

Post balance sheet events

Details of important events affecting the Company which have taken place since the end of the financial year are given in note 12 to the financial statements.

Nedgroup Investment Advisors (UK) Limited

Directors' report (continued)

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Registered Office

The Company's registered office is:

1st Floor

Millennium Bridge House

2 Lambeth Hill

London

EC4V 4GG

By order of the Board


S J Spenser
Secretary

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Nedgroup Investment Advisors (UK) Limited

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing 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 they have elected to prepare financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has 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 appropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper 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.

~~The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.~~

Independent Auditor's Report to the members of Nedgroup Investment Advisors (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Nedgroup Investment Advisors (UK) Limited (the 'company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 *Reduced Disclosure Framework*, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- The statement of profit and loss and comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the accounting policies; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis of 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 auditor's 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 UK, including the Financial Reporting Council's (the 'FRC'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 are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

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 auditor's 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.

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Independent Auditor's Report to the members of Nedgroup Investment Advisors (UK) Limited (continued)

Other information (continued)

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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Auditor's 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 auditor's 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

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Independent Auditor's Report to the members of Nedgroup Investment Advisors (UK) Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

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 auditor's 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.



Matthew Bainbridge FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP, Statutory Auditor
Douglas
Isle of Man

28 May 2020



Nedgroup Investment Advisors (UK) Limited

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 31 December 2019

	Notes	2019 US\$	2018 US\$
Turnover	2	2,243,637	2,159,914
Administrative expenses		(1,464,870)	(1,568,031)
Operating profit	3	<u>778,767</u>	<u>591,883</u>
Interest receivable		49,147	32,945
Loss on disposal of asset		-	(33,271)
Foreign exchange gains/(losses)		9,374	(18,874)
Profit on ordinary activities before taxation		<u>837,288</u>	<u>572,683</u>
Taxation	5	(163,460)	(104,894)
Profit for the financial year		<u><u>673,828</u></u>	<u><u>467,789</u></u>
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		<u><u>673,828</u></u>	<u><u>467,789</u></u>

The Directors consider that all results derive from continuing activities.

The notes on pages 12 to 19 form part of these financial statements.

I certify that this is a true copy of the original

Simon J Spenser FCCA MloD (Dip)
Company Secretary
Certified Accountant
Nedgroup Investments, Douglas, Isle of Man, IM1 1EU
+44 (0)1624 645155

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Nedgroup Investment Advisors (UK) Limited

Balance sheet

as at 31 December 2019

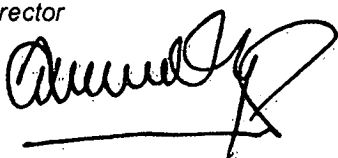
	Notes	2019 US\$	2019 US\$	2018 US\$	2018 US\$
Non-current assets					
Tangible fixed assets	6	523		1,501	
Deferred tax	5	32,730		39,488	
Total non-current assets			33,253		40,989
Current assets					
Amounts due from fellow subsidiaries	7	183,062		227,909	
Debtors and prepayments		20,657		30,711	
Cash at bank		3,532,420		2,908,997	
		3,736,139		3,167,617	
Liabilities falling due within one year					
Creditors and accruals		(714,527)		(852,102)	
Dividend payable		(1,000,000)		-	
Taxation	5	(84,628)		(60,095)	
		(1,799,155)		(912,197)	
Net current assets			1,936,984		2,255,420
Net assets			1,970,237		2,296,409
Capital and reserves					
Ordinary share capital	8	1,000,000		1,000,000	
Capital redemption reserve	9	434,028		434,028	
Share option reserve	10	-		-	
Profit and loss account		536,209		862,381	
Equity shareholder's funds		1,970,237		2,296,409	

The notes on pages 12 to 19 form part of these financial statements.

