

Registration Number 3633621

Investec plc

Unaudited Interim Financial Statements

For the period 1 April 2015 to 31 May 2015

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DIRECTORATE AND CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive directors

Stephen Koseff (chief executive officer)
Bernard Kantor (managing director)
Glynn R Burger (group risk and finance director)
Hendrik J Du Toit (chief executive officer, Investec Asset Management)

Non-executive directors

Fani Titi (chairman)
Zarina B M Bassa
Laurel C Bowden
Cheryl A Carolus
Perry K O Crosthwaite (senior independent NED)
Bradley Fried
David Friedland
Haruko Fukuda OBE
Charles R Jacobs
Ian R Kantor
Lord G M Malloch-Brown
Khumo L Shuenyane
Peter R S Thomas

SECRETARY

David Miller

AUDITOR

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

COMPANY REGISTRATION

Registration Number: 03633621
Registered Office: 2 Gresham Street
London, EC2V 7QP

INCOME STATEMENT

		Unaudited Period ended 31 May 2015 £'000	Audited* Year Ended 31 March 2015 £'000
	Note		
Interest receivable from group undertaking		4,023	24,156
Interest payable – external		(1,138)	(2,470)
Interest payable to a fellow group undertaking		(4,271)	(26,841)
Net interest margin		(1,386)	(5,155)
Dividends from group undertakings		33,000	200,500
Other trading income		648	(1,505)
Administrative expenses		(5,914)	(38,802)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		26,348	155,038
Tax on profit on ordinary activities	2	1,233	6,292
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		27,581	161,330

No information has been included in respect of the comparative period.

There is no other comprehensive income in the period other than those passed through the income statement.

The accompanying notes form part of these unaudited interim financial statements.

* In the audited financial statements for the year ended 31 March 2015, the company has taken advantage of the provisions of section 408 of the Companies Act 2006 and has not presented an Income Statement.

BALANCE SHEET

at 31 May 2015

	Notes	Unaudited 31 May 2015 £'000	Audited 31 March 2015 £'000
ASSETS			
Fixed assets			
Investments in subsidiary undertakings	4	1,817,840	1,817,840
Current assets			
Amounts owed by group undertakings		475,226	473,982
Tax		21,440	20,207
Other debtors		23	23
Prepayments and accrued income		156	259
Cash at bank and in hand:			
- balances with subsidiary undertaking		298,446	-
- balances with other banks		544	563
		<u>795,835</u>	<u>495,034</u>
		<u>2,613,675</u>	<u>2,312,874</u>
Current liabilities			
Bank loans			
- with subsidiary undertaking		40,012	66,710
Debt securities in issue	5	316,235	18,078
Derivatives financial instruments		102	104
Amounts owed to group undertakings	6	631,561	630,817
Other liabilities		739	721
Accruals and deferred income		7,221	4,539
		<u>995,870</u>	<u>720,969</u>
Capital and reserves			
Called up share capital	7	180	180
Perpetual preference shares	8	151	151
Share premium account		1,171,441	1,171,441
Capital reserve		180,483	180,483
Retained income		265,550	239,650
Total capital and reserves		<u>1,617,805</u>	<u>1,591,905</u>
Total capital and liabilities		<u>2,613,675</u>	<u>2,312,874</u>

The notes on pages 5 to 9 form an integral part of the unaudited interim financial statements.

Approved and authorised for issue by the board of directors on 12 June 2015 and signed on its behalf by:

X

S Koseff
Chief executive officer
12 June 2015

STATEMENT OF CHANGES IN EQUITY

at 31 May 2015

	Share capital	Perpetual preference shares	Share premium	Capital reserve	Retained income	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000
At beginning of period	180	151	1,171,441	180,483	239,650	1,591,905
Profit for the period	-	-	-	-	27,581	27,581
Dividends payable to preference shareholders	-	-	-	-	(1,681)	(1,681)
At end of period	180	151	1,171,441	180,483	265,550	1,617,805

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

at 31 May 2015

1. ACCOUNTING CONVENTION

The unaudited interim financial statements have been properly prepared to comply with sections 395 to 397 of the Companies Act 2006 and in accordance with the accounting policies set out in the company's audited financial statements as at 31 March 2015 for the purposes of establishing that the company has distributable reserves to meet the proposed dividends.

