

Registered Number 03359425

# **The Evolution Group Limited**

## **Report and Financial Statements**

31 March 2013



# The Evolution Group Limited

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# The Evolution Group Limited

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## DIRECTORATE AND CORPORATE INFORMATION

### **BOARD OF DIRECTORS**

Kevin McKenna  
Steve Burgess  
Andrew Barnes  
Tim Chanter

### **SECRETARY**

David Miller

### **AUDITOR**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

### **COMPANY REGISTRATION**

Registration Number 03359425  
Registered Office 2 Gresham Street  
London, EC2V 7QP

**DIRECTORS' REPORT**

The directors of The Evolution Group Limited (the "company") present their report together with the audited Financial Statements for the year ended 31 March 2013

The prior reporting period was for fifteen months from 1 January 2011 to 31 March 2012 and is therefore not comparable to the current year

**PRINCIPAL ACTIVITY**

The Evolution Group Limited (formerly The Evolution Group Plc) is the holding company of principally Evolution Securities Limited ("ESL") and Evolution Group Services Limited ("EVGS") Its ultimate parent company is Investec plc

The principal activity of the company is to act as the holding company for UK based companies. As a result there is no specific business activity within the company. During the period the company made a profit after taxation of £89,515,000 (2012 Loss £24,159,000). The significant factors behind this year's result was dividend receipts of £11,500,000 from subsidiary undertakings, the profit of £91,169,000 made on the sale of its former subsidiary undertaking Williams de Broë Limited to a fellow Investec plc group undertaking, the loss of £(46,822) made on the sale of its former subsidiary undertaking Darwin Strategic Limited to a third party, off-set by the impairment of investments in subsidiaries of £(13,500,000)

The company is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office is 2 Gresham Street, London EC2V 7QP

**BUSINESS REVIEW**

During the year under review the company has been managing out the legacy balance sheet positions including the sale of its former subsidiary undertaking, Williams de Broë Limited, closure of the Evolution Group employees share trust, settlement of third party supplier contracts, closure of external banking facilities and closure of subsidiary offices and the subsequent liquidation of the subsidiary

As at 27 March 2013 the company undertook a capital reduction and subsequently paid up an interim dividend of £125,000,000 to Investec 1 Limited, its immediate parent company

Given the straight forward nature of the business the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or financial position of the business

**OUTLOOK**

The company's directors do not foresee any change in the principal activities of the company over the coming year

**RESULTS AND DIVIDENDS**

During the year the company made a profit after taxation of £89,515,000 (2012 Loss £24,159,000). The company paid an interim dividend of £125,000,000 to its immediate parent company Investec 1 Limited. The directors do not recommend the payment of a final dividend for the period ended 31 March 2013 £nil (2012 £nil)

**GOING CONCERN**

On the basis of current financial projections the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and accordingly the going concern basis is adopted in the preparation of the financial statements

The Directors are not aware of any material contingent liabilities such as legal proceedings outstanding against the company

**DIRECTORS' REPORT****DIRECTORS AND THEIR INTERESTS**

The current directors of the company are listed on page 1. According to the register of directors' interests, no director who held office during the period had any beneficial interest in the shares of the company during the year or in the prior year.

The Directors of the Company, who held office since 31 March 2012, unless otherwise stated, are as shown below:

<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>
Alex Snow	21 November 2000	6 June 2013
Philip Howell	8 June 2010	8 May 2012
Kevin McKenna	17 May 2012	-
Steve Burgess	10 August 2012	-
Andrew Barnes	12 June 2013	-
Tim Chanter	12 June 2013	-

**PRINCIPAL RISK AND UNCERTAINTIES**

The financial risks are managed at the Investec plc group level. The company's exposure to financial risks is further discussed in note 3. Due to the sale of the principal trading subsidiary undertaking during the year and the managed reduction in other financial positions and in particular exposure to third parties, the company's principal risks and uncertainties have been significantly reduced by 31<sup>st</sup> March 2013.

These were categorised broadly as:

- Market, credit and liquidity risks, and
- Operational risk

*Market, credit and liquidity risks*

The company's credit risk arises through holding interest bearing assets in mainly cash, cash equivalents and debtors balances against fellow subsidiary. The company has a policy of maintaining excess funds in cash and short term deposits and is not exposed to significant short-term or long-term interest rate risk. At the year-end 2013, all of the company's excess funds were invested in cash and short-term deposits. The company does not use any derivatives to hedge interest rate risk.

The company seeks to manage liquidity risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company actively maintains a mixture of cash and an on demand loan to its parent company that is designed to ensure the company has sufficient available funds for operations. The company deems there is sufficient liquidity for the near future.

*Operational risk*

Operational risks broadly include exposures to financial crime, failures of business practice, or failures in processes or technology. Whilst these risks can never be eliminated, the company mitigated its exposure by a system of strong internal controls and a well embedded risk management culture. Operational risk exposures are regularly reviewed and monitored to ensure that these risks and controls were being effectively managed as part of the overall Investec plc's internal operational risk management.

