



**RMB ASSET MANAGEMENT INTERNATIONAL
LIMITED
REPORT AND FINANCIAL STATEMENTS
30 JUNE 2007**

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COMPANY REGISTRATION NO· 3733094

RMB ASSET MANAGEMENT INTERNATIONAL LIMITED

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**RMB ASSET MANAGEMENT INTERNATIONAL LIMITED
DIRECTORS AND OFFICERS**

Directors

Director

LB Van der Merwe
PVC Smith
GJA Vorster
CJ Van Dyk
GA Owen
FJC Truter
RJ Atkinson

Secretary

M Bajaj

Registered office

Two London Bridge
London
United Kingdom
SE1 9RA

Auditors

PricewaterhouseCoopers LLP
London

RMB ASSET MANAGEMENT INTERNATIONAL LIMITED

DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the Company for the year ended 30 June 2007

Principal Activity and Review of Businesses

RMB Asset Management International Limited ("the Company") (formerly RMB MultiManagers Limited) specialises in the management of client funds through multimanager schemes, alternative investment strategies and asset management. The Company is regulated by the Financial Services Authority.

The Company is a wholly owned subsidiary of FirstRand International (UK) Limited, which is a wholly owned subsidiary of FirstRand Limited, the Group's ultimate holding company, which is listed on the JSE Securities Exchange in South Africa.

During the year, oversight and control responsibilities for SICAV funds were transferred from RMB International Asset Management Limited to the Company.

The Company had a substantially improved performance in the third year of trading with profits well ahead of budgets and the performance of the previous year. The Assets under Management (AUM) in the three principal operating divisions of the Company increased from \$2 761 billion to \$3 497 billion.

The principal risks faced by the Company are high dependency on a small number of clients and sharp falls in the equity and fixed income markets, which could adversely impact the revenues of the Company.

Future Developments

Following a review of the strategic direction of the Company, the Company's Board would be changing during the 2008 financial year. No operational change is expected.

Results and Dividends

During the year, the Company made a profit after taxation of £1,339,373 (2006: £1,019,696). The directors recommend a final net dividend of £650,000 per ordinary share to be paid on 24 September 2007 to those members on the register at the close of business on 30 June 2007 (2006: Nil).

Financial Risk Management

The financial risk management objectives and policies of the Company are disclosed in Note 19 of the financial statements.

Policy and Practice on Payment of Creditors

The Company does not follow any code or standard on the payment of its creditors. The Company's policy is either to abide by the supplier's terms or to agree terms of payment when agreeing the terms of a transaction with a supplier.

RMB ASSET MANAGEMENT INTERNATIONAL LIMITED

DIRECTORS' REPORT (continued)

Directors

The following directors are the present members of the Board, appointed on the dates indicated below

Director	Date of appointment
LB Van der Merwe	8 January 2007
PVC Smith	8 January 2007
GJA Vorster	8 January 2007
CJ Van Dyk	8 January 2007
GA Owen	27 September 2004
FJC Truter	27 September 2004
RJ Atkinson	27 September 2004

The following directors served on the board during the year and resigned on the dates indicated below

Director	Date of resignation
NMP Sherlock	8 January 2007
EB Nieuwoudt	8 January 2007
MW King	31 March 2007

Directors' Interests

None of the directors who held office at the end of the financial year had any disclosable interests, as defined under the Companies Act 1985, in the shares or debentures of the Company

No contracts of significance in which a director had material interests, except service contracts, existed at the end of the year or at any time during the year

Statement of Directors' responsibilities

The directors are responsible for preparing the financial statements. The directors have chosen to prepare accounts for the Company in accordance with International Financial Reporting Standards (IFRSs). The Companies Act, 1985 requires the directors to prepare such financial statements for each financial year which 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 and comply with the Companies Act 1985. In preparing these financial statements, the directors are required to

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

The directors confirm that they have complied with the above requirements in preparing the financial statements

RMB ASSET MANAGEMENT INTERNATIONAL LIMITED

DIRECTORS' REPORT (continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report which complies with the requirements of the Companies Act 1985

Auditors

During the year, Deloitte & Touche LLP resigned as auditors of the Company and PricewaterhouseCoopers LLP were appointed as auditors to fill the vacancy, the elective resolution dispensing with the need to appoint the auditors annually continued to be in force

