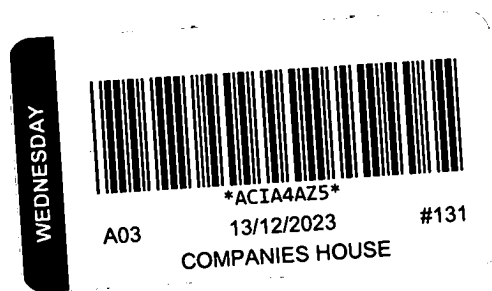


Company registration number 00205468 (England and Wales)

**INVESTEC INVESTMENTS (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**



# INVESTEC INVESTMENTS (UK) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	K McKenna C Dyson M van der Walt (Appointed 27 September 2022)
<b>Secretary</b>	D Miller
<b>Company number</b>	00205468
<b>Registered office</b>	30 Gresham Street London EC2V 7QP
<b>Auditor</b>	Ernst & Young LLP 25 Churchill Place London E14 5EY

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# **INVESTEC INVESTMENTS (UK) LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Profit and loss account	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 25

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# INVESTEC INVESTMENTS (UK) LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present the strategic report for the year ended 31 March 2023.

### Review of the business

The company's principal activity is that of an investment holding company. The company therefore receives investment income, dividends or other investment related income based upon the performance of the underlying assets. In addition, as some of the investments are non-UK based, the company is subject to foreign exchange movements.

In the current year, the company showed an operating loss of £2.1m, versus £12.1m profit in the prior year.

### Principal risks and uncertainties

The principal risks of the business are managed at an Investec Bank plc group level. The company's exposure to these risks is further discussed in note 18.

### Key performance indicators

As an investment holding company, investment gains on the portfolio are considered to be a KPI of the business. During the year to March 2023 losses of £4.1m (2022: gains of £9.0m) were recognised. For further details on the size and nature of the investments, please see Note 2.

### Section 172 statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, among other matters, to:

- the likely consequences of any decision in the long term;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly with members of the company.

The directors give careful consideration to the factors set out above in discharging their duties under section 172. The board recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values, and operate the business in a sustainable way. The board is committed to effective engagement with all of its stakeholders. Depending on the nature of the issue in question, the relevance of each stakeholder group may differ and, as such, as part of its engagement with stakeholders, the board seeks to understand the relative interests and priorities of each group and to have regard to these, as appropriate, in its decision making.



.....  
K McKenna  
Director

Date: 8 December 2023 .....

# INVESTEC INVESTMENTS (UK) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

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The directors present their annual report and financial statements for the year ended 31 March 2023.

#### Principal activities

The principal activity of the company continued to be that of an investment holding company and limited partner in venture capital funds and it will continue to operate in this capacity for the foreseeable future. The company's main source of income is investment gains and dividends.

#### Results and dividends

The results for the year show a loss before tax of £2.3m compared to a profit before tax of £12.1m in the prior year (see page 8).

At 31 March 2023 the company had net assets of £331.3m (31 March 2022: £331.2m).

No ordinary dividends were paid in the year (31 March 2022: nil). The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

B Johnson (Resigned 21 August 2023)

K McKenna

C Dyson

M van der Walt (Appointed 27 September 2022)

No director holding office at 31 March 2023 had any direct beneficial interest in the shares of the company during the year.

#### Directors' 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 liability 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.

#### Future developments

The company expects to make strategic and opportunistic investments in the future, in line with its principal activity of an investment holding company.

#### Auditor

The auditor, Ernst & Young LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### 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 up to 31 March 2025, which is a period greater than twelve months from the date of issue of the financial statements that aligns with internal budgeting processes. Accordingly, the going concern basis is adopted in the preparation of the financial statements.