**SUBSEQUENT EVENTS**

The directors confirm that there were no significant events occurring after the Statement of Financial Position date to the date of this report that would meet the criteria to be disclosed in the financial statements for the year ended 31 March 2013.

**DIRECTORS' REPORT**

**DIRECTORS' INDEMNITY AND DIRECTORS' & OFFICERS' LIABILITY INSURANCE**

The company maintains a Directors' and Officers' Liability Insurance policy. In accordance with the company's Articles of Association, the board may also indemnify a director from the assets of the company against any costs or liability incurred as a result of their office, to the extent permitted by law. Neither the insurance policy nor any indemnities that may be provided by the company provide cover for fraudulent or dishonest actions by the directors. However, costs may be advanced to directors for their defence in investigations or legal actions.

**DISCLOSURE OF INFORMATION TO THE AUDITOR**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the company's auditor in connection with preparing its report, of which the company's auditor is unaware. In accordance with the provisions of Section 418 of the Companies Act 2006, having made enquiries of fellow directors, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors confirm that, to the best of each Director's knowledge:

- (a) the financial statements in this report, which have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union and the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the company, and
- (b) the Director's report includes a fair review of the development and performance of the business and the position of the company together with a description of the principal risks and uncertainties that it faces.

**AUDITOR**

Ernst & Young LLP were appointed auditors to the company on 11 September 2013 under terms of the group engagement letter, dated 8 March 2012. The company has elected not to make annual appointments of the auditor. Accordingly Ernst & Young LLP have been appointed in the current year.

Signed on behalf of the board



David Miller  
Secretary  
10 December 2013

# The Evolution Group Limited

## DIRECTORS' RESPONSIBILITY STATEMENT

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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 period. Under that law the directors have prepared the Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 judgments and accounting estimates that are reasonable and prudent,
- State whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union 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

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

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF THE EVOLUTION GROUP LIMITED**

We have audited the Financial Statements of The Evolution Group Limited for the year ended 31 March 2013 which comprises the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's member, 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 member those matters we are required to state to it 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Directors' Report for the financial period for which the Financial Statements are prepared is consistent with the Financial Statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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.



Michael-John Albert, Senior statutory auditor  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London

11 December 2013



# The Evolution Group Limited

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	Note	Year ended 31 March 2013 £'000	Period ended 31 March 2012 £'000
Dividend income	4	11,500	2,765
Other income	4	311	7,217
Net profit on disposal of available-for-sale financial assets	5	228	-
Net profit on disposal of subsidiary undertakings		91,122	-
Impairment of investment in subsidiaries	12	(13,500)	(23,163)
Impairment of investment in associates	14	-	(3,840)
Impairment of subordinated loan with associates	15	-	(735)
Operating expenses	6	(728)	(5,866)
<b>Operating income/(loss)</b>		<b>88,933</b>	<b>(23,622)</b>
Finance income	9	584	1,335
Finance costs	9	-	(3)
Profit / (loss) for the year / period before tax		<b>89,517</b>	<b>(22,290)</b>
Tax charge	10	(2)	(1,869)
<b>Profit / (loss) for the year / period after tax, attributable to the equity holder of the company</b>		<b>89,515</b>	<b>(24,159)</b>
<b>Total comprehensive income / (expense) for the year / period after tax, attributable to the equity holder of the company</b>		<b>89,515</b>	<b>(24,159)</b>

The notes on pages 12 to 27 form an integral part of these Financial Statements

# The Evolution Group Limited

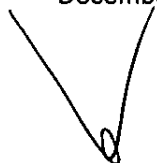
## STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	Note	2013 £'000	2012 £'000
<b>ASSETS</b>			
Non-Current assets			
Investment in subsidiary undertakings	12	3,605	38,075
Investment in associates	14	-	-
Subordinated Loans	15	-	5,000
Deferred tax assets	16	-	2
Total non-current assets		<u>3,605</u>	<u>43,077</u>
Current assets			
Trade and other receivables	17	11,152	2,047
Cash and cash equivalents	18	<u>930</u>	<u>4,412</u>
Total current assets		<u>12,082</u>	<u>6,459</u>
Total assets		<u>15,687</u>	<u>49,536</u>
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables	19	2,411	775
Total liabilities		<u>2,411</u>	<u>775</u>
Net Assets		<u>13,276</u>	<u>48,761</u>
<b>EQUITY</b>			
Capital and reserves attributable to owners			
Share capital	20	2,327	2,327
Share premium	21	-	33,735
Other reserves	22	373	373
Retained earnings		10,576	12,326
Total equity		<u>13,276</u>	<u>48,761</u>

The notes on pages 12 to 27 form an integral part of these Financial Statements

The financial statements on pages 6 to 27 were approved by the Board of Directors on 10 December 2013 and were signed on its behalf by



