

# **RMS 16 Limited**

## **Report and Financial Statements**

31 March 2012



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**RMS 16 Limited**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**Company Number: 04810536**

**Directors**

S Martin  
Capita Trust Corporate Services Limited  
Capita Trust Corporate Limited

**Secretary**

Capita Trust Secretaries Limited

**Auditors**

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

**Solicitors**

Linklaters LLP  
1 Silk Street  
London  
EC2Y 8HQ

**Registered office**

40 Dukes Place  
London  
EC3A 7NH

**DIRECTORS' REPORT****For the year ended 31 March 2012**

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The Directors present their report and audited company financial statements for the year ended 31 March 2012. These financial statements present information about RMS 16 Limited as an individual undertaking and not a group.

**Principal activities**

RMS 16 Limited (the "Company") is a holding Company. The principal activity of the subsidiaries of the Company is the investment in mortgage loans secured by first and second charges over properties within the United Kingdom.

On 13 June 2011, a call option to wind up one of the Company's subsidiaries, Residential Mortgage Securities 16 plc, was exercised and as a result all associated assets and liabilities were settled, retaining the necessary funds to pay for future costs associated with winding down and liquidation.

**Principal risks and uncertainties**

As a subsidiary of Investec plc, the company falls under the Investec Group's Risk Management Framework which is set out on pages 37 to 116 of Investec plc's 2012 Annual Report.

**Business review**

The company has been dormant throughout the prior period. During the current period the company became active. The intercompany payable, originally payable to Kensington Mortgages Limited, was transferred to the subsidiary company, RMS 16.

**Results and dividends**

There have been no transactions through the profit and loss account in the year. Consequently no profit and loss account is presented. The Directors do not recommend the payment of a dividend.

**Future business developments**

The Directors expect the business will continue to act as a holding company for companies investing in mortgages loans financed by the issuing of a series of Notes for the foreseeable future. The business risks of the subsidiaries are described in the report and financial statements of the individual companies.

**Directors' interests**

The Directors who held office during the year and subsequently were as follows -

Capita Trust Corporate Limited  
Capita Trust Corporate Services Limited  
Derek Lloyd (Resigned 15 December 2011)  
Anant Patel (Resigned 15 December 2011)  
Sean Martin (Appointed 15 December 2011)

None of the Directors had any interests in the shares of the Company. None of the Directors had any interest either during or at the end of the year in any material contract or arrangement with the Company.

**Company secretary**

Capita Trust Secretaries Limited continued to act as Company Secretary for the year ended 31 March 2012.

**DIRECTORS' REPORT****For the year ended 31 March 2012**

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**Going concern**

The financial statements have been prepared on the going concern basis. In assessing the appropriateness of the going concern basis, the directors have taken account of all relevant information available covering a period of at least twelve months from the date of approval of the financial statements.

**Employees**

The Company does not have any employees (2011: nil).

**Events occurring after the balance sheet date**

The Directors confirm that there are no significant events occurring after the balance sheet date, up to the date of this report, which would meet the criteria to be disclosed or adjusted in the financial statements for the year ended 31 March 2012.

**Corporate Social Responsibility**

The Company operates in accordance with the Group policies described in the Investec plc annual report which does not form part of this 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 liabilities 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 auditors**

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 auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

**Appointment of auditors**

A resolution to re-appoint Ernst & Young LLP as auditors will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



Paul Glendenning for and on behalf of Capita Trust Corporate Services Limited

Director

Date 4 December 2012

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 UK Accounting Standards 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.

**TO THE MEMBERS OF RMS 16 LIMITED**

We have audited the financial statements of RMS 16 Limited for the period ended 31 March 2012 which comprises the Balance Sheet and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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 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 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 annual report 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 2012 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

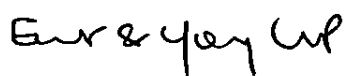
**Opinion on other matter prescribed by the Companies Act 2006**

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



Angus Grant (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date 4 DECEMBER 2012



**BALANCE SHEET**  
**As at 31 March 2012**

	Notes	31 March 2012 £	31 March 2011 £
<b>NON CURRENT ASSETS</b>			
Investments	5	12,530	12,530
<b>CURRENT ASSETS</b>			
Debtors	6	<u>1</u>	<u>1</u>
		12,531	12,531
<b>CURRENT LIABILITIES</b>			
Creditors amounts falling due within one year	7	(12,530)	(12,530)
<b>NET ASSETS</b>			
		<u><u>1</u></u>	<u><u>1</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	<u>1</u>	<u>1</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
		<u><u>1</u></u>	<u><u>1</u></u>

The notes on pages 8 to 11 form an integral part of these accounts

The financial statements were approved by the Board of Directors and signed on its behalf by



Paul Glendenning for and on behalf of Capita Trust Corporate Services Limited

Director

Date 4 December 2012

**NOTES TO THE BALANCE SHEET**  
**For the year ended 31 March 2012**

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**1. ACCOUNTING POLICIES****Basis of presentation**

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice. The financial statements have been prepared on a going concern basis.