# INVESTEC INVESTMENTS (UK) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### Statement of disclosure to the auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board



.....  
K McKenna  
Director

Date: 8 December 2023

# **INVESTEC INVESTMENTS (UK) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### ***FOR THE YEAR ENDED 31 MARCH 2023***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). 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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the financial position and financial performance;
- in respect of the financial statements, state whether applicable UK Accounting Standards, including FRS 101, 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 company 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations.

# INVESTEC INVESTMENTS (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF INVESTEC INVESTMENTS (UK) LIMITED

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#### Opinion

We have audited the financial statements of Investec Investments (UK) Limited (the 'company') for the year ended 31 March 2023 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2023 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period up to 31 March 2025, which is no more than twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# INVESTEC INVESTMENTS (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF INVESTEC INVESTMENTS (UK) LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# INVESTEC INVESTMENTS (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF INVESTEC INVESTMENTS (UK) LIMITED

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#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

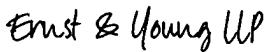
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (Companies Act 2006, United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'), the UK Companies Act 2006 and relevant tax compliance regulations.
- We understood how the company is complying with those frameworks by making inquiries of management, including the directors. We corroborated our understanding through our review of board meeting minutes.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and meeting with management to understand where they considered there was susceptibility to fraud. We considered the controls that the company has established to address fraud risks identified, or that otherwise seek to prevent or detect fraud. We also considered any relevant performance targets and their potential to influence management to manipulate the results of the company.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiries of management, reviewing board minutes for evidence of non-compliance, testing journal entries and exercising professional scepticism when assessing the results of our audit procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's member 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 member, those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

  
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Cassondra Polegri (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
11 December 2023

# INVESTEC INVESTMENTS (UK) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £'000s	2022 £'000s
Revenue	2	1,312	14,881
Cost of sales		(2,905)	(2,324)
<b>Gross (loss)/profit</b>		<b>(1,593)</b>	<b>12,557</b>
Administrative expenses		(465)	(441)
Other operating expenses		(70)	(33)
<b>Operating (loss)/profit</b>	<b>5</b>	<b>(2,128)</b>	<b>12,083</b>
Impairments	8	-	114
Non operational items	3	(222)	(55)
<b>(Loss)/profit before taxation</b>		<b>(2,350)</b>	<b>12,142</b>
Tax on (loss)/profit	9	2,369	2,029
<b>Profit for the financial year</b>		<b>19</b>	<b>14,171</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# INVESTEC INVESTMENTS (UK) LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £'000s	2022 £'000s
<b>Fixed assets</b>			
Investments	10	<u>235,557</u>	<u>236,447</u>
<b>Current assets</b>			
Debtors	12	<u>330,365</u>	<u>348,792</u>
<b>Creditors: amounts falling due within one year</b>			
Creditors	14	<u>(234,739)</u>	<u>(254,075)</u>
<b>Net current assets</b>		<u>95,626</u>	<u>94,717</u>
<b>Total assets less current liabilities</b>		<u>331,183</u>	<u>331,164</u>
<b>Net assets</b>		<u><u>331,183</u></u>	<u><u>331,164</u></u>
<b>Capital and reserves</b>			
Called up share capital	13	161,450	161,450
Retained Earnings		<u>169,733</u>	<u>169,714</u>
<b>Total equity</b>		<u><u>331,183</u></u>	<u><u>331,164</u></u>

The financial statements were approved by the Board of directors and authorised for issue on 8 December 2023

Signed on its behalf by:



M van der Walt  
Director

Company Registration No. 00205468

# INVESTEC INVESTMENTS (UK) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

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	Share capital £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2021	161,450	155,543	316,993
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	14,171	14,171
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2022	161,450	169,714	331,164
	<hr/>	<hr/>	<hr/>
Year ended 31 March 2023:			
Profit and total comprehensive income for the year	-	19	19
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2023	161,450	169,733	331,183
	<hr/>	<hr/>	<hr/>