Kevin McKenna  
Director

# The Evolution Group Limited

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2013

<b>31 March 2013</b>	<b>Note</b>	<b>Share capital</b>	<b>Share premium account</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1 April 2012</b>		2,327	33,735	373	12,326	48,761
Total comprehensive income for the year		-	-	-	89,515	89,515
Dividends paid		-	-	-	(125,000)	(125,000)
Capital reduction	21	-	(33,735)	-	33,735	-
Total transactions with shareholders		-	(33,735)	-	(91,265)	(125,000)
<b>At 31 March 2013</b>		<b>2,327</b>	<b>-</b>	<b>373</b>	<b>10,576</b>	<b>13,276</b>

The notes on pages 12 to 27 form an integral part of these Financial Statements

# The Evolution Group Limited

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2013

31 March 2012	Note	Share capital £'000	Share premium account £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
<b>At 1 January 2011</b>		2,324	33,525	34,637	40,807	111,293
Total comprehensive expense for the period		-	-	-	(24,159)	(24,159)
Merger reserve transferred to retained earnings	23	-	-	(29,332)	29,332	-
Issue of ordinary share capital	21 & 22	3	210	-	-	213
Sale of own shares		-	-	-	6,925	6,925
Dividends paid		-	-	-	(44,947)	(44,947)
Contribution repaid on employee share options		-	-	-	(100)	(100)
Share options value of employee services		-	-	-	(693)	(693)
Issue of equity instruments to employees of subsidiaries		-	-	229	-	229
Transfer arising from recharge of equity undervalue to subsidiaries		-	-	(5,161)	5,161	-
Total transactions with shareholders		3	210	(34,264)	(4,322)	(38,373)
<b>At 31 March 2012</b>		<b>2,327</b>	<b>33,735</b>	<b>373</b>	<b>12,326</b>	<b>48,761</b>

The notes on pages 12 to 27 form an integral part of these Financial Statements

# The Evolution Group Limited

## CASH FLOW STATEMENT

For the year to 31 March 2013

	Note	2013 £'000	2012 £'000
<b>Cash flow from operating activities</b>			
Cash generated from / (used) in operations	23	3,614	22,960
Finance income received		584	1,335
Finance costs paid		-	(3)
<b>Net cash flows from operating activities</b>		<u>4,198</u>	<u>24,292</u>
<b>Cash flows from investing activities</b>			
Proceeds from available-for-sale financial assets		228	-
Proceeds from disposal of investment in subsidiary undertakings		112,714	-
Investment in subsidiaries	12	(622)	(12,500)
Subordinated loans to subsidiaries	15	5,000	(3,000)
Subordinated loans to associates	15	-	(490)
<b>Net cash flows from investing activities</b>		<u>117,320</u>	<u>(15,990)</u>
<b>Cash flows from financing activities</b>			
Payment of share options recharged to subsidiary	22	-	5,161
Dividends paid to shareholders	11	(125,000)	(44,947)
Sale of Trust Shares		-	6,924
Contribution (paid) on issuance of employee share options		-	(100)
<b>Net cash flows from financing activities</b>		<u>(125,000)</u>	<u>(32,962)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(3,482)</u>	<u>(24,660)</u>
Cash and cash equivalents at beginning of the year / period		4,412	29,072
<b>Cash and cash equivalents at end of the year / period</b>	<b>18</b>	<u>930</u>	<u>4,412</u>

The notes on pages 12 to 27 form an integral part of these Financial Statements

# The Evolution Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### 1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. Except as explained below, these policies have been consistently applied to the periods presented.

#### **Basis of preparation**

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

The prior reporting period was for fifteen months from 1 January 2011 to 31 March 2012 and is therefore not comparable to the current year.

#### **Going concern**

IAS 1 states that Financial Statements should be prepared on a going concern basis unless management intends to liquidate the entity, or to cease trading.

#### **Significant accounting policies**

##### **Changes in accounting policies and disclosures**

- (a) New and amended standards that are effective for the first time for the financial period beginning on or after 1 April 2012

The amendments to IFRS 1, 'First time adoption - exemption for severe hyperinflation and removal of fixed dates', IFRS 7, 'Financial instruments: Disclosures - disclosures on transfers of financial assets' and IAS 12, 'Income taxes - deferred tax accounting for investment properties' have not had an impact on the results for the year ended 31 March 2013 and are not expected to materially impact the results of the company in the future.

- (b) New and amended standards and interpretations, which have been issued but are not effective for the first time until the financial period beginning on or after 1 April 2013

The International Accounting Standards Board ("IASB") has issued a number of new IFRSs and amendments to previous standards which are not effective until after 1 April 2013. It is not expected that these standards will have a material impact upon the financial statements of the company. These standards and interpretations have not been applied in these financial statements.

