NORLAND DACS 18 Limited

Report and Financial Statements

31 March 2012

Company Registration No 05060827

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OFFICERS AND PROFESSIONAL ADVISERS

Directors
D Lloyd
K McKenna
K Street

Secretary
S Pindoria
2 Gresham Street
London
EC2V 7QP

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

Bankers
Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Solicitors
Linklaters LLP
1 Silk Street
London
EC2Y 8HQ

Registered office
2 Gresham Street
London
EC2V 7QP

Company Registration No 05060827

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2012

BUSINESS REVIEW AND PRINCIPAL ACTIVITY

Norland DACS 18 Limited (the "Company") is a wholly owned subsidiary of Kensington Group plc ("Kensington") The Company operates as part of the group of companies owned by Kensington ("Group") The Company's principal activity is the acquisition of financial investments ("FIs") in the residential mortgage-backed securitisation transaction, Residential Mortgage Securities 18 Plc ("SPV"), conducted by the Group The securitisations are backed by mortgage loans originated by companies within the Group

Kensington Group plc is a subsidiary of Investec plc (the "ultimate parent company")

The Profit and Loss result on page 8 of the financial statements shows the Company's financial position at the year end

Kensington manages its operations on a group-wide basis and therefore the Company's Directors believe that key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business The performance of the Group's mortgage lending activities, which included the Company, is discussed in the Investec plc annual report which does not form part of this report The Directors do not recommend the payment of a dividend for the period (2011 £nil)

During the prior year the Company sold £5,327,000 of its Class 'C' floating rate notes to a SPV which is consolidated into the results of the Company's ultimate parent company The disposals were made at fair value, occurred in the normal course of business and generated a profit of £320,000

On 12 August 2011 a call option was exercised to wind up the activities of the SPV Consequently most assets and liabilities of the SPV were settled, including any remaining FIs held by the Company, with any shortfall or surplus written off to the P&L

PRINCIPAL RISKS AND UNCERTAINTIES

Group wide risks are discussed in the Investec plc annual report which does not form part of this report Risks specific to the Company's activities are associated with its financial instruments and are market, credit and liquidity risks

Financial instruments

Until 12 August 2011 the Company's financial instruments comprised of mortgage assets, FIs and amounts due to or from other Group companies The Company itself does not enter into derivative transactions and neither does it trade in financial instruments However, until the 12 August 2011 the Company was affected by the derivative contracts entered into by the SPV to hedge interest rate and currency risk insofar as they affected the SPV's resources available to make payments in respect of the FIs Since 12 August 2011 the Company is not exposed to risks arising from financial instruments

Market risks

Market risks specific to the Company's investment activities in the SPV were interest rate risk and foreign currency risk The SPV entered into derivative contracts to manage the difference between the interest rates applicable to the notes and the interest rates of the mortgage loans Although the Company was not directly affected by foreign currency risk, the SPV has issued floating rate notes denominated in currencies other than Sterling which are secured on mortgage loans denominated in Sterling To mitigate the SPV's foreign currency risk, the SPV had entered into cross currency swaps and the derivative instruments used matched the maturity of the foreign currency notes Since 12 August 2011 the Company is not exposed to these market risks

Credit risk

The Company was exposed to the credit risk relating to the underlying mortgage loans which formed part of the securitisation on which the FIs were secured, as payments in respect of the FIs were dependent upon the performance of the mortgage loans Since 12 August 2011 the Company is not exposed to credit risk

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DIRECTORS' REPORT (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its payment obligations when they fall due under normal circumstances Liquidity is managed centrally by Group through other intra-group short term funding arrangements

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 a period of at least twelve months from the date of this report In this regard, even though the Company has disposed of a significant portion of its assets subsequent to year end, at the present time, the Directors do not anticipate winding up the Company within the next 12 months Accordingly, the Directors believe it appropriate to prepare the financial statements on a going concern basis

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

EMPLOYEES

The Company does not have any employees All the operations associated with the Company's activities are carried out by the employees of an affiliated company, Investec Bank plc

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DIRECTORS' REPORT (continued)

DIRECTORS

The Directors who were in service at any point during the year and up to the date of signing of these financial statements are as follows

D Lloyd	
K McKenna	Appointed 3 May 2011
K Street	Appointed 5 December 2011
A Patel	Resigned 5 December 2011
N J Ralph	Resigned 3 May 2011
A Salter	Resigned 3 May 2011

