

Registration Number 3636853

Investec Holdings (UK) Limited

Report and Financial Statements
31 March 2003



Investec Holdings (UK) Limited

INDEX

	Page
Directorate and Corporate Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
<i>Report of the Auditor</i>	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8

Investec Holdings (UK) Limited

DIRECTORATE AND CORPORATE INFORMATION

Directors

H Herman (Chairman) *

B Kantor

S Koseff *

A Tapnack

* Non-Executive

Secretary

R J Vardy

Auditor

Ernst & Young LLP

Rolls House

7 Rolls Buildings

Fetter Lane

London EC4A 1NH

Company Registration

Registration Number 3636853

Registered Office: 2 Gresham Street

London, EC2V 7QP

Investec Holdings (UK) Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 March 2003.

PRINCIPAL ACTIVITY

The company's principal activity remains that of a holding company and it will continue to operate in this capacity for the foreseeable future.

A list of the company's principal subsidiary undertakings is shown in note 6 to the financial statements.

SHARES

On 21 August 2002, one 'A' ordinary share (income share) of £1.00 each was issued to Investec Holding Company Limited at par.

RESULTS AND DIVIDENDS

The results for the year are shown on page 6. Movements in reserves are shown in note 10 to the Financial Statements. The company paid an interim dividend of £20,000,000 (2002 - nil) on the income share. The directors recommend the payment of a final dividend on the income share for the year ended 31 March 2003 of £30,000,000 (2002 - nil). No dividend is proposed on the B ordinary shares.

DIRECTORS AND THEIR INTERESTS

The current directors of the company are listed on page 1. No other person was a director at any time during the year under review.

According to the register of directors' interests, no director holding office at 31 March 2003 had any beneficial interest in the shares of the company during the year.

The beneficial interests in shares, debentures and options in the ultimate parent company, Investec plc, of the directors who are also all directors of that company are disclosed in the consolidated financial statements of Investec plc.

SUPPLIERS

The Group's standard practice is to agree the terms of payment with suppliers at the time of contract and to make payments within the agreed credit term subject to satisfactory performance.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Ernst & Young LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board of Directors



A Tapnack
Director
27 June 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare 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 year.

In preparing those financial statements, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements 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;
- ◆ 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

REPORT OF THE AUDITOR

Independent auditor's report to the members of Investec Holdings (UK) Limited

We have audited the company's financial statements for the year ended 31 March 2003 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 12. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 to them in an auditor's 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and the United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, 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.

REPORT OF THE AUDITOR

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

27 June 2003

Investec Holdings (UK) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2003

	Notes	31/3/03 £000	31/3/02 £000
Dividend from subsidiary undertaking		65,000	-
Interest receivable from group undertakings		3,730	3,159
Interest payable to group undertakings		(9,853)	(9,555)
Administrative expenses	2	(70)	-
Profit on sale of subsidiary undertakings	6	445	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		59,252	(6,396)
Taxation	4	3,000	1,200
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		62,252	(5,196)
Dividend payable	5	(50,000)	-
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		12,252	(5,196)

The above activities are continuing.

There are no recognised gains or losses in the year 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.

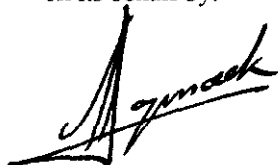
Investec Holdings (UK) Limited

BALANCE SHEET

at 31 March 2003

	Notes	31/3/03 £000	31/3/02 £000
FIXED ASSETS			
Shares in group undertakings	6	465,769	462,332
Subordinated loan to group undertaking	7	39,300	39,300
		<u>505,069</u>	<u>501,632</u>
CURRENT ASSETS			
Amounts due from group undertakings within one year		143,652	109,700
Other assets – accrued income		25	614
Cash at bank		1,691	-
		<u>145,368</u>	<u>110,314</u>
CREDITORS – amounts falling due within one year			
Amounts due to group undertakings		27,541	3,300
Taxation		4,649	1,981
		<u>32,190</u>	<u>5,281</u>
NET CURRENT ASSETS		<u>113,178</u>	<u>105,033</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		618,247	606,665
CREDITORS – amounts falling due after more than one year			
Subordinated debt	8	154,558	155,228
		<u>463,689</u>	<u>451,437</u>
CAPITAL RESERVES			
Called up share capital	9	462,332	462,332
Profit and loss account	10	1,357	(10,895)
EQUITY SHAREHOLDERS' FUNDS		<u>463,689</u>	<u>451,437</u>

The financial statements on pages 6 to 13 were approved by the Board of Directors on 27 June 2003 and signed on its behalf by:



A Tapnack
Director

Investec Holdings (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2003

1. ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

The company is exempt from the requirements to prepare a cash flow statement under Financial Reporting Standard 1, because a consolidated cash flow statement is included in the publicly available consolidated financial statements of its ultimate parent undertaking and controlling party, Investec plc.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in a obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements, which are capable of reversal in one or more subsequent periods.