The auditors, PricewaterhouseCoopers LLP will therefore be deemed to have been reappointed at the end of the period of 28 days beginning with the day on which copies of this report and accounts are sent to members unless a resolution is passed under section 393 of the Companies Act 1985 to the effect that their appointment be brought to an end

In the case of each of the persons who are directors of the Company at the date when this report was approved

- so far as each of the directors are aware, there is no relevant audit information (as defined in s234ZA of the Companies Act 1985) of which the Company's auditors are unaware, and
- each of the directors has taken all steps that he ought to have taken as director to make himself aware of any relevant audit information (as defined in s234ZA of the Companies Act 1985) and to establish that the Company's auditors are aware of that information

BY ORDER OF THE BOARD


6/9/2007

Monika Bajaj
Company Secretary

RMB Asset Management International Limited
Two London Bridge
London
SE1 9RA

RMB ASSET MANAGEMENT INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RMB ASSET MANAGEMENT INTERNATIONAL LIMITED

We have audited the financial statements of RMB Asset Management International Limited for the year ended 30 June 2007 which comprise the balance sheet, the income statement, the statement of changes in equity, the cash flow statement, and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

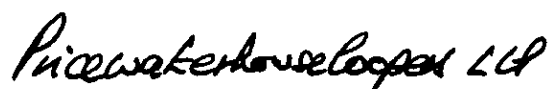
RMB ASSET MANAGEMENT INTERNATIONAL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RMB ASSET
MANAGEMENT INTERNATIONAL LIMITED (continued)**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with those IFRSs as adopted for use in the European Union, of the state of the company's affairs as at 30 June 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London, England
13 September 2007

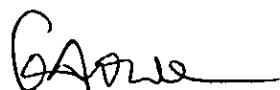
RMB ASSET MANAGEMENT INTERNATIONAL LIMITED
BALANCE SHEET

At 30 June 2007

	Notes	2007	2006 (restated)
		£	£
ASSETS			
Property and equipment	2	793,054	817,924
Derivative financial instruments	3	111,038	9,559
Trade and other receivables	4	2,715,739	2,241,815
Cash and cash equivalents	5	10,137,185	10,291,553
Total Assets		13,757,016	13,360,851
EQUITY AND LIABILITIES			
Equity			
Share capital	6	2	2
Share-based payment		86,973	55,341
Retained earnings		1,373,174	38,179
Total ordinary shareholders' equity		1,460,149	93,522
Preference shares	6	8,000,000	8,000,000
Total shareholders' equity		9,460,149	8,093,522
Liabilities			
Deferred income tax liability	9	41,279	-
Long term liability		39,397	-
Short term provisions	7	1,194,143	934,218
Current income tax liability	16	224,749	-
Trade and other payables	8	2,797,299	4,333,111
Total liabilities		4,296,867	5,267,329
Total equity and liabilities		13,757,016	13,360,851

The notes on pages 12 to 29 are an integral part of these financial statements

The financial statements on pages 8 to 11 and the related notes were approved by the Board of Directors on 6th September 2007 and were signed on its behalf by



G Owen
Director

RMB ASSET MANGEMENT INTERNATIONAL LIMITED
INCOME STATEMENT

For the year ended 30 June 2007

	Notes	2007	2006 (restated)
		£	£
Revenue	11	7,814,996	5,826,400
Administrative expenses	12	(6,582,220)	(4,948,475)
Interest income	14	418,413	154,670
Other expenses	15	(50,166)	(12,899)
Net profit from operations		1,601,023	1,019,696
Income tax expense	16	(266,028)	-
Profit for the year		1,334,995	1,019,696

The notes on pages 12 to 29 are an integral part of these financial statements

RMB ASSET MANAGEMENT INTERNATIONAL LIMITED
STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2007

	Notes	Share Capital	Retained earnings (restated)	Share-based payment (restated)	Total equity
		£	£	£	£
Balance as at 30 June 2005		8,000,002	(926,176)	-	7,073,826
Profit for the year		-	1,019,696	-	1,019,696
Prior year adjustment - equity-settled share-based payment charge	18	-	(55,341)	55,341	-
Balance as at 30 June 2006		8,000,002	38,179	55,341	8,093,522
Profit for the year		-	1,334,995	-	1,334,995
Equity-settled share-based payment charge	18	-	-	31,632	31,632
Balance as at 30 June 2007		8,000,002	1,373,174	86,973	9,460,149