None of the above mentioned directors are directors of the ultimate parent company

DIRECTORS' INDEMNITY AND DIRECTORS' AND 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

COMPANY SECRETARY

Shilla Pindoria continued to act as as Company Secretary throughout the year to 31 March 2012

CREDITOR PAYMENT POLICY

The Company agrees terms and conditions with its suppliers Payment is then made on the terms agreed, subject to the appropriate terms and conditions being met by the supplier The trade creditor days figure has not been stated as the Directors do not consider this measure appropriate to the business

DISCLOSURE OF INFORMATION TO THE 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, 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

The Company has elected not to make annual appointments of auditors Accordingly Ernst & Young LLP are deemed to be reappointed in accordance with section 487 of the Companies Act 2006

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

SPindoria

S Pindoria

Company Secretary

Date 04/12/2012

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year Under that law, 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, 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 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

Company Registration No 05060827

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NORLAND DACS 18 LIMITED

We have audited the financial statements of Norland DACS 18 Limited for the year ended 31 March 2012 which comprise Profit and Loss Account, Balance Sheet and the related notes 1 to 13 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 auditor

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 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 Directors' 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 profit 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 year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NORLAND DACS 18 LIMITED

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

Ernst & Young LLP

Angus Grant (Senior Statutory Auditor)

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

London

Date 5 December 2012

Company Registration No 05060827

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2012

	Notes	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
(EXPENSE) / INCOME FROM SECURITISATION ASSETS	2	(50)	1,927
NET (LOSS) / INCOME FROM INVESTMENT ACTIVITIES		(50)	1,927
Operating expenses		172	(1,552)
Profit on sale of investments	7	-	320
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	122	695
Taxation	5	17	(675)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11,12	139	20

The profit in the current year and prior year was derived from discontinued operations

There were no recognised gains or losses in the current year or in the prior year other than the profit disclosed above Accordingly no statement of recognised gains and losses has been prepared A reconciliation of the movements in equity shareholders' funds has been prepared in note 12 to the financial statements

The notes on pages 10 to 19 form an integral part of these financial statements

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BALANCE SHEET
at 31 March 2012

	Notes	£'000	31 March 2012 £'000	£'000	31 March 2011 £'000
NON-CURRENT ASSETS					
Mortgage loans and other assets	6	-		97,970	
Less Non-recourse finance and other liabilities	6	-		(92,643)	
Less C note principal not held by DACS	6	-		(5,327)	
Investments	7		-		-
CURRENT ASSETS					
Debtors Amounts falling due within one year	8		1,837		58,985
Cash and cash equivalents			4		-
TOTAL ASSETS			1,841		58,985
LIABILITIES					
Creditors Amounts falling due within one year	9		1,652		58,935
TOTAL LIABILITIES			1,652		58,935
NET ASSETS			189		50
CAPITAL AND RESERVES					
Called up share capital	10		-		-
Profit and loss account	11		189		50
SHAREHOLDERS' FUNDS	12		189		50

The notes on pages 10 to 19 form an integral part of these financial statements

These financial statements were approved by the Board of Directors and authorised for issue on

03/12/2012

D Lloyd (Director) Date

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2012

1. ACCOUNTING POLICIES

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

Income from securitisation assets
Income from securitisation assets comprise of

- Interest from Detachable 'A' Coupons ("DAC's") and C Notes which is recognised on an accruals basis
- Income from Mortgage Early Redemption Certificates ("MERC's") and Residual Certificates (deferred consideration) which is recognised as received

The accounting treatment for the profit on the sale of mortgage assets is described below ("Deferred profit on sale of mortgages")

All income is earned in the UK

Due to the fact that the nature of the business was to earn income from holding certain investments in Residential Mortgages 18 Plc (the "SPV Company"), the Directors are of the opinion that it is more appropriate to use "Income from securitisation assets" rather than "Turnover" in presenting the Profit and Loss Account Income was earned until 12 August 2011 when the activities of the SPV Company were wound up