# INVESTEC INVESTMENTS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

##### Company information

Investec Investments (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 30 Gresham Street, London, EC2V 7QP. The company's principal activities and nature of its operations are disclosed in the directors' report.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000s.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101 where applicable to the company:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o) (ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirements of the second sentence of paragraph 110 and paragraphs 113 (a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment, (iii) paragraph 118 (e) of IAS 38 Intangible Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A 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, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 130 (f) (ii) and 130 (f) (iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases; and
- the requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.
- The requirements of paragraph 24(b) of IFRS 6 Exploration for and Evaluation of Mineral Resources to disclose the operating and investing cash flows arising from the exploration for and evaluation of mineral resources.
- The requirements of paragraph 74A(b) of IAS 16.

Where required, equivalent disclosures are given in the group accounts of Investec plc. The group accounts of Investec plc are available to the public and can be obtained as set out below.

# INVESTEC INVESTMENTS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

(Continued)

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Investec Investments (UK) Limited is a wholly owned subsidiary of Investec Bank plc and the results of Investec Investments (UK) Limited are included in the consolidated financial statements of Investec plc which are available from 30 Gresham Street, London, EC2V 7QP.

#### 1.2 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 up to 31 March 2025, which is a period greater than twelve months from the date of issue of the financial statements that aligns with internal budgeting processes. Accordingly, the going concern basis is adopted in the preparation of the financial statements.

#### 1.3 Revenue

Interest income on debt instruments at amortised cost or fair value through OCI is recognised in the income statement using the effective interest rate method. Calculation of the effective interest rate takes into account fees payable or receivable that are an integral part of the instruments yield, premiums or discounts on acquisition or issue, early redemption fees and transactions costs. The effective interest rate method is based on the estimated life of the underlying instrument and where this estimate is not readily available, the contractual life. Interest on instruments at fair value through profit and loss is recognised based on the contractual rates.

Fee and commission income includes revenue from contracts with customers earned from providing advisory services as well as portfolio management and also includes rental income from investment properties. Revenue from contracts with customers is recognised in accordance with five steps to: identify the contract; identify the performance obligations; determine the transaction price, allocate the transaction price to the performance obligations; and recognise revenue when the performance obligations are satisfied. Investment advisory and management fees are earned over the period in which the services are provided. Performance fees can be variable and recognition is constrained until such time as it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the services related to the transactions have been completed under the terms of the contract.

Investment income includes income, other than margin from securities held for the purpose of generating interest yield, dividends and capital appreciation.

Dividend income is recognised when the group's right to receive payment is established and the cash is received.

#### 1.4 Fixed asset investments

Interests in subsidiaries, partnerships and associated undertakings are stated at cost less any impairment in value. These investments, including the Fair Value Through Profit or Loss, are held under IFRS9.

# INVESTEC INVESTMENTS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 1.5 Fair Value Measurement

A qualifying entity which is a financial institution is not exempt from the disclosure requirements of IFRS 7 Financial Instruments: Disclosures, IFRS 13 Fair Value Measurement to the extent that they apply to financial instruments, and paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements. Investec Investments (UK) Limited is considered a financial institution and is therefore not exempt from the requirements of IFRS 13 and IFRS 7.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or liability measured at fair value has a bid price and ask price, then the company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The company classifies disclosed fair values according to hierarchy that reflects the significance of observable market inputs. A transfer is made between the hierarchy when the inputs have changed or there has been a change in the valuation method. Transfers are deemed to occur at the end of each semi-annual group reporting period.

#### 1.6 Cash at bank and in hand

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

Financial instruments are initially recognised at their fair value. For financial assets or financial liabilities not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities are included in the initial measurement.

All other transaction costs are recorded in the income statement immediately.



# INVESTEC INVESTMENTS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

---

#### 1 Accounting policies

(Continued)

##### ***Financial assets at fair value through profit or loss***

Financial instruments held at fair value through profit and loss include all instruments classified as held-for-trading and those instruments designated as held at fair value through profit and loss.