**Investments**

Investments are stated at cost less any provision for impairment if, in the opinion of the Directors, there has been a permanent diminution in the value of the investment.

**Consolidated accounts**

The Company has taken advantage of the exemption from preparing consolidated financial statements as conferred by Section 400 of the Companies Act 2006 as its results are consolidated into Investec plc's consolidated financial statements.

**Taxation**

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

**2. PROFIT AND LOSS ACCOUNT**

The Directors' emoluments have been borne by a fellow group undertaking in the current and prior year. The Directorship is split between Investec plc and Capita Trust Company Limited and their various subsidiaries as disclosed in the Directors' Report. The directors employed by Investec plc were remunerated as directors or employees of Investec plc and its subsidiaries ('the Group') in respect of their services to the Group as a whole, and they do not believe that any of their remuneration relates to their services to the company in the current or prior year. Capita Trust Company Limited, who are the appointed corporate service provider, charge an annual fee of £1,500 for their role as company secretary and £2,000 for their role as directors. It is considered that there is no appropriate basis on which they can apportion the fee between their various subsidiaries.

The Company has not traded and has made neither profit nor loss nor any other recognised gains or losses during the current or preceding financial years and consequently there is no result to report. There were no movements in shareholders' funds in the period.

There were no other items of expenditure requiring disclosure.

The Company has no employees (2011 – nil).

Auditors' remuneration of £7,700 (2011 – nil) was borne by Kensington Mortgages Limited.

There was no movement in shareholders' funds during the period.

**3. TAX ON LOSS ON ORDINARY ACTIVITIES**

RMS 16 Limited is a holding company and has neither received income nor incurred expenditure during the current year. As such there are no retained earnings or movements in shareholder's funds. No corporation tax charge arises in the year (2011 – Nil).

**4. CASH FLOW STATEMENT**

During the financial year there were no company cash flows. Consequently no cash flow statement has been prepared.

**NOTES TO THE BALANCE SHEET**  
**For the year ended 31 March 2012**

**5 INVESTMENT IN SUBSIDIARIES**

	Shares in Group Companies £
1 April 2011	12,530
31 March 2012	12,530

The issued share capital of Residential Mortgage Securities 16 Plc, consists of 50,000 £1 ordinary shares. At incorporation, 49,998 ordinary shares were called at 25p each and 2 ordinary shares were called at £1 each. The issued share capital of RMS 16 Options Limited consists of 30 £1 ordinary shares fully called up. In June 2011 the activities of RMS 16 plc ceased and the company is dormant awaiting liquidation. Please refer to the table below for further details.

Company	Principal Activity	% Held
Residential Mortgage Securities 16 plc	Dormant	100%
RMS 16 Options Limited	Hold options in the above company	100%

**6. DEBTORS**

	31 March 2012 £	31 March 2011 £
Amounts owed by shareholders	1	1
	1	1

Amounts due from group companies are interest free and repayable on demand

**7. CREDITORS**

	31 March 2012 £'000	31 March 2011 £'000
Amounts due to Group Companies	12,530	12,530
	12,530	12,530

Amounts due to group companies are interest free and repayable on demand

**NOTES TO THE BALANCE SHEET**  
**For the year ended 31 March 2012**

**8. SHARE CAPITAL**

	31 March 2012	31 March 2011
	£	£
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up and allotted		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

**9. PARENT UNDERTAKING**

The Company's immediate parent company is Capita Trust Nominees No 1 Limited, a company registered in England and Wales

The entire share capital of RMS 16 Limited is held by Capita Trust Nominees No 1 Limited, under the terms of a trust primarily for the benefit of the creditors of RMS 16 Limited or, if none, ultimately for charitable purposes. Capita Trust Nominees No 1 Limited is a subsidiary of Capita Plc, a company incorporated in Great Britain

The Company's operations are managed on a group basis by Investec plc, which retains an interest in the cash flows and profits of the Company

The ultimate parent company and controlling party is Investec plc, a company registered in England and Wales. Investec plc is the only group into which the Company's results are consolidated

The consolidated accounts are available to the public from Investec plc at 2 Gresham Street, London EC2V 7QP

**NOTES TO THE BALANCE SHEET**  
**For the year ended 31 March 2012**

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**9. PARENT UNDERTAKING (CONTINUED)**

In relation to the above, below is a list of balances with these entities

<b>Related Party transactions</b>	<b>Investec PLC and its subsidiaries</b>
	<b>£</b>
2012	
Investment in companies	12,530
Amounts due to subsidiaries	(12,530)
Due from shareholders	1
Fees paid by group companies	(7,700)
2011	
Investment in companies	12,530
Amounts due to subsidiaries	(12,530)
Due from shareholders	1

The above transactions and outstanding balances arose in the ordinary course of business and on substantially the same terms, including interest rates and security, as for comparable transactions with persons of a similar standing. None of the outstanding balances have been impaired.