For definitions of the securitised assets see "Securitised Assets" below

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

Deferred profit on sale of mortgages
A premium was received when the mortgage loans were sold to the SPV Company As part of the securitisation transaction, any proceeds in excess of the carrying value of the mortgages sold were automatically reinvested in the securitisation assets (Detachable 'A' Coupons) described below Consequently, under FRS 5, no immediate profit on the sale of the mortgages was recognised This profit has been deferred and will be released to the Profit and Loss account in line with the expected lives of the securitisation assets

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2012

1. ACCOUNTING POLICIES (CONTINUED)

Linked presentation
The Company has sold, as part of a securitisation transaction, certain mortgage loans to a Special Purpose Vehicle ("SPV Company") on a non-recourse basis In accordance with the requirements of Financial Reporting Standard ("FRS") 5 "Reporting the Substance of Transactions", these amounts cannot be derecognised and have been in prior years disclosed on the face of the balance sheet less any non-recourse finance, using the linked presentation basis.

On 12 August 2011 the activities of the SPV Company were wound up and therefore linked presentation is no longer appropriate

Mortgage loans
The Company sold, to enable a securitisation, certain mortgages to the SPV on a non-recourse basis However, the Company had retained significant risk and rewards associated with these mortgages through the acquisition of financial investments in the SPV made as part of the securitisation Therefore, in accordance with the requirements of FRS 5, these amounts could not be derecognised and in the prior year were disclosed on the face of the balance sheet less any non-recourse finance, using linked presentation

Mortgage loans were carried at amortised cost using the effective interest rate method, less provision made to reduce the value of impaired loans to their estimated recoverable amount Provisions were made against mortgages when, in the opinion of the Directors, objective evidence of a loss event exists

On 12 August 2011 the activities of the SPV Company were wound up, and therefore linked presentation is no longer appropriate

Impairment of mortgage loans
In the prior year, the Company retained an interest in a portfolio of mortgages The Company assessed whether there was evidence that a mortgage loan or a portfolio of mortgage loans was impaired Impairment losses were recognised if, and only if, there was objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the balance sheet date ('a loss event'), and that loss event or events had an impact on the estimated future cash flows of the mortgage loans or the portfolio that could be reliably estimated

The Company first assessed whether objective evidence of impairment existed individually for mortgage loans that were individually significant and individually or collectively for mortgage loans that were not individually significant If the Company determined that no objective evidence of impairment existed for an individually assessed mortgage loan, whether significant or not, it included the asset in a group of mortgage loans with similar credit risk characteristics and collectively assessed them for impairment Loans that were individually assessed for impairment and for which an impairment loss was or continued to be recognised were not included in a collective assessment of impairment

For the purposes of a collective evaluation of impairment, mortgage loans were grouped on the basis of similar risk characteristics, taking into account asset type, borrower, geographical location, collateral type, past-due status and other relevant factors These characteristics were relevant to the estimation of future cash flows for groups of such assets by being indicative of the counterparty's ability to pay all amounts due according to the contractual terms of the assets being evaluated

The amount of impairment loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate The amount of the loss is recognised in the Profit and Loss account

Future cash flows in a group of mortgage loans that were collectively evaluated for impairment were estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group Historical loss experience was adjusted on the basis of current observable data to reflect the effects of conditions that did not affect the period on which the historical loss experience was based and to remove the effects of conditions in the historical period that did not currently exist

Any impairment in the underlying mortgage assets were reflected in the Company's accounts by adjusting the carrying value of the loan to originator

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2012

1 ACCOUNTING POLICIES (CONTINUED)

Investment Securitisation assets
In the prior year Securitisation assets comprised investments in the following assets which have been issued by the SPV Company

- Detachable 'A' Coupons (otherwise known as "DAC's" or "IO's") representing an entitlement to receive fixed rate, interest only income, determined by reference to the outstanding principal amount of Class A Floating Rate Mortgage Backed Notes issued by the SPV Company,
- Mortgage Early Redemption Certificates (otherwise known as "MERC's"), representing an entitlement to the early redemption charges made from borrowers redeeming their mortgages within a predetermined period in the SPV Company, and
- Residual Certificates (otherwise known as "deferred consideration") which provide an entitlement to surplus income generated by the SPV Company after all other obligations have been met under their respective Deeds of Charge

In the prior year, DAC's are recorded at cost and amortised over the period during which income is expected to be generated from them based on repayment curves at the date of issue The length of this period is dependent upon the expected rate of prepayment of the related mortgage portfolio at the date of issue