The notes on pages 12 to 29 are an integral part of these financial statements

RMB ASSET MANAGEMENT INTERNATIONAL LIMITED
CASH FLOW STATEMENT

For the year ended 30 June 2007

	Notes	2007	2006
		£	£
Cash flows from operating activities			
Cash received from customers		7,341,072	9,530,017
Cash paid to customers and employees		(7,498,928)	(4,078,397)
Cash generated from operations	17	(157,856)	5,451,620
Interest received		418,413	154,670
Net cash used in operating activities		260,557	5,606,290
Investment activities			
Purchase of property and equipment		(414,925)	(54,134)
Net cash (used in)/from investment activities		(414,925)	(54,134)
Net increase/(decrease) in cash and cash equivalents		(154,368)	5,552,156
Cash and cash equivalents at beginning of the year		10,291,553	4,739,397
Cash and cash equivalents at end of the year	5	10,137,185	10,291,553

The notes on pages 12 to 29 are an integral part of these financial statements

RMB ASSET MANAGEMENT INTERNATIONAL LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 30 June 2007

1 ACCOUNTING POLICIES

Accounting convention

The principal accounting policies applied by RMB Asset Management International Limited "the Company" in preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of presentation

The Company's audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted for use in the European Union and also in accordance with IFRSs as issued by the International Accounting Standards Board.

The Company prepares its financial statements on a going concern basis using the historical cost basis, except for certain financial assets and liabilities where it adopts the fair value basis of accounting.

The preparation of audited financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

Revenue

The Company manages client funds through multimanager schemes, alternative investment strategies and asset management. Income is derived from the funds based in Europe.

Financial instruments

General

Financial instruments carried on the balance sheet include all financial assets and liabilities, including derivative instruments.

Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

Trade and other receivables

Trade and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date.

Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and accumulated impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

RMB ASSET MANAGEMENT INTERNATIONAL LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 30 June 2007

Accounting Policies (continued)

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably

Property and equipment are depreciated on a straight-line basis at rates calculated to reduce the book value of these assets to estimated residual values over their expected useful lives

The periods of depreciation are as follows

Leasehold improvements	Shorter of estimated useful economic life or remaining period of the lease
Furniture and fittings	5 years
Office equipment	3 years
Computer software	3 years
Computer hardware	3 to 5 years

The assets' residual values and useful lives are reviewed periodically and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

Repairs and maintenance are charged to the income statement as they are incurred.

Gains or losses on disposals are determined by reference to the carrying amount of the asset and the net proceeds received, and are recorded in the income statement on disposal.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns which are different from those of segments operating in other economic environments.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the director's best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to the present value where the effect is material.

Share-based payment transactions

The Company participates in the equity-settled and cash-settled share-based compensation plans of the FirstRand Group.

Equity-settled share-based compensation plans

The FirstRand Group expenses the fair value of the employee services received in exchange for the grant of the options, over the vesting period of the options, as employee costs, with a corresponding credit to a share-based payment reserve in the statement of changes in equity. The total value of the services received is calculated with reference to the fair value of the options on grant date.

RMB ASSET MANAGEMENT INTERNATIONAL LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 30 June 2007

Accounting Policies (continued)

The fair value of the options is determined excluding non-market vesting conditions. These vesting conditions are included in the assumptions of the number of options expected to vest. At each balance sheet date, the FirstRand Group revises its estimate of the number of options expected to vest. The FirstRand Group recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Cash-settled share-based payment compensation plans

A liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date until settled. The liability is recognised over the vesting period and is revalued at every balance sheet date. Any changes in the liability are accounted for in the income statement.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred taxation is provided on the balance sheet liability method. Deferred tax liabilities/assets are recognised for all temporary differences by applying corporate tax rates to the temporary differences existing at each balance sheet date between the tax values of assets and liabilities and their carrying amounts, where such temporary differences are expected to result in taxable or deductible amounts in determining taxable income for future periods when the carrying amount of the assets or liabilities are recovered or settled.

Deferred tax assets are recognised when it is probable that taxable profits will be available against which the deferred tax asset can be utilised. Deferred tax liabilities and assets are not discounted.

