

Registration Number 3633621

Investec plc

Interim Financial Statements

31 May 2011

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Investec plc

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DIRECTORATE AND CORPORATE INFORMATION

BOARD OF DIRECTORS

Hugh S Herman * (Chairman)
Stephen Koseff (Chief Executive Officer)
Bernard Kantor (Managing Director)
Sam E Abrahams *
George F O Alford *
Glynn R Burger (Risk and Finance Director)
Cheryl A Carolus *
Haruko Fukuda *
Ian R Kantor *
Mangalani Peter Malungani *
Sir David Prosser *
Bradley Fried *
Peter R S Thomas *
Fani Titi *
Peregrine K O Crosthwaite *
Olivia C Dickson *
Hendrik J Du Toit

* Non-executive

SECRETARY

David Miller

AUDITOR

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

COMPANY REGISTRATION

Registration Number 3633621
Registered Office 2 Gresham Street
London, EC2V 7QP

PROFIT AND LOSS ACCOUNT

	Notes	Period ended 31/5/11 £'000	Year Ended 31/3/11 £'000
Dividends from subsidiary undertakings		33,500	60,441
Interest receivable from group undertaking		4,564	24,172
Interest payable – external		(1,344)	(25,758)
Interest payable to a fellow group undertaking		(4,904)	(3,346)
Forex losses		-	(1)
Administrative expenses		(2,758)	(21,960)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		29,058	33,548
Taxation	2	1,421	9,160
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		30,479	42,708

No information has been included in respect of the comparative period

There are no recognised gains or losses in the period other than those passed through the profit and loss account

There is no material difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis.

BALANCE SHEET

at 31 May 2011

	Notes	31/5/11 £'000	31/3/11 £'000
ASSETS			
Fixed assets			
Investments in subsidiaries	4	1,584,528	1,584,528
Current assets			
Cash at bank and in hand			
- balances with subsidiary undertaking		31,058	9,093
- balances with other banks		928	968
Amounts owed by group undertakings		537,223	535,564
Tax		28,018	26,597
Other debtors		21	21
Prepayments and accrued income		90	116
		<u>597,338</u>	<u>572,359</u>
Total assets		<u>2,181,866</u>	<u>2,156,887</u>
Liabilities			
Bank loans	5	132,023	132,943
Amounts owed to group undertakings	5	779,470	779,709
Other liabilities		957	1,025
Accruals and deferred income		2,173	6,585
		<u>914,623</u>	<u>920,262</u>
Total liabilities		<u>914,623</u>	<u>920,262</u>
Capital and reserves			
Called up share capital	6/9	162	162
Perpetual preference shares	7/9	151	151
Share premium account	9	1,058,993	1,058,993
Capital reserve	9	180,433	180,433
Capital redemption reserve	9	50	50
Profit and loss account	9	27,454	(3,164)
		<u>1,267,243</u>	<u>1,236,625</u>
Total capital and reserves		<u>1,267,243</u>	<u>1,236,625</u>
Total capital and liabilities		<u>2,181,866</u>	<u>2,156,887</u>

The financial statements on pages 2 to 8 were approved by the Board of Directors on 14 June 2011 and signed on its behalf by


 S Koseff
 Chief Executive Officer

NOTES TO THE FINANCIAL STATEMENTS

at 31 May 2011

1. ACCOUNTING CONVENTION

The interim financial statements have been prepared in accordance with the accounting policies set out in the Company's audited Financial Statements as at 31 March 2011 for the purposes of establishing that the Company has distributable reserves

2. TAXATION

	31/5/11 £'000	31/3/11 £'000
Current period tax credit	(1,421)	(9,249)
Prior year adjustment	-	89
	<u>(1,421)</u>	<u>(9,160)</u>

The effective rate for the period is different from the standard rate of UK corporation tax due to the following items

	31/5/11 £'000	31/3/11 £'000
Tax on profit on ordinary activities at UK rate of 26% (28%)	7,555	9,393
Intra-group dividends	(8,710)	(16,923)
Expenses not deductible for tax purposes	119	770
UK-UK transfer pricing	(385)	(2,489)
	<u>(1,421)</u>	<u>(9,249)</u>