No cost was attributed to the MERC's The redemption income was credited to the Profit and Loss Account on a received basis At this stage in the SPV Company's life, all mortgages have moved outside of the early redemption charges period

No cost was attributed to the deferred consideration as the income that arose from these certificates is more uncertain and dependant upon future performance of the SPV Company The Company accrues for the surplus income generated by the SPV Company to the extent the performance of the sold mortgages will result in surplus cash being available in the SPV to settle these amounts These amounts were disclosed as accrued deferred consideration

On 12 August 2011 the activities of the SPV Company were wound up, together with cash settlement of all outstanding Securitisation assets, with any surplus or shortfall taken to the profit and loss account

Investment Class 'C' Floating Rate Notes
The Company held Class 'C' Floating Rate Notes These were also issued by the SPV Company and are carried at amortised cost less amounts determined to be impaired, if any These were repaid over time by the SPV where it has sufficient cash available to do so Annual impairment reviews were carried out on these notes and any impairment identified is taken to the Profit and Loss Account

Derivative financial instruments
The Company had sold, as part of a securitisation transaction, certain mortgages to the SPV on a non-recourse basis The SPV used derivative financial instruments to hedge its exposure to interest rate risk and currency risk arising from these purchased mortgages and loan notes issued In accordance with FRS 5, these amounts could not be derecognised and were disclosed on the face of the balance sheet using linked presentation

The SPV does not and did not hold or issue derivative financial instruments for trading purposes None of the derivatives held by the SPV qualified for hedge accounting

The SPV has adopted FRS 26 and therefore derivatives were measured at fair value and any gains or losses arising were recognised immediately in the Profit and Loss Account FRS 26 is not mandatory to the Company

On 12 August 2011 the activities of the SPV Company were wound up together with the cancellation and settlement of outstanding derivative contracts

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2012

1 ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity
Financial liabilities and equity instruments were classified according to the substance of the contractual arrangements entered into An equity instrument was any contract that evidenced a residual interest in the assets of the company after deducting all of its liabilities

Related party transactions
The Company has taken advantage of the exemption allowed under FRS 8 - Related Party Transactions paragraph 3(c), and therefore transactions with other wholly owned group companies are not disclosed separately

Cash flow statement
Under FRS 1 (Revised) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the results of the Company in its own consolidated financial statements

Accrued deferred consideration
Accrued deferred consideration receivable represents further amounts receivable relating to the sale of mortgages to the SPV An accrual was made for deferred consideration within the financial statements as amounts are expected to become receivable as a result of the performance of the acquired mortgages in the SPV

Accrued deferred consideration payable represented income generated by the securitisation assets held by the Company and payable to other Group entities which originated the mortgages held by the SPV This balance was treated as intercompany and was paid to the extent that surplus cash was received from the SPV on 12 August 2011 when the activities of the SPV Company were wound up Any surplus or shortfall was taken to the profit and loss account

2 (EXPENSE)/ INCOME FROM SECURITISATION ASSETS

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Interest on 'C' Floating Rate Notes	-	236
Deferred consideration (payable to) / receivable from SPV	(71)	1,651
Other income	21	40
	(50)	1,927

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2012

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging the following within operating expenses	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Auditors' remuneration - for audit services*	10	10
Deferred consideration	(189)	1,538

On 12 August 2011 the activities of the SPV company were wound up Unpaid deferred consideration was written back to the profit and loss account, with the result that some deferred consideration paid to group companies above is similarly written back through the profit and loss account

In the prior year the auditors' remuneration was borne by an affiliated company, Kensington Mortgages Limited

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Company has no employees (2011 none) The Directors remuneration for the year was £15,000 (2011 £10,000) The Directors remuneration is paid by an affiliated company Investec Bank plc

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of the tax charge for the year

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Current tax		
Corporation tax charge at 28% based on the taxable profit for the year	(17)	512
Adjustment in respect of prior years	-	163
	(17)	675

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2012

5 TAX ON PROFITON ORDINARY ACTIVITIES (CONTINUED)

Factors affecting the tax charge for the year

	31 March 2012 £'000	31 March 2011 £'000
Profit on ordinary activities before tax	122	695
Tax on ordinary activities at standard UK corporation tax rate of 26% (2011 28%)	32	194
(Income) / expenditure not subject to tax	(49)	431
UK-UK transfer pricing adjustment	-	(113)
Prior year adjustment	-	163
Current tax (credit) / charge for the year	(17)	675