# The Evolution Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### Income recognition

Revenue comprises the fair value of consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is recognised when the amount of revenue can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow into the Company.

#### (a) Fee and commission income

Fees and commissions are recognised in the Income Statement when the related services are performed and all legal conditions have been satisfied, and when considered recoverable.

#### (b) Other income

Other income includes foreign exchange gains and losses resulting from the re-translation and settlement of foreign currency transactions and dividend income from entities within the Evolution group.

### Foreign currency translation

#### (a) Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Company's functional and presentation currency is Sterling.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of their fair value gain or loss. Translation differences on non-monetary items such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

### Finance income and expense

Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated at fair value through profit or loss, are recognised within 'finance income' and 'finance costs' in the Income Statement using the effective interest rate method.

### Investments in subsidiaries

An undertaking is regarded as a subsidiary undertaking if the company has the power to exercise control over its operating and financial policies.

This generally accompanies a shareholding of greater than 50% of the voting power. The company's shares in subsidiary undertakings are stated in the Balance Sheet at cost less provisions and any impairment incurred.

The carrying value of investments in subsidiary undertakings is assessed at the reporting date or whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. The impairment review comprises a comparison of the carrying amount of the investment with its recoverable amount. The recoverable amount is the higher of an investment's fair value less costs to sell and its value in use.

An impairment loss is recognised in the Income Statement in the period in which it occurs for the amount by which the investment's carrying amount exceeds its recoverable amount.

# The Evolution Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### **Financial assets and liabilities**

The Company classifies its financial assets and liabilities as available-for-sale financial assets, trade and other receivables, cash and cash equivalents, and trade and other payables. The classification depends on the purpose for which the assets and liabilities were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished, that is, when the obligation is discharged, cancelled or expires.

#### *Available-for-sale financial assets*

Available-for-sale financial assets are either designated in this category or are not classified in any of the other categories. Available-for-sale financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Available-for-sale financial assets are initially recognised at fair value and are subsequently held at fair value. The Company makes an assessment at each Balance Sheet date as to whether there is any objective evidence of impairment. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that the asset is impaired in which case the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the Income Statement) is removed from equity and recognised in the Income Statement. Impairment losses recognised in the Income Statement on equity instruments are not reversed through the Income Statement unless the related asset is subsequently disposed of at a gain to the impaired valuation. Gains and losses arising from changes in fair values are included as a separate component of equity within fair value and other reserves until sale or when impaired.

#### *Trade and other receivables*

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Evidence that an impairment of the asset may be required includes ageing of the debt beyond 180 days, persistent lack of communication and internal awareness of third party trading difficulties. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Income Statement within operating expenses.

#### *Cash and cash equivalents*

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are normally those with original maturities of three months or less.

#### *Trade and other payables*

Trade and other payables are recognised initially at fair value, which is the agreed market price at the time goods or services are provided. The company accrues for all goods and services consumed but yet unbilled at amounts representing management's best estimate of fair value.



# The Evolution Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### **Group recharge**

The company, through the normal course of business, incurs costs on behalf of its subsidiaries. These costs are recharged, where relevant, to those subsidiaries.

### **Provisions**

Provisions are recognised for present obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation and it can be reliably estimated.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised in the Financial Statements. However, they are disclosed unless considered remote.

### **Employee benefits**

#### *(a) Pension obligations*

The company does not have any employees at the year-end. The company did not offer any company pension schemes. However, the company did make defined contributions to employees' approved personal pension plans, and the costs of these were charged to the income statement when they were incurred.

#### *(b) Share-based plans*

In December 2011, all remaining share options were lapsed or exercised when The Evolution Group Plc was delisted following its takeover by Investec plc. As at 31 March 2012, there were no share options within the company.

### **Evolution Group employees share trust**

The Trust is a separately administered trust, which is funded by a loan from the company. Further to the acquisition by Investec plc the Trust has been wound down. The Trust has no assets and liabilities at the year end apart from the loan from Evolution Group Limited.

IAS 39 has a scope for exclusion of treasury share transactions linked to share-based payment awards. The Trust is considered to act as an agent for the company, and accordingly the Trust's assets and liabilities have been aggregated to reflect the substance of the relationship between itself and the company.

### **Current and deferred taxes**

Current taxes are computed on a basis of the tax laws enacted or substantially enacted at the Balance Sheet date in the countries where the company's subsidiaries operate and generate income.

Deferred taxes are computed using the liability method, on temporary differences between the bases of assets and liabilities and their carrying amounts in financial statements. The deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit nor loss.

The company is entitled to a tax deduction for amounts treated as compensation on exercise of certain employee share options under UK tax rules. A compensation expense has been in prior periods recorded in the company's Income Statement over the period from the grant date to the vesting date of the relevant options. As there is a temporary difference between the accounting and tax bases, a deferred tax asset is recorded. The deferred tax asset arising is calculated by comparing the estimated amount of tax deduction to be obtained in the future (based on the Company's share price at the Balance Sheet date) with the cumulative amount of the compensation expense recorded in the Income Statement. If the amount of estimated future tax deduction exceeds the cumulative amount of the remuneration expense, at the statutory tax rate, the excess is recorded directly in equity, against retained earnings.