Deferred tax is recognised in respect of the future remittance of retained earnings of overseas subsidiaries only to the extent that, at balance sheet date, dividends have been accrued as receivable (or a binding agreement to distribute past earnings in future has been entered into by the subsidiary).

Deferred tax is measured at a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at exchange rates ruling at the balance sheet date. All foreign currency transactions are translated into sterling at the exchange rates ruling at the time of the transaction. Forward foreign exchange contracts are revalued at the market rates ruling at the date applicable to their respective maturities. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Related party transactions

The directors have taken advantage of the exemptions available in Financial Reporting Standard 8 from disclosing transactions with related parties which are members of Investec plc Group.

Dividend from subsidiary undertaking

Dividends are recognised when declared by investee companies.

Interest income and expense

Interest income and expense is recognised on a time-apportioned basis.

Shares in group undertakings

Shares in group undertakings are stated at cost less provision for impairment in value.

Group financial statements

The company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare Group financial statements because the company is a wholly owned subsidiary of Investec plc incorporated in the United Kingdom. The financial statements present information about the company as an individual undertaking and not about its group.

Investec Holdings (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2003

2. ADMINISTRATIVE EXPENSES

	31/3/03 £000	31/3/02 £000
Auditor's remuneration : audit work	70	-

The current year's audit fee includes audit fees borne on behalf of other group companies. In the prior year, auditor's remuneration was borne by another Group company.

3. EMOLUMENTS OF DIRECTORS

The directors were employed and remunerated as directors or executives of Investec plc and its subsidiaries ("the Group") in respect of their services to the Group as a whole, and it is therefore considered that there is no appropriate basis on which they can apportion part of their remuneration for their services to the company.

4. TAXATION

	31/3/03 £000	31/3/02 £000
Group relief payable based on result for the year	-	1,200
Prior year tax credit	3,000	-
	<u>3,000</u>	<u>1,200</u>

The effective tax rate for the year is 0%. The current tax charge is lower than the standard rate of UK Corporation Tax due to the following items:

	31/3/03 £000	31/3/02 £000
Tax on profit on ordinary activities at UK rate of 30%	(17,776)	1,279
Non-taxable items	(299)	-
Intra-group dividends receivable	19,500	-
Group relief	(1,425)	-
Other	-	(79)
Prior year tax credit	3,000	-
	<u>3,000</u>	<u>1,200</u>

5. DIVIDENDS PAYABLE

	31/3/03 £000	31/3/02 £000
Interim dividend paid on the A Ordinary income share	20,000	-
Proposed final dividend on the A Ordinary income share	30,000	-
	<u>50,000</u>	<u>-</u>

Investec Holdings (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2003

6. INVESTMENTS

	31/3/03 £000	31/3/02 £000
Investment in subsidiary undertakings		
At the beginning of the year	462,332	462,332
Additions	484,517	-
Disposals	(481,080)	-
	<u>465,769</u>	<u>462,332</u>
Investment in associated undertaking		
At the beginning of the year	-	-
Additions	1,154	-
Disposals	(1,154)	-
	<u>-</u>	<u>-</u>
At end of the year	-	-

The principal subsidiary undertakings of the Company which, unless otherwise stated, are 100% owned, registered in England and Wales and incorporated in the United Kingdom, are:

Principal subsidiary undertakings	Interest	Country	Principal activity
Investec Bank (UK) Limited			Banking
Investec Asset Finance PLC			Leasing
Investec Bank (Channel Islands) Limited		Guernsey	Banking
Investec Bank (Switzerland) AG		Switzerland	Banking
Investec Group Investments (UK) Limited			Investment holding
Carr Sheppards Crosthwaite Limited			Stockbroking and portfolio management
Investec Asset Management Limited			Asset management
Investec 1 Limited *			Investment holding
Guinness Mahon & Co Limited			Investment holding
Investec Group (UK) PLC			Investment holding
Investec Investment Holdings AG		Switzerland	Investment holding
Investec Trust Guernsey Limited		Guernsey	Trust services
Radcliffes Trustee Company SA		Switzerland	Trust services
Theodores Trust & Law Group Limited		Jersey	Trust services
Investec Ernst and Company		USA	Financial services
Investec Inc		USA	Investment banking
Investec Bank (Israel) Limited	80%	Israel	Banking
European Capital Company Ltd			Project finance

* Directly held subsidiary of Investec Holdings (UK) Limited

On 21 August 2002, as part of a reorganisation of the Investec UK group, which was in turn part of the larger Investec group reorganisation necessary to achieve the group's Dual Listed Company status on the London and Johannesburg Stock Exchanges, the company transferred Investec Group (UK) PLC to another group company for a consideration of £481.0m and purchased Investec 1 Limited from another group company for £465.8m.