6 MORTGAGE LOANS AND OTHER ASSETS

Norland DACS 18 Limited sold, to enable a securitisation transaction, mortgage loans to a SPV Company On 12 August 2011 the activities of the SPV Company were wound up, together with repayment of all outstanding investments in the SPV

Balance sheet treatment
In accordance with the requirements of FRS 5, in the prior year the mortgage loans sold to the SPV Company and the associated non-recourse finance were included on the face of the balance sheet using linked presentation In the current year the SPV Company was wound up, and therefore linked presentation is no longer appropriate

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2012

6 MORTGAGE LOANS AND OTHER ASSETS (CONTINUED)

On 12 August 2011 the Company ceased to have any investment in the SPV Company, owing to the winding up of its activities together with repayment of all outstanding C note interest, principal and any deferred consideration Consequently the balance sheet of the SPV Company is presented for the prior year only

	2011 £'000
Loans to originator	61,487
Debtors	1,130
Cash	25,745
Derivative financial instruments	9,608
Total assets	**97,970**
Mortgage backed floating rate notes	67,510
Creditors	25,105
Derivative financial instruments	15
Shareholders' funds	13
Total liabilities and equity	**92,643**
DACS investment in SPV Company	**5,327**
C note principal not held by DACS	(5,327)
Investment in SPV Company	**-**

The prior year profit and loss account of the SPV Company is as follows

	Year ended 31 March 2011 £'000
Interest receivable	3,596
Interest payable	(999)
Net interest income	2,597
Net fair value loss on derivatives	(1,273)
Unrealised exchange gain / (loss) on restatement of loan liabilities	1,268
Other operating income	32
Total operating income	2,624
Operating expenses	(2,624)
Profit / (Loss) on ordinary activities before taxation	-
Tax on profit / (loss) on ordinary activities	-
Profit / (Loss) on ordinary activities after taxation	-

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2012

7 INVESTMENTS

	Assets Detachable 'A' Coupons £'000	Class 'C' Floating Notes £'000	Total £'000
Cost			
At 1 April 2011	23,383	-	23,383
Written off in the year	(23,383)	-	(23,383)
At 31 March 2012	-	-	-
Amortisation			
At 1 April 2011	23,383	-	23,383
Written off in the year	(23,383)	-	(23,383)
At 31 March 2012	-	-	-
Net book value at 31 March 2012	-	-	-
Net book value at 31 March 2011	-	-	-

On 29 March 2011 Norland DACS 18 Limited entered into a transaction to sell £5,327,000 of its Class 'C' floating rate notes to a SPV which is consolidated in the results of the Company's ultimate parent company, Investec plc, for their principal value A profit of £320,000 was made on the transaction

On 12 August 2011 the activities of the SPV were wound up, with the repayment of all outstanding C note interest and principal

8. DEBTORS

	31 March 2012 £'000	31 March 2011 £'000
Amounts falling due within one year		
Accrued deferred consideration	-	14,702
Amounts due from group companies	1,837	44,283
	1,837	58,985

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

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2012

9 CREDITORS

	31 March 2012 £'000	31 March 2011 £'000
Amounts falling due within one year		
Amounts due to group companies	1,095	8,042
Accruals and other liabilities	9	9
Accrued deferred consideration	-	33,783
Group relief payable to fellow group companies	548	17,101
	1,652	58,935

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

10 CALLED UP SHARE CAPITAL

	31 March 2012 £	31 March 2011 £
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and paid		
1 Ordinary share of £1	1	1

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2012

11 PROFIT AND LOSS ACCOUNT

	31 March 2012 £'000	31 March 2011 £'000
Balance at the beginning of the year	50	30
Profit for the year	139	20
Balance at end of the year	189	50

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 March 2012 £'000	31 March 2011 £'000
Opening shareholders' funds	50	30
Profit for the year	139	20
Closing shareholders' funds	189	50

13. ULTIMATE PARENT COMPANY

The Company's immediate parent company is Kensington Group Plc, a company registered in England and Wales 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 Copies of the Investec plc consolidated financial statements are available to the public from that company's registered office at 2 Gresham Street, London, EC2V 7QP