3. DIVIDENDS PAID

	31/5/11 £'000	31/3/11 £'000
Ordinary dividend		
Final dividend for prior year	-	21,706
Interim dividend for current year	-	23,851
Total dividend attributable to ordinary shareholder	<u>-</u>	<u>45,557</u>
Perpetual preference dividend		
Final dividend for prior year	-	1,128
Interim dividend for current year	-	1,134
Total dividend attributable to perpetual preference shareholder	<u>-</u>	<u>2,262</u>

A final dividend has been declared by the board in respect of the year ended 31 March 2011. Shareholders in Investec plc will receive a distribution of 9.0 pence (31 March 2010: 8.0 pence) per ordinary share, which will be paid as follows:

- for non-South African resident Investec plc shareholders, through a dividend payment by Investec plc of 9.0 pence per ordinary share
- for South African resident shareholders of Investec plc, through a dividend payment by Investec plc of 1.0 pence per ordinary share and through a dividend paid, on the SA DAS share equivalent to 8.0 pence per ordinary share

Subject to confirmation at the Company's AGM on 4 August 2011, the final dividend will be payable on 8 August 2011 to shareholders on the register at the close of business on Friday 29 July 2011.

A preference dividend has been declared for the period 1 October 2010 to 31 March 2011 amounting to 7.48 pence per share payable to holders of the non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on Friday 17 June 2011. For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 7.48 pence per share is equivalent to 84 cents per share, which has been determined using the Rand/Pound Sterling average buy/sell forward rate as at 11h00 (SA time) on Wednesday 18 May 2011.

NOTES TO THE FINANCIAL STATEMENTS

at 31 May 2011

4 INVESTMENTS IN SUBSIDIARIES

Subsidiaries
£'000

1,584,528

At 1 April 2011 and at 31 May 2011

The principal subsidiary undertakings of the company given below are 100% owned and registered in England and Wales and incorporated in the United Kingdom, unless otherwise stated

Principal subsidiary undertakings	Country	Principal activity	Interest
Investec Bank (Australia) Limited	Australia	Banking institution	
Investec Holdings (UK) Limited		Holding company	
Investec Holding Company Limited*		Investment holding	
Investec Bank plc		Banking institution	
Investec Tier 1 (UK) LP*		Preferred Securities issuer	
Investec Group (UK) PLC		Holding company	
Investec Asset Finance PLC		Leasing company	
Investec Finance (Jersey) Limited*	Jersey	Debt issuer	
Leasedirect Finance Limited		Leasing company	75%
Investec Finance plc		Debt issuer	
Investec Group Investments (UK) Limited		Investment holding	
Investec Bank (Channel Islands) Limited	Guernsey	Banking institution	
Investec Bank (Switzerland) AG	Switzerland	Banking institution	
Investec Trust Holdings AG	Switzerland	Investment holding	
Investec Trust (Switzerland) SA	Switzerland	Trust company	
Investec Trust (Jersey) Limited	Jersey	Trust company	
Investec Asset Management Limited		Asset management	
Investec 1 Limited*		Investment holding	
Investec Ireland Ltd	Ireland	Financial services	
Investec Securities (US) LLC	USA	Financial services	
Kensington Group plc		Financial services	
Kensington Mortgages Limited		Financial services	
Newbury Park Mortgage Funding Limited		Financial services	
Rensburg Sheppards plc		Holding company	
Investec Wealth & Investment Limited (formerly Rensburg Sheppards Investment Management Limited)		Stockbroking and portfolio management	
St Jame's Park Mortgage Funding Limited		Financial services	
Start Mortgages Limited	Ireland	Financial services	
Investec Experien Pty Limited	Australia	Financial services	
Guinness Mahon & Co Limited		Investment holding	

* Directly held by Investec plc

NOTES TO THE FINANCIAL STATEMENTS

at 31 May 2011

5. BANK LOANS AND AMOUNTS OWED TO GROUP UNDERTAKINGS**Medium term currency bank loans**

	31/5/11 £'000	31/3/11 £'000
Euro denominated	90,472	90,770
US Dollar denominated	41,551	42,173
	<u>132,023</u>	<u>132,943</u>

The company drew down Euro denominated loans of €105m on 7 March 2011. These loans bear interest at fixed margins above three month EURIBOR and are repayable on 14 August 2012. The company drew down US Dollar denominated loans of \$70m on 7 March 2011. The two loans of \$35m bear interest at fixed margins above three month UK LIBOR and are repayable on 25 August 2012 and 3 September 2011.