# The Evolution Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### Share capital

#### (a) Share issue costs

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

#### (b) Treasury shares

Where the company purchases its own equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of taxes), is deducted from equity attributable to the company's shareholder until the shares are cancelled, reissued or disposed of.

#### (c) Trust shares

The Group's Employee Benefit Trust ("the Trust") uses funds provided by the company to meet the Group's obligations under the employee share option schemes in place. All shares acquired by the Trust are purchased on the open market. The consideration paid, including any directly attributable incremental costs (net of taxes), is deducted from equity attributable to the company's holders.

#### (d) Dividend distribution

Dividend distribution to the company's shareholder is recognised in equity in the Financial Statements in the period in which the dividends are paid. Final dividends are recognised at the date they are approved by shareholder at the Annual General Meeting.

## 2. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the Financial Statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed below.

### Investment in subsidiary undertakings

Investments in subsidiary undertakings are tested for impairment based on the higher of value-in-use or fair values less costs to sell. The calculations require management's assumptions and estimates of future cash flows and discount rates.

Based on the outcomes of the above prescribed analysis the company believes the remaining carrying value of investment in subsidiary undertakings are held at appropriate levels and do not require further impairment.

### Income taxes

The company is subject to income taxes. Judgment is required in determining the extent that it is probable that taxable profits will be available in the future against which deferred tax assets can be utilised.

In the period ended 31 March 2012 the management decided that the company no longer expected to generate future taxable profits to allow it to recover its deferred tax assets. As a result the deferred tax asset was taken as a tax charge in the Income Statement.

# The Evolution Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### 3. MANAGEMENT OF FINANCIAL RISK

As a wholly-owned subsidiary of Investec plc, the company falls under the Investec plc Group's Risk Management Framework which is set out in the combined Investec plc and Investec Limited 2013 financial statements, Risk Management and Corporate Governance report

These are categorised broadly as

- Market, credit and liquidity risks, and
- Operational, regulatory and reputation risks

#### *Market, credit and liquidity risks*

The company's credit risk arises through holding interest bearing assets in mainly cash, cash equivalents and debtors balances against its parent company. The company has a policy of maintaining excess funds with its parent company and its operational cash requirement with a fellow group undertaking. The company is not exposed to significant short-term or long-term interest rate risk. At the year end, all of the company's excess funds were held with the parent company as interest free loans. The company does not use any derivatives to hedge interest rate risk.

The company seeks to manage liquidity risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company actively maintains a mixture of cash and an on demand loan to its parent company that is designed to ensure the company has sufficient available funds for operations. The company deems there is sufficient liquidity for the near future.

#### *Operational, regulatory and reputation risks*

Operational risks broadly include exposures to financial crime, failures of business practice, or failures in processes or technology. Whilst these risks can never be eliminated, the company mitigated its exposure by a system of strong internal controls and a well embedded risk management culture. Operational risk exposures are regularly reviewed and monitored to ensure that these risks and controls were being effectively managed as part of the overall Investec plc's internal operational risk management.

The company is not individually regulated but within a group context regulatory risk may arise as a consequence of operational risk events or due to changes in regulatory rules or guidance to which the company needs to respond promptly. Regulatory risk exposures are regularly reviewed to ensure that these risks and controls were being effectively managed as part of the overall Investec plc's internal regulatory risk management.

Reputational risk is seen as a consequential risk in that it may arise from a failure to manage any of the risks outlined above, where the failure is transparent to the market. Its impact occurs over a period of time in terms of lost revenues and potentially increased costs to regain the confidence of counterparties. It has been, and continues to be, the intention of the board to minimise the potential impact of a reputational issue by communicating proactively with the marketplace and regulatory authorities as part of the overall Investec plc management of reputation risk.

# The Evolution Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### 4. TOTAL INCOME

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
Fee and commission income	-	100
Dividend income received	11,500	2,765
Exchange rate gain	-	3
Group recharges	311	7,114
<b>Total Income</b>	<b>11,811</b>	<b>9,982</b>

### 5. NET GAIN ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
Gain on disposal of available-for-sale financial assets	228	-
	<b>228</b>	<b>-</b>

A gain was made in the year due to the sale of loan notes held which in prior periods had been written down to £nil market value

### 6. OPERATING EXPENSES

The following items have been included in arriving at the operating profit / loss

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
<b>Operating expenses</b>		
Employee benefits expense (note 8)	429	2,096
Management recharge depreciation	-	70
Operating lease charges leasehold property	-	51
Auditors' remuneration (note 7)	48	86
Other operating expenses	251	3,563
<b>Total Operating expenses</b>	<b>728</b>	<b>5,866</b>