Foreign currency translation

Functional and presentation currency

The financial statements are presented in Sterling, which is the Company's functional and presentational currency.

Transactions and balances

Foreign currency monetary assets and liabilities are translated into the functional currency using the exchange rates prevailing at year end.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Leases

Operating leases

The Company classifies leases of assets, where the lessor effectively retains the risks and benefits of ownership, as operating leases. It charges operating lease payments to the income statement on a straight-line basis over the period of the lease. Minimum rentals due after year-end are reflected under commitments.

RMB ASSET MANAGEMENT INTERNATIONAL LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 30 June 2007

Accounting Policies (continued)

Restatement of prior year comparatives

In 2006, revenue was shown net of sub-investment managers fees, however in accordance with IAS 8 and IAS 32, investment management fee revenue received from RMB International Asset Management Limited and paid on to the sub-investment managers has been grossed up and restated in note 11 with no impact on the profit and loss. The effect in the prior year is as follows

Dr Rebates paid and sub-investment manager fees	£3,362,823
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Cr Revenue	£3,362,823
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In accordance with IFRIC 11 share-based expenditure that was previously recognised at group level has been recognised within the Company. This has resulted in the following prior year restatement of retained earnings respectively

Dr Retained earnings	£55,341
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Cr Other reserves	£55,341
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Pension

The Company operates a defined contribution pension plan under which it pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Share capital

Ordinary shares and non-cumulative redeemable preference shares are classified as equity.

2 Property and equipment

	Cost 2007	Accumulated depreciation 2007	Net Book Value 2007	Cost 2006	Accumulated depreciation 2006	Net Book Value 2006
	£	£	£	£	£	£
Property						
Leasehold premises	822,784	(501,259)	321,525	820,534	(285,564)	534,970
	822,784	(501,259)	321,525	820,534	(285,564)	534,970
Equipment						
Computer equipment	444,564	(302,470)	142,094	332,692	(171,064)	161,628
Furniture and fittings	181,871	(163,801)	18,070	181,871	(107,559)	74,312
Office equipment	109,355	(98,793)	10,562	109,355	(62,341)	47,014
Assets under development	300,803	-	300,803	-	-	-
	1,036,593	(565,064)	471,529	623,918	(340,964)	282,954
Total	1,859,377	(1,066,323)	793,054	1,444,452	(626,528)	817,924

Movement in property and equipment - net book value

	Leasehold premises	Computer equipment	Furniture and fittings	Office equipment	Assets under development	Total
	£	£	£	£	£	£
Net book value at 1 July 2005	657,859	123,750	234,376	117,433	-	1,133,418
Reclassification	34,423	108,441	(104,722)	(38,142)	-	-
Depreciation charge for period	(163,397)	(106,155)	(63,624)	(36,452)	-	(369,628)
Net book value at 30 June 2006	534,970	161,628	74,312	47,014	-	817,924
Additions	2,250	111,872	-	-	300,803	414,925
Depreciation charge for period	(215,695)	(131,406)	(56,242)	(36,452)	-	(439,795)
Net book value at 30 June 2007	321,525	142,094	18,070	10,562	300,803	793,054

Assets under development relates to an IT network infrastructure project that is expected to be completed and go live in September 2007, and will be depreciated from that date

RMB ASSET MANAGEMENT INTERNATIONAL LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 30 June 2007

3. Derivative financial instruments

The Company makes use of Foreign Exchange forwards to hedge foreign exchange risk on future revenue streams. No hedge accounting is applied.

	2007 £	2006 £
Forward foreign exchange asset at 30 June	111,038	9,559
Unrealised foreign exchange gain at 30 June	<u>111,038</u>	<u>9,559</u>

The above derivative financial instruments are fair valued at year end and the resultant profit and loss is included on the profit and loss account. £12,247 has a maturity date of more than one year (2006: £Nil).

The notional principal amounts of the outstanding short forward foreign exchange contracts at 30 June 2007 was £8,636,087 (2006: £433,768).