There is no material difference between the results disclosed in the Income Statement and the results on an unmodified historical cost basis.

The company transitioned from UK Accounting Standards to Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) for all periods presented. There were no material amendments on the adoption of FRS 101. The company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of paragraphs 10(d), (10)f and 134-136 of IAS 1 *Presentation of Financial Statements*
- the requirements of IAS 7 *Statements of Cash Flows*;
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;

the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group.

2. TAXATION

	Unaudited 31 May 2015 £'000	Audited 31 March 2015 £'000
Current period tax credit	1,233	7,978
Prior year adjustment	-	(1,686)
	<u>1,233</u>	<u>6,292</u>

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

	31 May 2015 £'000	31 March 2015 £'000
Tax on profit on ordinary activities at UK rate of 20% (31 March 2015: 21%)	(5,269)	(32,558)
Intra-group dividends	6,600	42,105
Expenses not deductible for tax purposes	(98)	(1,569)
Prior year adjustment	-	(1,686)
	<u>1,233</u>	<u>6,292</u>

3. DIVIDENDS PAID AND PAYABLE

	31 May 2015 £'000	31 March 2015 £'000
Ordinary dividend		
Final dividend for prior year	-	45,836
Interim dividend for current year	-	51,232
Total dividend attributable to ordinary shareholders	<u>-</u>	<u>97,068</u>
Perpetual preference dividend		
Final dividend for prior year	1,681	1,641
Interim dividend for current year	-	1,674
Dividend attributable to perpetual preference shareholders	<u>1,681</u>	<u>3,315</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

at 31 May 2015

3. DIVIDENDS PAID AND PAYABLE (continued)**Ordinary dividend**

The directors have proposed a final dividend in respect of the financial year ended 31 March 2015 of 11.5 pence per ordinary share (31 March 2014: 11.0 pence).

This will be paid as follows:

- For Investec plc non-South African shareholders, through a dividend paid by Investec plc of 11.5 pence per ordinary share
- For Investec plc South African shareholders, through a dividend payment by Investec plc of 2.5 pence per ordinary share and through a dividend payment on the SA DAS share of 9.0 pence per ordinary share

The final dividend will be payable on 14 August 2015 to shareholders on the register at the close of business on 31 July 2015.

Sterling denominated perpetual preference dividend

A sterling preference dividend has been declared for the period 1 October 2014 to 31 March 2015 amounting to 7.47945 pence per share payable to holders of the Pounds Sterling denominated non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on 12 June 2015 and will be paid on 22 June 2015. For shares trading on the Johannesburg Stock Exchange (JSE), the dividend of 7.47945 pence per share is equivalent to a gross dividend of 139.126 cents per share, which has been determined using the Rand/Pounds Sterling average buy/sell forward rate as at 11h00 (SA time) on Wednesday 20 May 2015.

Rand denominated perpetual preference dividend

A Rand denominated preference dividend has been declared for the period 1 October 2014 to 31 March 2015 amounting to a gross dividend of 438.17123 cents per preference share payable to holders of the Rand denominated non-redeemable non-cumulative non-participating preference shares as recorded in the books of the company at the close of business on 12 June 2014 and will be paid on 22 June 2015.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

at 31 May 2015

4. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Subsidiaries

£'000

At beginning of period (audited) and end of period (unaudited)

1,817,840

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.

Direct subsidiaries of Investec plc	Country of incorporation	Principal activity
Investec 1 Limited		Investment holding
Investec Holding Company Limited		Investment holding
Investec Tier 1 (UK) LP		Preferred Securities issuer
Investec Finance (Jersey) Limited	Jersey	Debt issuer
Indirect subsidiaries of Investec plc		
Investec Asset Finance plc		Leasing company
Investec Asset Management Limited *		Asset management
Investec Bank plc		Banking institution
Investec Bank (Channel Islands) Limited	Guernsey	Banking institution
Investec Bank (Switzerland) AG	Switzerland	Banking institution
Investec Capital Asia Limited	Hong Kong	Investment banking
Investec Capital & Investments (Ireland) Limited	Ireland	Financial services
Investec Finance plc		Debt issuer
Investec Group (UK) plc		Holding company
Investec Group Investments (UK) Limited		Investment holding
Investec Holdings (Australia) Limited	Australia	Holding company
Investec Investments (UK) Limited		Investment holding
Investec Ireland Ltd	Ireland	Financial services
Investec Securities (US) LLC	USA	Financial services
Investec Trust Holdings AG	Switzerland	Investment holding
Investec Wealth & Investment Limited		Stockbroking and portfolio management
Reichmans Geneva SA	Switzerland	Trade finance
Rensburg Sheppards plc		Holding company
Williams de Broë Limited		Stockbroking and portfolio management