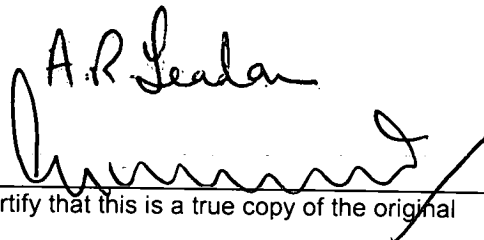
The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the Board of Directors on 17 March 2020 and were signed on their behalf by:

Director



Director



I certify that this is a true copy of the original

Simon J Spenser FCCA MIOD (Dip)
Company Secretary
Certified Accountant
Nedgroup Investments, Douglas, Isle of Man, IM1 1EU
+44 (0)1624 645155

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Nedgroup Investment Advisors (UK) Limited

Statement of changes in Equity For the year ended 31 December 2019

	Notes	Share capital US\$	Share Option Reserve US\$	Capital Redemption Reserve US\$	Profit and Loss Account US\$	Total Equity US\$
Balance at 1 January 2017		1,000,000	33,677	434,028	358,605	1,826,310
Profit for the financial year		-	-	-	467,789	467,789
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-	-	-	467,789	467,789
<i>Transactions with owner, recorded directly in equity</i>						
Increase in share option reserve	10	-	2,310	-	-	2,310
Transfer to distributable reserves	10	-	(35,987)	-	35,987	-
Total contributions by and distributions to owner		-	(33,677)	-	35,987	2,310
Balance at 31 December 2018		1,000,000	-	434,028	862,381	2,296,409
Profit for the financial year		-	-	-	673,828	673,828
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-	-	-	673,828	673,828
<i>Transactions with owner, recorded directly in equity</i>						
Dividends payable		-	-	-	(1,000,000)	(1,000,000)
Total contributions by and distributions to owner		-	-	-	(1,000,000)	(1,000,000)
Balance at 31 December 2019		1,000,000	-	434,028	536,209	1,970,237

The notes on pages 12 to 19 form part of these financial statements.

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Nedgroup Investment Advisors (UK) Limited

Notes

(forming part of the financial statements for the year ended 31 December 2019)

1 Accounting policies

These financial statements were prepared in accordance with UK Accounting Standards including Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Nedbank Group Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Nedbank Group Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from www.nedbank.co.za.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for Share Capital and Tangible Fixed Assets;
- Disclosures in respect of transactions with wholly owned subsidiaries within the Nedbank Group Limited group;
- The effects of new but not yet effective IFRSs;
- Presenting a third balance sheet when restating comparative information

As the consolidated financial statements of Nedbank Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments;
- The disclosures required by IFRS 7 *Financial Instrument Disclosures*; and
- The disclosures in relation to fair value measurement required by IFRS 13 *Fair Value Measurement* (as the Company is not a Financial Institution as defined by FRS 101).

The accounting policies set out on the next page have been applied consistently to all periods presented in these financial statements.

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Nedgroup Investment Advisors (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2019)

1 Accounting policies (continued)

a) *Measurement convention*

The financial statements are prepared under the historical cost convention.

b) *Tangible Fixed Assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of assets on a straight line basis over their estimated useful lives as follows:

Computer & office equipment	4 years
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c) *Foreign currencies*

The financial statements are presented in United States Dollars which is also the Company's functional currency.

Transactions in foreign currencies are translated into United States Dollars at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are recognised in the profit and loss account.

The exchange rate at the balance sheet date was GBP:USD 1.31585 (2018: GBP:USD 1.2738).

d) *Taxation*

Taxation includes current and deferred taxation is recognised in the profit and loss account.

Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all material timing differences between the treatment of certain items for tax and accounting purposes which have arisen but not reversed by the statement of financial position date. A deferred tax asset is recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

e) *Pensions*

The Company operates a defined contribution scheme whereby the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligation for contributions are recognised in the profit and loss account in the period during which the services are rendered by employees.

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Nedgroup Investment Advisors (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2019)

1 Accounting policies (continued)

f) Share based payments

Employees of the Company participate in a Save As You Earn ("SAYE") scheme operated by the ultimate holding company, Old Mutual plc. The scheme offered employees the opportunity to purchase shares in Old Mutual plc at the end of a three or five year savings period. The scheme closed in June 2018 due to the Managed Separation with Old Mutual plc. The option price is set at the outset of the savings period and represents a discount to the average market closing price over specified dates.