Financial instruments classified as held-for-trading or designated as held at fair value through profit and loss are recorded at fair value on the balance sheet with changes in fair value recognised on the income statement. Financial instruments are classified as trading when they are held with the intention of short-term disposal, held with the intention of generating short term profit or are derivatives which are not designated as part of effective hedges. Financial instruments designated as held at fair value through profit and loss are designated as such on initial recognition of the instrument and remain in its classification until derecognition.

Financial assets and liabilities are designated as held at fair value through profit and loss only if:

- It eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or measuring the gains and losses on them on different basis.
- A group of financial assets, liabilities or both is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy and information about the group is provided internally on that basis to the group's key management personnel; and
- A contract contains one or more embedded derivatives (which significantly modifies the cash flows that would be required by the contract and is not clearly prohibited from separation from the host contract) and the group has designated the entire hybrid contract as a financial instrument at fair value through profit and loss.

##### ***Financial assets held at amortised cost***

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise to cash flows that are solely payments of principal and interest, such as most loans and advances to banks and customers and some debt securities, are measured at amortised cost. In addition, most financial liabilities are measured at amortised cost.

The group may commit to provide a loan which has not yet been drawn. When the loan that arises from the lending commitment is expected to meet the criteria to be measured at amortised cost the undrawn commitment is also considered to be and is included in the impairment calculation below.

The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. If the initial fair value is lower than the cash amount advanced, such as in the case of some leveraged finance and syndicated lending activities, the difference is deferred and recognised over the life of the loan through the recognition of interest income, unless the loan is credit impaired.

##### ***Financial assets at fair value through other comprehensive income***

###### ***Solely payment of principal and interest (SPPI)***

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the group assesses whether the assets' cash flows represent solely payments of principal and interest (the SPPI test). In making this assessment, the group considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related asset is classified and measured at FVPL.

# INVESTEC INVESTMENTS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 1 Accounting policies

(Continued)

##### **Business model assessment**

For financial assets, IFRS 9 requires that a business model assessment is carried out which reflects how the group manages the assets in order to generate cash flows. The assessment is at a portfolio level, being the level at which the portfolio is managed. Factors considered by the group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the assets' performance is evaluated and reported and how risks are assessed and managed.

The standard sets out different types of business model:

- Hold to collect: it is intended to hold the asset to maturity to earn interest, collecting repayments of principal and interest from the customer. These assets are accounted for at amortised cost.
- Hold to collect and sell: this model is similar to the hold to collect model, except that the entity may elect to sell some or all of the assets before maturity to achieve the objectives of the business model. These assets are accounted for at FVOCI.
- Hold to sell/managed on a fair value basis: the entity originates or purchases an asset with the intention of disposing of it in the short or medium term to benefit from capital appreciation or the portfolio is managed on a fair value basis. These assets are accounted for at FVPL.

However, the group may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:

- elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in OCI; and
- a debt instrument that meets the amortised cost or FVOCI criteria as measured at FVPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

The classification into one of these categories is based on the entity's business model for managing the assets and the contractual cash flow characteristics of the assets.

##### **Impairment of financial assets**

At each balance sheet date each financial asset or portfolio of advances categorised at amortised cost or at fair value through other comprehensive income, issued financial guarantee and loan commitment is measured for ECL impairment. Loss allowances are forward-looking, based on 12-month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected credit losses.

Expected credit losses are a probability-weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. On a significant increase in credit risk, credit losses are rebased from 12-month to lifetime expectations. A change in credit risk is typically but not necessarily associated with a change in the expected cash flows.

The costs of loss allowances on assets held at amortised cost and at FVOCI are presented as impairments in the income statement. Allowances in respect of financial guarantees and instruments are classified as held-for-trading when they are held with the intention of short-term disposal, held with the intention of generating short-term profit, or are derivatives which are not designated as part of effective hedges. Financial instruments designated as held at fair value through profit or loss are designated as such on initial recognition of the instrument and remain in this classification until derecognition.