4. Trades and other receivables

	Note	2007 £	2006 £
Trade receivables		2,082,909	666,453
Receivables from related parties	20	209,092	1,092,973
Prepayments and deposits		157,018	161,741
Other receivables		266,720	320,648
		<u>2,715,739</u>	<u>2,241,815</u>

5. Cash and cash equivalents

	2007 £	2006 £
Cash at bank and on hand	10,137,185	10,291,553
	<u>10,137,185</u>	<u>10,291,553</u>

The average interest rate earned on the above funds during the year was 5.28% (2006: 4.65%).

6 Ordinary Shares and Preference Shares

	2007 £	2006 £
Ordinary shares		
<i>Authorised</i>		
2 Ordinary Shares £1 each	2	2
<i>Issued and fully paid</i>		
2 Ordinary Shares £1 each	2	2
Total issued ordinary share capital	2	2
Non-cumulative redeemable preference shares		
<i>Authorised :</i>		
14,999,998 Non-Cumulative Redeemable Preference Shares of £1 each	14,999,998	14,999,998
<i>Issued and fully paid :</i>		
8,000,000 Non-Cumulative Redeemable	8,000,000	8,000,000
Total issued non-cumulative redeemable preference share capital	8,000,000	8,000,000

The non-cumulative redeemable preference shares have no right to receive any of the profits of the Company available for distribution by way of dividend or otherwise. The preference shares are furthermore redeemable by the Company at their nominal amount at any time specified by the directors. The holders of the preference shares shall not be entitled to receive notification of or attend and vote at any general meeting of the Company unless a resolution is to be proposed to wind up the Company or which varies, modifies, alters or abrogates any of the rights attaching to the preference shares. The preference shares were issued at par for cash.

7 Provisions

	2007 £	2006 £
Opening balance 1 July	934,218	737,715
Additional provisions	1,203,478	887,144
Amounts utilised	(685,195)	(478,057)
Amounts unutilised and released	(258,358)	(212,584)
Closing balance 30 June	1,194,143	934,218

The opening provisions balance consists of amounts for remuneration, including bonus incentives and national insurance, legal fees, audit fees and other items.

The provisions held against legal fees and other items were released during the year when the obligations did not materialise. Amounts for remuneration and audit fees were utilised during the year.

The closing provisions balance consists of amounts for remuneration and audit fees, of which remuneration is by far the most significant.

RMB ASSET MANAGEMENT INTERNATIONAL LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 30 June 2007

8. Trade and other payables

	Note	2007 £	2006 £
Trade payables		1,388,637	1,640,911
Amounts due to related parties	20	314,776	1,450,779
Other payables		447,477	403,242
Social security		159,065	155,993
Accruals		487,344	682,186
		<u>2,797,299</u>	<u>4,333,111</u>

No trade and other payables are interest bearing

9. Deferred tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

Deferred tax assets	2007 £	2006 £
- Deferred tax asset to be recovered after more than 12 months	21,309	-
	<u>21,309</u>	<u>-</u>
Deferred tax liabilities:		
- Deferred tax liability to be recovered after more than 12 months	(62,588)	-
	<u>(62,588)</u>	<u>-</u>
Deferred tax liabilities (net)	<u>(41,279)</u>	<u>-</u>

The gross movement on the deferred income tax account is as follows:

	2007 £	2006 £
Beginning of year	-	-
Income statement charge	(41,279)	-
End of year	<u>(41,279)</u>	<u>-</u>

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities	Accelerated tax depreciation	Total
At 1 July 2005 and 30 June 2006	-	-
Charged/(credited) to the income statement	62,588	-
At 30 June 2007	<u>62,588</u>	<u>-</u>
Deferred tax assets	Share-based payments	Total
At 1 July 2005 and 30 June 2006	-	-
Charged/(credited) to the income statement	(21,309)	-
At 30 June 2007	<u>(21,309)</u>	<u>-</u>

Deferred tax liabilities of £29,833 were not recognised in 2006 as the Company had tax loss carry forwards of £1,156,013.