* 85% owned

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

at 31 May 2015

5. DEBT SECURITIES IN ISSUE

On 5th May 2015 the company issued £300 million 4.50% Senior Unsecured Notes from its European Medium Term Note programme ("EMTN"). The Notes mature on 5 May 2022 and pay interest at a fixed rate annually in arrears.

Also in issue is a Euro denominated note of €25 million issued on 14 February 2015. The Notes mature on 29 September 2017 and pays interest at a fixed rate of 3.48% semi-annually in arrears.

6. AMOUNTS OWED TO GROUP UNDERTAKINGS

Included within amounts owed to group undertakings are €200,000,000 Fixed/Floating Rate Perpetual Subordinated Notes issued by the company on 24 June 2005 to Investec tier 1 (UK) LP (the holder). The company gave notice on 22 May 2015 to the holders of the Notes of its intention to redeem the outstanding Notes in accordance with the Terms & Conditions on 24 June 2015. Interest is payable in arrears on the 24 June 2015 at a rate of 7.075 per cent. per annum.

7. CALLED UP SHARE CAPITAL**Number of ordinary shares of £0.0002 each**

At beginning and end of period

Number
613,609,642

Nominal value of ordinary shares of £0.0002 each

At beginning and end of period

£'000
123

Number of special converting shares of £0.0002 each

At beginning and end of period

Number
285,748,623

Nominal value of special converting shares of £0.0002 each

At beginning and end of period

£'000
57

Number of UK DAN shares of £0.001 each

At beginning and end of period

Number
1

Nominal value of UK DAN shares of £0.001 each

At beginning and end of period

£'000
*

Number of UK DAS shares of £0.001 each

At beginning and end of period

Number
1

Nominal value of UK DAS shares of £0.001 each

At beginning and end of period

£'000
*

Number of special voting shares of £0.001 each

At beginning and end of period

Number
1

Nominal value of special voting shares £0.001 each

At beginning and end of period

£'000
*

* Less than £1,000

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

at 31 May 2015

8. PERPETUAL PREFERENCE SHARES

	Unaudited 31 May 2015 £'000	Audited 31 March 2015 £'000
Perpetual preference share capital	151	151
Perpetual preference share premium	149,449	149,449
	<u>149,600</u>	<u>149,600</u>

Issued – Sterling denominated

9,381,149 (31 March 2015: 9,381,149) non-redeemable, non-cumulative, non-participating preference shares of £0.01 each, issued at a premium of £8.58 per share.

- Preference share capital	94	94
- Preference share premium	79,490	79,490

5,700,000 (31 March 2015: 5,700,000) non-redeemable, non-cumulative, non-participating preference shares of £0.01 each, issued at a premium of £8.86 per share.

- Preference share capital	57	57
- Preference share premium	49,917	49,917

Sterling denominated preference shareholders will receive a 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 sterling 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.

Issued – Rand denominated

1,859,900 (31 March 2015: 1,859,900) non-redeemable, non-cumulative, non-participating perpetual preference shares of ZAR 0.001 each, issued at a premium of ZAR 99.999 per share on 29 June 2011.

- Preference share capital	-	-
- Preference share premium	16,601	16,601

416,040 (31 March 2015: 416,040) non-redeemable, non-cumulative, non-participating perpetual preference shares of ZAR 0.001 each, issued at a premium of ZAR 99.999 per share on 11 August 2011.

- Preference share capital	-	-
- Preference share premium	3,441	3,441
	<u>149,600</u>	<u>149,600</u>

Rand denominated preference shareholders will receive a dividend, if declared, based on the coupon rate (being equivalent to South African prime rate multiplied by 95%) 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 Rand perpetual 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.