# INVESTEC INVESTMENTS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial assets***

A financial asset, or a portion thereof, is derecognised when the group's rights to cash flows have expired or when the group has transferred its rights to cash flows relating to the financial assets and either (a) the group has transferred substantially all the risks and rewards associated with the financial assets or (b) the group has neither transferred nor retained substantially all the risks and rewards associated with the financial assets but has transferred control of the assets.

The treatment of a renegotiation or modification of the contractual cash flows of a financial asset depends upon whether the modification is done for commercial reasons, in which case if they are significant the old asset is derecognised and a new asset recognised, or because of financial difficulties of the borrower.

A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled or expired. When an existing financial liability is replaced or modified with substantially different terms, such a replacement or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

#### 1.8 Financial liabilities

##### ***Financial liabilities at fair value through profit or loss***

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

##### ***Other financial liabilities***

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# INVESTEC INVESTMENTS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

(Continued)

##### **Current tax**

Current tax is provided on the amount expected to be payable on taxable profit at rates that are enacted or substantively enacted and applicable to the relevant period.

##### **Deferred tax**

Deferred taxation is provided using the balance sheet method on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base, except where such temporary differences arise from:

- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction has no effect on the income statement or taxable profit.
- In respect of temporary timing differences associated with the investments in subsidiaries or interests in associated undertakings, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets or liabilities are measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised.

Items recognised directly in other comprehensive income are net of related current and deferred taxation.

#### 1.11 Foreign exchange

Foreign currency transactions are translated into the functional currency of the entity in which the transaction arises based on the rates of exchange ruling at the date of transaction. At each balance sheet date foreign currency items are translated as follows:

- Monetary items are translated using closing rates, with gains or losses recognised in the income statement.
- Non-monetary items that are measured at historical costs are translated using the exchange rates ruling at the date of the transaction.

#### 1.12 Key Management Assumptions

In preparation of the annual financial statements the company makes estimations and applies judgement that could affect the reported amount of assets and liabilities within the next financial year. Key areas in which judgement is applied include:

- Valuation of unlisted investments primarily in the private equity and direct investment portfolios. Key valuation inputs are based on the most relevant observable market inputs, adjusted where necessary for factors that specifically apply to the individual investments and recognising market volatility.
- The determination of impairments against assets that are carried at amortised cost and impairments relating to available for sale financial assets involves the assessment of future cash flows which is judgemental in nature.
- Determination of interest income and interest expense using the effective interest method involves judgement in determining the timing and extent of future cash flows.

# INVESTEC INVESTMENTS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 2 Revenue

An analysis of the company's revenue is as follows:

	2023 £'000s	2022 £'000s
<b>Revenue analysed by class of business</b>		
Investment gains	(7,481)	8,992
Dividend income	7,729	5,369
Interest income	1,064	520
	<u>1,312</u>	<u>14,881</u>

	2023 £'000s	2022 £'000s
<b>Revenue analysed by geographical market</b>		
UK	7,046	37,270
Europe	460	(978)
Rest of world	(6,194)	(21,411)
	<u>1,312</u>	<u>14,881</u>

#### 3 Exceptional items

	2023 £'000s	2022 £'000s
<b>Expenditure</b>		
Legacy Hong Kong expenses	222	55
	<u>222</u>	<u>55</u>

#### 4 Directors' remuneration

The directors were employed and remunerated as directors of Investec plc and its subsidiaries (the "group") in respect of their services to the group as a whole and their remuneration has been paid by other group companies. It is estimated that the remuneration for their services to the company in the year totalled £15,000 (2022: £17,917).

#### 5 Operating (loss)/profit

	2023 £'000s	2022 £'000s
Operating profit for the year is stated after charging:		
Foreign exchange losses	270	447
	<u>270</u>	<u>447</u>

Cost of sales includes interest payable to the parent undertaking of £2,844,000 (2022: £2,245,300).