In accordance with International Financial Reporting Standard 2 *Share Based Payments* a charge was recognised in the Company's profit and loss statement to reflect the fair value of the option granted to employees over the savings period of the scheme. No payments are made by the Company to Old Mutual plc, therefore, this amount effectively represents a capital contribution to the Company. As a result, the amount recognised in the income statement was credited to the share option reserve.

Nedbank Group Limited operates a Voluntary Bonus Phantom Share Option Scheme, the details of which are included within the financial statements of Nedbank Group Limited which are publicly available. The bonuses, which are cash settled and valued in line with reference to the listed share price of Nedbank Group Limited, are recognised in the statement of profit and loss on an accruals basis.

Nedbank Group Limited awards units to employees of the Company under the Conditional Share Plan, the details of which are included within the financial statements of Nedbank Group Limited. The units, which are cash settled upon certain conditions being met and valued in line with reference to the listed share price of Nedbank Group Limited, are recognised in the statement of profit and loss on an accruals basis.

g) Financial Instruments

Classification

Financial assets that are classified as Loans and Receivables include Trade and Other Receivables and Cash and Cash equivalents.

Financial Liabilities classified at amortised cost include Creditors and Other Accruals.

Recognition and Measurement

Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash balances and call deposits with maturities of one year or less from the origination date.

Trade Debtors and Prepayments

Trade Debtors and Prepayments originated by the Company are initially recognised at fair value and subsequently stated at amortised cost less impairments losses. The carrying value of debtors and prepayments approximate their fair value.

All debtors and prepayments fall due within one year..

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Nedgroup Investment Advisors (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2019)

1 Accounting policies (continued)

g) *Financial Instruments (continued)*

Creditors and accruals

Creditors and accruals are initially recognised at fair value less directly attributable transaction costs. Subsequently they are measured at amortised cost using the effective interest method. The carrying value of creditors and accruals approximates their fair values.

Impairment

Financial assets (including trade debtors)

The Company recognises a loss allowance for expected credit losses trade debtors. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

m) *Critical accounting judgements and key sources of estimation uncertainty*

In applying the Group's accounting policies described here, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The share price at which the Company values the Company's share based payments is a critical accounting judgement. Due to the significant uncertainty regarding expected share price at the time of vesting the share based payments are valued using the share price in place at the balance sheet date.

2 Turnover

The Company derives its revenue from contracts with clients for the transfer of services over time.

Turnover is derived from investment advisory fees and is accounted for on an accruals basis. Investment advisory fees are earned solely from a fellow subsidiary, Nedgroup Investments (IOM) Limited. Investment Advisory fees are charged at the higher of arm's length basis or total company expenses plus 10%. During the current year investment advisory fees were earned on an arm's length basis (2018: arm's length basis).

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Nedgroup Investment Advisors (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2019)

3 Operating profit

Operating profit has been arrived at after charging the following items:

	2019	2018
	US\$	US\$
Payments provided to auditors		
- Audit Services	22,318	15,916
Salaries and other employment costs	1,131,366	1,253,692
Depreciation	996	22,054

4 Directors and employees

During the year the Directors received emoluments of US\$492,000 from the Company (2018: US\$484,000). The highest paid Director was Andrew Yeadon.

The average number of employees during the year was 5 (2018:5).