### 7. AUDITORS' REMUNERATION

During the year, the company obtained the following services from the company's auditors (2012 PricewaterhouseCoopers LLP) at costs as detailed below

	Year ended 31/03/2013 £'000	Period ended 31/12/2012 £'000
<b>Audit services</b>		
Fees payable to the company's auditor for the statutory audit in respect of the company	43	57
<b>Fees payable to the company's auditor and its associates for other services:</b>		
Services relating to taxation	-	1
All other services	5	28
	<b>48</b>	<b>86</b>

# The Evolution Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### 7. AUDITORS' REMUNERATION (continued)

Fees for audit services above include all amounts payable to the company's auditors in their capacity as such. Taxation services include compliance services such as tax return preparation and advisory services such as consultation on tax matters, tax advice relating to transactions and other tax planning and advice.

### 8. EMPLOYEES AND DIRECTORS

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
<b>Employee remuneration expense</b>		
Wages and salaries	329	1,857
Social security costs	34	240
Other pension costs	-	1
(Reversal of) / cost of share options	-	(692)
Redundancy costs	65	690
Other staff costs	1	-
<b>Total employee remuneration expense</b>	<b>429</b>	<b>2,096</b>

Average employee numbers during the period was 1 (2012: 18). The actual full time employee numbers were nil at 31 March 2013 (2012: 3).

#### Directors

The directors were employed and remunerated as directors or executives of Investec plc and its subsidiaries ("the Investec plc group") in respect of their services to the group as a whole and their remuneration has been paid by other group companies. It is estimated that the remuneration for their services to the company in the year totalled £13,333. The emoluments of the highest paid director, as expensed by the company, were £nil (2012: £1,393,000) which included £nil (2012: £1,238,000) gains on exercise of share options.

The aggregate emoluments of the directors were

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
Salaries and short term employee benefits	-	1,215
Termination benefits	-	111
Gains made on exercise of share options	-	1,558
	<b>-</b>	<b>2,884</b>

No director accrued benefits under money purchase pension schemes during the period (2012: nil).

During the period no directors exercised any Evolution group issued share options. During the period ended 31 March 2012, 3 directors exercised a total of 1,885,737 share options.

# The Evolution Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### 9. NET FINANCE COSTS

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
Finance income	584	1,335
Finance costs	-	(3)
<b>Net Finance Income</b>	<b>584</b>	<b>1,332</b>

Interest is charged daily against related parties on all borrowings. See note 15 for details on interest charged on subordinated loans.

### 10. TAX EXPENSE

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
<b>Current tax:</b>		
Total UK Corporation tax expense on profit	-	-
<b>Deferred tax:</b>		
Current year / period movement	2	1,869
<b>Total income tax charge</b>	<b>2</b>	<b>1,869</b>

Factors affecting the income tax charge for the year / period are explained below

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
<b>Profit / (loss) before tax</b>	<b>89,517</b>	<b>(22,290)</b>
Profit / (loss) multiplied by the standard rate of corporation tax in the UK of 24% (2012: 26.4%)	21,484	(5,885)
Effects of:		
Expenses not deductible for tax purposes	3	446
Impairments not deductible for tax purposes	3,240	7,323
Current year / period tax losses not utilised	(98)	(764)
Non taxable income	(24,629)	(730)
Tax deduction for options exercised	-	(390)
<b>Current tax charge</b>	<b>-</b>	<b>-</b>
Deferred tax expense in current year / period	2	1,869
<b>Total income tax charge</b>	<b>2</b>	<b>1,869</b>

There are excess management expenses of £1,122K and a capital losses carried forward of £476K on which a deferred tax asset has not been recognised due to uncertainty regarding future profits and therefore uncertainty of their utilisation. The unrecognised deferred tax asset is £368K (2012: £501K) and is calculated at 23%, the substantially enacted rate at the balance sheet date.

# The Evolution Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### 10 TAX EXPENSE (continued)

The standard rate of corporation tax in the UK for the period ended March 2013 was reduced from 26% to 24% during the year (2012 26.4%)

On 17 July 2012 the UK government enacted a reduced 23% rate of corporation tax with effect from 1 April 2013. Being the enacted rate as of the 31 March 2013 balance sheet date, the effect of the reduction to 23% is therefore reflected in the above calculation of the deferred tax liability

As part of the 2013 Budget, the UK government announced its intention to legislate to reduce the main rate of corporation tax to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015

Deferred tax on items charged to Income Statement	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
Deferred tax charge on stock options	-	407
Deferred tax charge on trade losses	-	308
Deferred tax impairment of trade losses	2	1,154
Total deferred tax charged to Income Statement	<b>2</b>	<b>1,869</b>

### 11 DIVIDENDS

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
Dividends paid to the immediate parent company	125,000	39,000
Prior year final paid nil (2012 1.75p) per 1p share	-	3,780
Current period interim paid nil (2012 1.00p)	-	2,167
	<b>125,000</b>	<b>44,947</b>