Amounts owed to group undertakings

These comprise £186m due to Investec Tier 1 (UK) LP representing the proceeds of the issue by that entity in 2005 of perpetual preferred securities and £593 million interest free loan from Investec plc's wholly owned direct subsidiary Investec Holding Company Limited. This company is not trading and this balance effectively represents its share capital and reserves being lent back to its parent Investec plc.

On 24 June 2005, Investec Tier 1 (UK) LP, a limited partnership organised under the Laws of England and Wales of which the company is the general partner, issued €200,000,000 Fixed/Floating Rate Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities guaranteed by the company. On 24 June 2005, the company issued €200,000,000 Fixed/Floating Rate Perpetual Subordinated Notes ("the Notes") to Investec Tier 1 (UK) LP. The Notes bear interest at 7.075 per cent per annum until 24 June 2015, at which date the Notes are redeemable at the option of the company. From 24 June 2015, the Notes will bear interest at Three Month EURIBOR plus 5.625 per cent.

In the event that the company's total capital ratio falls, or in the opinion of the directors is likely to fall, below the minimum ratio required by Capital Adequacy Regulations, the Preferred Securities shall be substituted by fully paid preference shares issued directly by the company.

NOTES TO THE FINANCIAL STATEMENTS

at 31 May 2011

6. CALLED UP SHARE CAPITAL

Number of ordinary shares At 1/4/11 and 31/5/11	Number <u>537,176,089</u>
Nominal value of ordinary shares At 1/4/11 and 31/5/11	£'000 <u>108</u>
Number of special converting shares At 1/4/11 and 31/5/11	Number <u>272,836,668</u>
Nominal value of special converting shares At 1/4/11 and 31/5/11	£'000 <u>54</u>
Number of UK DAN shares At 1/4/11 and 31/5/11	Number <u>1</u>
Nominal value of UK DAN shares At 1/4/11 and 31/5/11	£'000 <u>*</u>
Number of UK DAS shares At 1/4/11 and 31/5/11	Number <u>1</u>
Nominal value of UK DAS shares At 1/4/11 and 31/5/11	£'000 <u>*</u>
Number of special voting shares At 1/4/11 and 31/5/11	Number <u>1</u>
Nominal value of special voting shares At 1/4/11 and 31/5/11	£'000 <u>*</u>
* Less than £1	

7. PERPETUAL PREFERENCE SHARES

	31/5/11 £'000	31/3/11 £'000
Issued		
9,381,149 (31 3 11 9,381,149) non-redeemable, non-cumulative, non-participating preference shares of £0 01 each, issued at a premium of £8 58 per share	94	94
5,700,000 (31 3 11 5,700,000) non-redeemable, non-cumulative, non-participating preference shares of £0 01 each, issued at a premium of £8 86 per share	<u>57</u> <u>151</u>	<u>57</u> <u>151</u>
Perpetual preference share capital	151	151
Perpetual preference share premium	<u>129,407</u> <u>129,558</u>	<u>129,407</u> <u>129,558</u>

Preference shareholders will receive an annual dividend, if declared, based on the coupon rate (being equivalent to the UK base rate plus 1%) multiplied by the deemed value on a daily basis and payable in two semi-annual instalments

An ordinary dividend will not be declared by Investec plc unless the preference dividend has been declared. If declared, preference dividends are payable semi-annually at least seven business days prior to the date on which Investec plc pays its ordinary dividends, if any, but shall be payable no later than 120 business days after 31 March and 30 September respectively

NOTES TO THE FINANCIAL STATEMENTS

at 31 May 2011

8. TREASURY SHARES

	31/5/11	31/3/11
	Number	Number
Treasury shares held by Investec plc		
Number of Investec plc ordinary shares held by Investec plc		
At beginning of period	-	500,000
Purchase of own shares by Investec plc	-	75,000
Sale of own shares by Investec plc	-	(575,000)
	<u>-</u>	<u>-</u>

9. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Perpetual preference shares	Share premium	Capital reserve	Capital redemption reserve	Profit and loss account	Total reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2011	162	151	1,058,993	180,433	50	(3,164)	1,236,625
Share based payments	-	-	-	-	-	139	139
Profit for the period	-	-	-	-	-	30,479	30,479
At 31 May 2011	<u>162</u>	<u>151</u>	<u>1,058,993</u>	<u>180,433</u>	<u>50</u>	<u>27,454</u>	<u>1,267,243</u>