5 Taxation

a) Analysis of charge in the period	2019	2018
	US\$	US\$
Current tax expense		
Corporation tax at 19% (2018:19%) based on profits for the year	151,660	111,916
Under /(over) provision from previous years	5,042	(3,159)
Total current tax	156,702	108,757
Deferred tax		
Origination and reversal of temporary differences	6,758	(3,863)
Taxation charge	163,460	104,894

b) Factors affecting tax charge for the period

The tax assessed for the year is lower than the rate of corporation tax. The differences are

	2019	2018
	US\$	US\$
Profit on ordinary activities before tax	837,288	572,683
Profit at standard rate of Corporation Tax at 19% (2018: 19%)	159,085	108,810
Effects of:		
Under /(over) provision in respect of prior periods	5,042	(3,159)
Depreciation in excess of capital allowances	(1,305)	(2,989)
Timing differences in respect of share based payments	638	1,793
Movement on share option reserve	-	439
Tax charge per the accounts	163,460	104,894

Nedgroup Investment Advisors (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2018)

5 Taxation (continued)

c) Tax creditor

	2019 US\$	2018 US\$
Taxation due in less than one year	<u>(84,628)</u>	<u>(60,095)</u>

d) Deferred tax asset

	2019 US\$	2018 US\$
Balance at 1 January	39,488	35,625
Movement during the year	<u>(6,758)</u>	<u>3,863</u>
Balance at 31 December	<u>32,730</u>	<u>39,488</u>

The deferred tax asset relates to the amount charged to the profit and loss account in respect of share based payments which is not yet deductible for tax purposes.

6 Tangible fixed assets

	Computer & Office equipment US\$
Cost	
As at 1 January 2019	28,663
Additions	-
Disposals	-
As at 31 December 2019	<u>28,663</u>
Depreciation	
As at 1 January 2019	27,162
On disposals	-
Foreign currency difference	(18)
Charge for year	<u>996</u>
As at 31 December 2019	<u>28,140</u>
Net book value	
As at 31 December 2019	<u>523</u>
As at 31 December 2018	<u>1,501</u>
Cost of assets fully depreciated at 31 December 2019	<u>25,867</u>

7 Amounts due from fellow subsidiaries

Amounts due from fellow subsidiaries are unsecured, interest free and repayable on demand.

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Nedgroup Investment Advisors (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2019)

8 Share capital

	2019 US\$	2018 US\$
<i>Authorised</i>		
Equity:		
100,000,000 ordinary shares of US\$0.01 each	<u>1,000,000</u>	<u>1,000,000</u>
<i>Non-equity:</i>		
50,000,000 redeemable preference shares of US\$0.01 each	<u>500,000</u>	<u>500,000</u>
<i>Issued and fully paid</i>		
Equity:		
100,000,000 ordinary shares of US\$0.01 each	<u>1,000,000</u>	<u>1,000,000</u>
	<u>1,000,000</u>	<u>1,000,000</u>

There were no preference shares in issue as at 31 December 2019 (2018: nil).

The ordinary shares have 1 vote per share, are entitled to dividends when declared by the Directors and, on winding up of the Company, are entitled to any balances remaining after repayments to redeemable preference shareholders.

9 Capital Redemption Reserve

The Capital Redemption Reserve relates to the value of redeemable preference shares redeemed during 2005.

10 Share option reserve

The share option reserve represents the fair value of outstanding employee share options in respect of the Old Mutual plc 'Save As You Earn Scheme'. In 2019 US\$nil was charged to the profit and loss account (2018: US\$2,310) and credited to the share option reserve. The share option reserve was then transferred to distributable reserves after all the shares vested following the closure of the scheme in June 2018 due to the Managed Separation with Old Mutual plc.

11 Parent and ultimate holding company

The Company's immediate parent company is Nedgroup International Holdings Limited, a company incorporated in the Isle of Man. The ultimate holding company is Nedbank Group Limited, a company incorporated in South Africa.

Nedgroup Investment Advisors (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2019)

12 Subsequent events

The existence of coronavirus (COVID-19) in the UK was confirmed in February 2020, followed by announcements in the UK and British Offshore Islands that there would be lockdown periods in each territory, causing disruptions to businesses and economic activity. The Board considers this outbreak to be a non-adjusting event after the reporting date. The impact of COVID 19 is expected to have a negative impact on revenues generated from assets on which it provides advisory services. As the situation is fluid and rapidly evolving, the Board does not consider it practical to provide a quantitative estimate of the potential impact of this outbreak as at the date when the financial statements were authorized for issue.