Dividends amounting to £nil (2012 £40,000) in respect of the company's shares held by an employee share trust have been waived and accordingly deducted in arriving at the aggregate dividends proposed

# The Evolution Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### 12. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
<b>Cost</b>		
At 1 April / 1 January	67,164	59,596
Additions	622	12,500
Issue of equity options to employees of subsidiaries	-	580
Deduction to investment in subsidiaries for the cost of options recharged	-	(5,512)
Disposal of investment in subsidiaries	(21,592)	-
<b>At end of year / period</b>	<b>46,194</b>	<b>67,164</b>
<b>Provision for impairment</b>		
At 1 April / 1 January	29,089	5,926
Additions	13,500	23,163
<b>At end of year / period</b>	<b>42,589</b>	<b>29,089</b>
<b>Net book values</b>		
At 1 April / 1 January	<b>38,075</b>	<b>53,670</b>
At end of year / period	<b>3,605</b>	<b>38,075</b>

During the year the Company made a further investment in Evolution Securities Limited of £300,000 and an investment in Williams de Broë Limited of £322,000

The 100% holding in Williams de Broë Limited was sold in August 2012 to a fellow Investec plc group undertaking. The profit on sale was £91,169,000

The 52% holding in Darwin Strategic Limited was sold to a third party in April 2012. The loss on disposal was £46,822

During the year the investment in Evolution Securities Limited, a fully owned subsidiary of the company was impaired by a further £13,500,000 to its net book value

### 13. PRINCIPAL SUBSIDIARY UNDERTAKINGS

	Business	Percentage Owned	Country of Incorporation
<i>Held directly by the Company</i>			
Evolution Securities Limited	Investment banking	100	UK
Evolution Group Services Limited	Shared services	100	UK
Evolution Capital Investment Limited	Investment company Private Equity Portfolio	100	UK
WdB Capital Limited	Private client fund management	100	UK

In accordance with section 410 of the Companies Act 2006, the above information is solely provided in relation to principal subsidiary undertakings. Full information is included within the Annual Return to be filed at Companies House

The percentage of the voting rights in the subsidiary undertakings held directly by the company does not differ from the percentage of ordinary shares held



# The Evolution Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### 14 INVESTMENT IN ASSOCIATE

The investment in Evolution Securities China Limited (ESCL) was sold to a third party in April 2012. The loss on disposal of £3,840,000 was fully provided for as an impairment to the company's investment in ESCL during the prior period.

### 15. SUBORDINATED LOANS

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
Subordinated loan to Williams de Broë Limited	-	5,000
Subordinated loan to Evolution Securities China Limited	-	735
Provision against the subordinated loan to Evolution Securities China Limited	-	(735)
	-	-
	-	<b>5,000</b>

The subordinated loan (as approved by the FSA) of £5,000,000 owed to the company by Williams de Broë Limited was repaid on 24 March 2013.

The loan was interest bearing at a rate equal to 10% and interest received on the loan to Williams de Broë Limited during the period was £490,000 (2012: £200,000).

Under the subordinated loan agreement with ESCL, both First Eastern Financial Holdings Limited and the company agreed to provide capital to ESCL through subordinated loans, limited to a total of £1,500,000, with 51% (£765,000) coming from First Eastern Financial Holdings Limited and 49% (£735,000) from the company.

The £735,000 loan which had been fully provided was written off upon the disposal of the company's investment in ESCL in April 2012.

The loan was interest bearing at a rate equal to 5% above the UK base rate. Interest received on the loan to ESCL during the year was £nil (2012: £23,000).

### 16. DEFERRED TAX ASSETS

The movement on the deferred tax account is detailed below:

	Trading losses £'000	Options £'000	Capital allowances £'000	Total £'000
At 1 January 2011	1,462	407	2	1,871
Income statement charge	(1,462)	(407)	-	(1,869)
At 31 March 2012	-	-	2	2
Income statement charge	-	-	(2)	(2)
At 31 March 2013	-	-	-	-

# The Evolution Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### 17 TRADE AND OTHER RECEIVABLES

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
<b>Amounts falling due within one year.</b>		
Amounts owed by group undertakings	11,145	1,783
Other receivables	1	47
Prepayments and accrued income	6	217
	<b>11,152</b>	<b>2,047</b>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment

### 18 CASH AND CASH EQUIVALENTS

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
Cash at bank and in hand	509	2,344
Short term bank deposits	421	2,068
	<b>930</b>	<b>4,412</b>

### 19. TRADE AND OTHER PAYABLES

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
<b>Amounts payable within one year:</b>		
Amounts owed to group undertakings	2,356	368
Accruals and deferred income	55	370
Other taxation and social security	-	37
	<b>2,411</b>	<b>775</b>

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment

### 20. SHARE CAPITAL

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
<b>Authorised:</b>		
400,000,000 (2012 400,000,000) ordinary shares of 1p each	4,000	4,000
<b>Allotted, issued and fully paid:</b>		
232,680,308 (2012 232,680,308) ordinary shares of 1p each	2,327	2,327

#### Terms of share capital

The holder of each share is entitled to one vote on a poll. The holders also have the right to receive dividends and the right to participate on a return of capital.