Investec Holdings (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2003

7. SUBORDINATED LOAN TO GROUP UNDERTAKING

	31/3/03 £000	31/3/02 £000
At beginning and end of year	39,300	39,300

The subordinated loan, on which interest is payable at the rate of sterling LIBOR plus 2.125%, was issued on 31 March 2000 to Investec Bank (UK) Limited, an indirectly wholly owned subsidiary. The loan can be terminated by the Company giving five years and two days notice. At the balance sheet date no such notice has been given. In any event the loan has to be repaid on or before 31 March 2050.

8. SUBORDINATED DEBT

	31/3/03 £000	31/3/02 £000
Variable rate notes		
At beginning of year	155,228	123,323
Exchange movements	(670)	5
Issued during the year	-	7,200
Issued during the year	-	24,700
At end of year	154,558	155,228

£102,208,000 and £13,250,000 of the loan capital, on which interest is payable at the rate of sterling LIBOR plus 2.000%, was issued on 31 March 2000 and is held by Investec Finance SARL, a company wholly owned by the ultimate parent company. The loans can be terminated by the lender giving five years and two days notice. At the date of signature of the financial statements, no such notice has been received. The final maturity date for the loans is 31 March 2050.

US\$11,200,000 of the loan capital, on which interest is payable at the rate of US dollar LIBOR plus 2.000%, was issued on 31 March 2000 and is held by Investec Finance SARL, a company wholly owned by the ultimate parent company. On 1 October 2002, this loan was redenominated into £7,200,000 at a rate of sterling LIBOR plus 1.25%. All other terms of the loan remain the same. The loan can be terminated by the lender giving five years and two days notice. At the date of signature of the financial statements, no such notice has been received. The final maturity date for the loan is 31 March 2050.

£7,200,000 of the loan capital, on which interest is payable at the rate of three months Sterling LIBOR plus 2.000%, was issued on 30 April 2001 and is held by Investec Finance SARL, a company wholly owned by the ultimate parent company. The loan can be terminated by the lender giving five years and two days notice. At the date of signature of the financial statements, no such notice has been received. The final maturity date for the loans is 31 March 2050.

£24,700,000 of the loan capital, on which interest is payable at the rate of three months Sterling LIBOR plus 1.250%, was issued on 10 September 2001 and is held by Investec Finance SARL, a company wholly owned by the ultimate parent company. The loan can be terminated by the lender giving five years and two days notice. At the date of signature of the financial statements, no such notice has been received. The final maturity date for the loans is 31 March 2050.

Investec Holdings (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2003

9. CALLED UP SHARE CAPITAL

	31/3/03 £000	31/3/02 £000
Authorised		
A Ordinary shares of £1 each – 100	-	-
B Ordinary shares of £1 each – 1,000,000,000	<u>1,000,000</u>	<u>1,000,000</u>
Issued, allotted and fully paid		
At beginning and end of year	<u>462,332</u>	<u>462,332</u>

During the year the existing 462,332,020 issued ordinary shares of £1 each and the 537,667,980 authorised but unissued ordinary shares of £1 each were redesignated as 'B' Ordinary Shares of £1 each.

The authorised share capital was increased by £100 by the creation of a new class of 'A' Ordinary Shares of £1 each. Any dividends declared by the Company are due to the holders of the 'B' shares subject to the decision of the directors that all or part of any dividend should be paid to the holders of the 'A' Ordinary Shares. The holders of the 'B' shares have full voting rights. The 'A' Ordinary Shares only carry voting rights in the following circumstances:

- In any period where the Company has failed to pay a dividend which it has declared and which is then due and payable; or
- A resolution is proposed to vary, alter or abrogate the rights of the 'A' Shareholders; or
- A resolution is proposed for the winding up of the Company.

On 21 August 2002, one 'A' ordinary share (income share) was issued to Investec Holding Company Limited at par.

10. RESERVES

	31/3/03 £000	31/3/02 £000
At beginning of year	(10,895)	(5,699)
Profit/(loss) for the year	12,252	(5,196)
At end of year	<u>1,357</u>	<u>(10,895)</u>

Included in the accumulated profit is an unrealised profit of £445,000.

11. RECONCILIATION OF SHAREHOLDERS' EQUITY

	31/3/03 £000	31/3/02 £000
Retained profit/(loss) for the financial year	12,252	(5,196)
Opening shareholders' equity	<u>451,437</u>	<u>456,633</u>
Closing shareholders' equity	<u>463,689</u>	<u>451,437</u>

Investec Holdings (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2003

12. ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Investec Finance SARL.

As at 31 March 2002, the company's ultimate parent undertaking and controlling party was Investec Holdings Limited, a company incorporated in the Republic of South Africa and quoted on the Johannesburg Stock Exchange. During the year the Group was restructured. As at 31 March 2003, the company's ultimate parent undertaking and controlling party is Investec plc, a company incorporated in the United Kingdom and registered in England and Wales. The consolidated financial statements of Investec plc are available to the public and may be obtained from Investec plc at 2 Gresham Street, London, EC2V 7QP.