10 Contingencies and Commitments

Commitments under operating lease commitments

The Company leases Two London Bridge under a non-cancellable operating lease agreement. In addition, the Company has entered into a sublease agreement with RMB International (UK) Limited ("RMBIUK"), a fellow Group company. In terms of the agreement, RMBIUK subleases current unoccupied space leased by the Company. In turn, RMBIUK subleases the office space to external parties. In terms of the agreement, the Company is obligated to cover 75% of the rental charges if RMBIUK fails to sublease the unoccupied space. As at 30 June 2007 any unutilised office space has been fully sublet. The future minimum lease payments under the non-cancellable operating lease are as follows:

	Less than 1 year £	2nd to 5th year £	After 5 years £
2007			
Office premises	741,284	1,297,247	-
	<u>741,284</u>	<u>1,297,247</u>	<u>-</u>
	Less than 1 year £	2nd to 5th year £	After 5 years £
2006			
Office premises	741,284	2,038,531	-
	<u>741,284</u>	<u>2,038,531</u>	<u>-</u>

The Company has no contingent assets or liabilities (2006: £Nil)

11 Revenue

Income is derived from Europe and South Africa, but these are considered not to be separately identifiable locations as they are all inter-group. The 2006 numbers are restated as investment management fee revenue received from RMB International Asset Management Limited and then paid on to the sub-investment managers has been grossed up by £3,362,833, with a corresponding increase in rebates.

	2007 £	2006 (restated) £
Revenue comprises:		
Investment management fees	12,087,878	10,491,830
Advisory fees and rebates	704,946	402,720
Loss on incorrect trade execution	(50,065)	(106,927)
	<u>12,742,759</u>	<u>10,787,622</u>
Less :		
Rebates and sub-investment manager fees	(4,927,763)	(4,961,222)
Revenue	<u><u>7,814,996</u></u>	<u><u>5,826,400</u></u>

RMB ASSET MANAGEMENT INTERNATIONAL LIMITED
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12. Administrative expenses

Operating profit/(loss) is after taking into account the following

	Note	2007 £	2006 (restated) £
Auditors' remuneration		46,039	51,800
- Audit fees		46,039	51,800
- Audit services		-	-
- Non-audit services		-	-
Depreciation			
- Property		215,695	163,397
Leasehold premises		215,695	163,397
- Equipment		224,101	206,231
Computer equipment		131,407	106,155
Furniture and fittings		56,242	63,624
Office equipment		36,452	36,452
		439,796	369,628
Operating lease charges			
- Land and buildings		588,082	597,408
Professional fees			
- Technical		426,143	212,602
		426,143	212,602
Staff related costs	13	5,556,868	4,243,192

13. Staff numbers and costs

	2007 Number	2006 Number
Executive	2	2
Other	49	47
	51	49

	2007 £	2006 £
Directors' Emoluments	964,734	1,065,691
Emoluments of highest paid director	482,917	683,393

Detailed directors remuneration is disclosed in note 20

Employee costs (including directors) during the year

	2007 £	2006 (restated) £
Wages and salaries	4,227,027	3,159,919
Share based payment costs	71,029	55,341
Social security costs	536,079	440,924
Other pension costs	374,155	370,803
Other staff costs	348,578	216,205
	5,556,868	4,243,192

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14 Interest income

	2007 £	2006 £
Interest on		
Bank deposits	418,413	154,670
	<u>418,413</u>	<u>154,670</u>

15 Other expenses

	2007 £	2006 £
Net foreign exchange losses	(50,166)	(12,899)
	<u>(50,166)</u>	<u>(12,899)</u>

16. Taxation

	2007 £	2006 £
Normal taxation		
- United Kingdom corporate tax at 30% (2006-30%)	224,749	-
- Deferred tax (Note 9)	41,279	
Total taxation	<u>266,028</u>	<u>-</u>

	2007 £	2006 £
Factors affecting the tax charge for the current period:		
Profit before tax	1,601,023	1,019,696
Tax at 30% thereon	480,307	305,909
<i>Income not subjected to tax</i>		
Expenses non-deductible for tax purposes	69,937	5,866
Fixed asset temporary differences	62,588	29,314
Utilisation of losses	(346,804)	(341,089)
	<u>266,028</u>	<u>-</u>

17 Notes to the cash flow statement

Cash generated from operations	2007	2006
	£	£
Cash receipts from customers		
Revenue	7,814,996	5,826,400
Changes in working capital	(473,924)	3,703,617
	<u>7,341,072</u>	<u>9,530,017</u>
Cash paid to suppliers and employers		
Administrative expenses	(6,582,220)	(4,948,475)
Other expenses	(50,166)	(12,899)
Non-cash movements	409,344	382,061
Changes in working capital	(1,275,886)	500,916
	<u>(7,498,928)</u>	<u>(4,078,397)</u>
Net cash flows from operating activities	<u>(157,856)</u>	<u>5,451,620</u>