Upon the takeover of The Evolution Group Plc and its subsidiaries by Investec plc in December 2011, the shares in the company were delisted and the Evolution Group Plc Employees' Share Trust wound down. The shares were converted into Investec plc shares and subsequently managed by Investec plc's employee share trust.

As at 31 March 2012 the Trust held no shares of the company and during the current year the Trust has been dissolved.

# The Evolution Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### 21. SHARE PREMIUM ACCOUNT

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
At start of the period	33,735	33,525
Issues of ordinary share capital	-	210
Capital reduction	(33,735)	-
At end of the period	<u>-</u>	<u>33,735</u>

The capital of the company has been reduced by way of capital reduction of its share premium account on 27 March 2013

### 22 OTHER RESERVES

	Capital redemption reserve £'000	Merger reserve £'000	Available- for-sale and other reserves £'000	Total £'000
Balance at 1 January 2011	373	29,332	4,932	34,637
Issue of equity instruments to employees of subsidiaries	-	-	229	229
Transfer arising from recharge of equity undervalue to subsidiaries	-	-	(5,161)	(5,161)
Release to retained earnings	-	(29,332)	-	(29,332)
<b>At 31 March 2012 &amp; 2013</b>	<b>373</b>	<b>-</b>	<b>-</b>	<b>373</b>

# The Evolution Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### 23. CASH FLOW FROM OPERATING ACTIVITIES

Reconciliation of operating loss to net cash flow from operating activities

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
<b>Cash generated from operations</b>		
Operating income / loss	88,933	(23,622)
<i>Adjustments for</i>		
Net profit on disposal of available-for-sale financial assets	(228)	-
Net profit on disposal of investment in subsidiary undertakings	(91,122)	-
Impairment of investment in subsidiary undertakings	13,500	23,163
Impairment of investment in associates	-	3,840
Impairment of subordinated loan with associates	-	735
Share options credit	-	(693)
Cost of matching shares issued under share incentive plan	-	213
	<u>(77,850)</u>	<u>27,258</u>
<i>Changes in working capital</i>		
(Increase) / decrease in trade and other receivables	(9,105)	22,491
Increase / (decrease) in trade and other payables	<u>1,636</u>	<u>(3,167)</u>
	<u>(7,469)</u>	<u>19,324</u>
Cash generated from operations	<u>3,614</u>	<u>22,960</u>

### 24. CAPITAL COMMITMENTS AND CONTINGENCIES

The Company had no capital commitments at 31 March 2013 (2012. nil)

### 25. RELATED PARTY TRANSACTIONS

#### i) Intra-group trading

The following table shows balances owed by or owed to the company (to) / from fellow group undertakings at the year end

	Year ended 31/03/2013 £'000	Period ended 31/03/2012 £'000
Williams de Broë Limited	-	4,799
Evolution Securities Limited	(2,055)	311
Evolution Group Services Limited	-	1,471
WdB Capital Limited	(10)	(8)
Evolution Capital Investment Limited	(287)	(158)
Investec 1 Limited	11,145	-
Investec Bank plc	(4)	-
	<u>8,789</u>	<u>6,415</u>

# The Evolution Group Limited

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

### 25. RELATED PARTY TRANSACTIONS (continued)

#### ii) Key management compensation

The compensation paid to key management in the current year was £nil. Key management are defined as the directors of the Company (see note 8).

#### iii) Dealings with directors

The company has had no dealings with companies, other than fellow group undertakings detailed above, in which any of the key management, or persons connected to them, is a director.

### 26. EMPLOYEE SHARE SCHEMES

As at 31 March 2013 and 31 March 2012 there were no outstanding share options within the company in respect to any of the employee share scheme previously operated by the company. In December 2011, all remaining share options were lapsed or exercised when The Evolution Group Plc was delisted following its takeover by Investec plc.

### 27. POST STATEMENT OF FINANCIAL POSITION EVENTS

There were no significant events occurring after the Statement of Financial Position date to the date of this report that would meet the criteria to be disclosed in the financial statements for the year ended 31 March 2013.

### 28. ULTIMATE HOLDING COMPANY

The Company is a wholly owned subsidiary of its immediate parent company, Investec 1 Limited, a company incorporated in the UK and registered in England and Wales.

The ultimate holding company and controlling party is Investec plc, a company incorporated in the U.K. Copies of the Investec plc statutory Financial Statements are available from the Investec website, [www.investec.co.uk](http://www.investec.co.uk).