# INVESTEC INVESTMENTS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 6 Auditor's remuneration

	2023 £'000s	2022 £'000s
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	15	14
	<u>15</u>	<u>14</u>

The audit of the company's financial statements has been borne by another group entity. Statutory information for other services provided by the company's auditor is given in the consolidated financial statements of its ultimate parent company which are publicly available. There were no non-audit services provided to the company during the year and in the prior year.

#### 7 Employees

The company has no employees (2022: nil).

#### 8 Impairments

	2023 £'000s	2022 £'000s
Amounts written back to current loans	-	58
Amounts written back to non-current loans	-	56
	<u>-</u>	<u>114</u>

#### 9 Taxation

	2023 £'000s	2022 £'000s
<b>Current tax</b>		
UK corporation tax on profits for the current period	(2,312)	(1,413)
Adjustments in respect of prior periods	(222)	(736)
Other taxes	165	1,772
<b>Total UK current tax</b>	<u>(2,369)</u>	<u>(377)</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	(1,652)
	<u>-</u>	<u>(1,652)</u>
<b>Total tax (credit)</b>	<u>(2,369)</u>	<u>(2,029)</u>

# INVESTEC INVESTMENTS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 9 Taxation

(Continued)

The charge for the year can be reconciled to the (loss)/profit per the profit and loss account as follows:

	2023 £'000s	2022 £'000s
(Loss)/profit before taxation	(2,350)	12,142
Expected tax (credit)/charge based on a corporation tax rate of 19.00% (2022: 19.00%)	(447)	2,307
Effect of expenses not deductible in determining taxable profit	42	17
Income not taxable	(1,468)	(1,020)
Gains not taxable	503	(1,805)
Adjustment in respect of prior years	(222)	(736)
Effect of overseas tax rates	165	120
Foreign exchange differences	(85)	(121)
Transfer pricing adjustment	(857)	(791)
<b>Taxation credit for the year</b>	<b>(2,369)</b>	<b>(2,029)</b>

The UK rate of corporation tax increased to 25% from 19% from 1 April 2023.

Legislation in respect of Pillar Two income taxes was substantively enacted in the UK on 20 June 2023 to apply for periods commencing 1 January 2024. The group is in the process of undertaking an impact assessment. The IAS 12 exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes has been applied.

# INVESTEC INVESTMENTS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 10 Investments

	2023 £'000s	2022 £'000s
Fair value through profit or loss	213,367	213,824
Investments in subsidiaries	22,190	22,190
Investments in associates	-	433
	<u>235,557</u>	<u>236,447</u>

#### Movements in Investments

	FVTPL £'000s
<b>2023</b>	
<b>Cost or valuation</b>	
At 1 April 2022	213,824
Additions	11,450
Fair value movements	(7,363)
Disposals	(9,346)
Foreign exchange movements	4,802
<b>At 31 March 2023</b>	<u>213,367</u>
<b>2022</b>	
At 1 April 2021	251,548
Additions	10,976
Fair value movements	8,996
Disposals	(60,160)
Foreign exchange movements	2,464
<b>At 31 March 2022</b>	<u>213,824</u>



# INVESTEC INVESTMENTS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 10 Investments

(Continued)

	Shares in subsidiaries £'000s	Shares in associates £'000s	Total £'000s
<b>2023</b>			
<b>Cost</b>			
At 1 April 2022	26,520	449	26,969
<b>At 31 March 2023</b>	26,520	449	26,969
<b>Accumulated impairment</b>			
At 1 April 2022	(4,330)	(16)	(4,346)
Impairment losses	-	(433)	(433)
<b>At 31 March 2023</b>	(4,330)	(449)	(4,779)
<b>At 31 March 2023</b>	22,190	-	22,190
<b>2022</b>			
<b>Cost</b>			
At 1 April 2021	4,720	456	5,176
Additions	21,800	-	21,800
Foreign exchange movements	-	(7)	(7)
<b>At 31 March 2022</b>	26,520	449	26,969
<b>Accumulated impairment</b>			
At 1 April 2021	(4,330)	(16)	(4,346)
<b>At 31 March 2022</b>	(4,330)	(16)	(4,346)
<b>At 31 March 2022</b>	22,190	433	22,623