18. Share option schemes

The FirstRand Share Incentive Schemes

The purpose of the schemes is to provide a facility to employees of the FirstRand Limited Group to acquire shares in FirstRand Limited, so as to appropriately attract, incentivise and retain managers within the FirstRand Group

For options allocated, delivery may only be taken by the participant 3, 4 and 5 years after the option is granted at a rate of 33 3% per annum

Valuation methodology

Fair values of the Share Incentive Schemes are calculated at the date of grant using a modification of the Cox-Rubenstein binomial model

For valuation purposes, each call option granted has been valued as a Bermudan call option with a number of exercise dates. The days on which the options can be exercised has been assumed to be the last day that the shares trade cum-dividend

Market data consists of the following

- volatility is the expected volatility over the period of the option. In the absence of other historic data, historic volatility is used as a proxy for expected volatility
- the interest rate is the risk-free rate of return, recorded on the date of the option grant, on a South African government zero coupon bond on a term equal to the expected life of the option

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18. Share Option schemes (continued)

Dividend data consists of the following

- the last dividend paid is the Rand amount of the last dividend before the options were granted,
- the last dividend date is the ex-date of the last dividend, and
- the dividend growth is the annual expected dividend growth, which is based on publicly available information

Employee statistic assumptions

Annual employee turnover is the average annual rate that employees participating in the scheme are expected to leave before the options have vested

The weighted average number of forfeitures is based on the major grants because these grants have a more reliable cancellation/forfeiture pattern

The material assumptions used in the valuation of the IFRS 2 expense and fair values are

Weighted average share price	R6 80-R16 95
Expected volatility	27%-33%
Expected option life in years	4 years
Expected risk free rate	6 8%-12%
Expected dividend growth	20%-22 87%

Income Statement Charges

	2007	2006
	£	£
FirstRand Share Option Scheme		
Equity-settled share based payments	31,632	55,341
Cash-settled share based payments	39,397	-
	71,029	55,341

Balance sheet Liability

FirstRand Share Option Scheme		
Equity-settled share based payments	86,973	55,341
Cash-settled share based payments	39,397	-
	126,370	55,341

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18. Share Option schemes (continued)

FirstRand Ltd Share Option Scheme

	2007 Number	2006 Number
Number of options at the beginning of the year	1,151,873	1,344,292
Weighted average		
Number of options granted during of the year	-	12,000
Weighted average		
Number of options exercised during the year	(264,820)	(204,419)
Weighted average		
Number of options cancelled/lapsed during the year	-	-
Weighted average		
Number of options at the end of the year	887,053	1,151,873
Weighted average		

Options are exercisable over the following periods

	Average exercise price ZAR	Number of Options
Financial year 2006/2007	7 28	248,373
Financial year 2007/2008	7 42	406,274
Financial year 2008/2009	8 15	211,248
Financial year 2009/2010	13 25	17,158
Financial year 2010/2011	16 95	4,000

FirstRand Share Appreciation Right Scheme

	2007 Number	2006 Number
Number of options at the beginning of the year	-	-
Weighted average		
Number of options granted during of the year	-	353,000
Weighted average		
Number of options exercised during the year	-	-
Weighted average		
Number of options cancelled/lapsed during the year	-	-
Weighted average		
Number of options at the end of the year	-	353,000
Weighted average		

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18. Share Option schemes (continued)

Options are exercisable over the following periods

	Average exercise price ZAR	Number of Options
Financial year 2009/2010	17 95	117,667
Financial year 2010/2011	17 95	117,667
Financial year 2011/2012	17 95	117,667

19. Financial Risk Management

19.1 Currency Risk Management

The Company takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Company manages the above risk by taking out foreign exchange forwards.

19.2 Credit Risk Management

The Company manages its credit risk exposure by placing maximum term limits to its debtors of 3 months. Credit risk is monitored on an ongoing basis.

19.3 Liquidity Risk Management

The Company is exposed to daily liquidity requirements from current accounts and other cash requirements. The Company manages its liquidity risk management as a result of the liquidity requirements enforced by the Financial Services Authority.

19.4 Interest Rate Risk Management

As the Company has no significant interest bearing assets, other than cash, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

20. Related Parties

The Company defines related parties as

- The parent company,
- Associate companies,
- Joint ventures,
- Fellow subsidiaries,
- Key management personnel as the Board of Directors
- Close family members of key management personnel (individual's spouse/domestic partner and children, domestic partner's children and dependants of individual or domestic partner), and
- Enterprises which are controlled by these individuals through their majority shareholding or their role as chairman and/or CEO in those companies

The Company is controlled by FirstRand International (UK) Limited, (incorporated in England and Wales) which owns 100% of the ordinary shares. The ultimate controlling party is FirstRand Limited (incorporated in South Africa).

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20. Related Parties (continued)

Details of transactions with relevant related parties appear below.

Fellow subsidiaries	Note	2007	2006
Amounts due from related parties		£	£
FirstRand (UK) Limited		46,104	23,925
FirstRand International Limited		20,139	310
RMB International Asset Management Limited		28,483	929,743
FirstRand (Ireland) PLC		8,648	8,647
Ashburton (Jersey) Limited		38,836	98,386
RMB Asset Management Limited		4,434	14,818
RMB International (C I) Limited		14,365	-
Advantage Asset Managers (Pty) Limited		48,083	17,144
	4	209,092	1,092,973
		2007	2006
Amounts due to related parties		£	£
RMB International (UK) Limited		148,156	1,159,679
RMB Asset Management Limited		81,471	237,741
Advantage Asset Managers (Pty) Limited		3,423	25,426
RMB Investment Services (Pty) Limited		64,611	14,341
RMB Private Bank Limited		-	13,592
FirstRand (Ireland) PLC		17,115	-
	8	314,776	1,450,779

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20. Related Parties (continued)

Fellow subsidiaries	Note	2007	2006
Amounts due from related parties :		£	£
FirstRand (UK) Limited		46,104	23,925
FirstRand International Limited		20,139	310
RMB International Asset Management Limited		28,483	929,743
FirstRand (Ireland) PLC		8,648	8,647
Ashburton (Jersey) Limited		38,836	98,386
RMB Asset Management Limited		4,434	14,818
RMB International (C I) Limited		14,365	-
Advantage Asset Managers (Pty) Limited		48,083	17,144
	4	209,092	1,092,973
Amounts due to related parties		2007	2006
		£	£
RMB International (UK) Limited		148,156	1,159,679
RMB Asset Management Limited		81,471	237,741
Advantage Asset Managers (Pty) Limited		3,423	25,426
RMB Investment Services (Pty) Limited		64,611	14,341
RMB Private Bank Limited		-	13,592
FirstRand (Ireland) PLC		17,115	-
	8	314,776	1,450,779
Income from fellow subsidiaries		2007	2006
Other revenue - fee income		£	£
RMB International Asset Management Limited		3,972,939	4,770,821
Ashurton (Jersey) Limited		372,243	182,799
RMB Asset Management Limited		19,969	20,006
RMB Investment Services (Pty) Limited		125,906	85,708
Advantage Asset Managers (Pty) Limited		306,418	365,394
RMB International (C I) Limited		97,137	-
Momentum Group Limited		71,552	85,000
FirstRand (Ireland) PLC		417,740	128,809
		5,383,904	5,638,537
Expenses		2007	2006
		£	£
<u>Rebates</u>			
RMB International Asset Management Limited		809,620	-
RMB Asset Management Limited		169,450	831,534
RMB Investment Services (Pty) Limited		245,909	296,696
<u>Fees</u>			
Advantage Asset Managers (Pty) Limited		12,978	13,659
<u>Other expenses</u>			
Advantage Asset Managers (Pty) Limited		-	29,275
		1,237,957	1,171,164

Directors and key management personnel

	2007	2006
Directors' emoluments	£	£
Salaries & other short-term benefits	602,385	518,129
Post-employment benefits	-	-
Other long-term benefits	31,101	47,227
Termination benefits	-	2,667
Share-based payments	331,248	497,668
Total compensation	964,734	1,065,691

A listing of the board of directors of the Company is on page 4 of the Directors' report

21. Events After The Balance Sheet Date

A dividend in respect of the year ended 30 June 2007 of £1,300,000 was proposed by the Board of Directors on 14 August 2007. These financial statements do not reflect that dividend.