#### Fair Value Category and Sensitivities

As at 31 March 2023 £213,255,000 (2022: £213,728,000) of financial instruments classified as fair value through profit and loss were measured using level 3 valuation techniques. Valuations were sensitised by adjusting other significant unobservable inputs by 10% - (20%). This resulted in an aggressive valuation of £234,580,000 (2022: £235,101,000) and conservative valuation of £170,604,000 (2022: £170,983,000).

Financial instruments with a carrying value of £112,000 (2022: £96,000) were measured using level 1 valuation techniques.

The total gains included in the income statement recognised on level 3 financial instruments were:

2023: £-4,089,000 (Realised gains £5,904,000 & Unrealised losses £9,993,000)

2022: £9,790,000 (Realised gains £18,335,000 & Unrealised losses £8,545,000)

# INVESTEC INVESTMENTS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

(Continued)

### 11 Associates

Details of the company's associates at 31 March 2023 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Nature of business
JSM Advisers Private Limited	32/1. 14th Cross, 9th Main, 6th Sector H.S.R. Layout, Bangalore, Karnataka 560102, India	55.00%	Fund management company

### 12 Debtors

	2023 £'000s	2022 £'000s
Amount owed by parent undertaking	320,989	341,432
Amounts owed by fellow group undertakings	4,959	2,896
Other debtors	4,417	4,464
	<u>330,365</u>	<u>348,792</u>

Other debtors disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The amounts receivable from fellow group undertakings currently bear no interest and are repayable on demand at the request of the company. The amount receivable from parent undertaking is repayable on demand and bears interest of between -0.59% and 7.25%.

### 13 Share capital

	2023 £'000s	2022 £'000s
<b>Ordinary share capital</b>		
<b>Authorised</b>		
161,450,000 (2020: 161,450,000) ordinary shares of £1 each	<u>161,450</u>	<u>161,450</u>
<b>Issued and fully paid</b>		
161,450,000 (2020: 161,450,000) ordinary shares of £1 each	<u>161,450</u>	<u>161,450</u>

# INVESTEC INVESTMENTS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 14 Creditors

	2023 £'000s	2022 £'000s
Trade creditors	16	15
Amount owed to parent undertaking	228,319	249,718
Amounts owed to fellow group undertakings	4,118	4,118
Accruals and deferred income	115	159
Other creditors	2,171	65
	<u>234,739</u>	<u>254,075</u>

The amounts payable to fellow group undertakings currently bear no interest and are repayable on demand. The amount payable to parent undertaking is repayable on demand and bears interest of between -0.04% and 8.00%.

### 15 Subsidiaries

These financial statements are separate company financial statements for Investec Investments (UK) Limited.

Details of the company's subsidiaries at 31 March 2023 are as follows:

	Registered Office	Nature of business	Proportion of ownership interest (%)
Evolution Capital Investment Limited	30 Gresham Street, London, EC2V 7QP	Investment Holding Company	100.00%
Inv-German Retail Ltd	30 Gresham Street, London, EC2V 7QP	Property Company	100.00%
Investec Securities Ltd	30 Gresham Street, London, EC2V 7QP	Investment Holding Company	100.00%
Investec Singapore Pte Ltd	8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095	Securities services	100.00%
Investec India Holdco Ltd	30 Gresham Street, London, EC2V 7QP	Investment Holding Company	84.00%
Investec Credit Finance Private Limited	B Wing, 11th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, India	Lending Platform	99.00%

All holdings are in ordinary shares.

### 16 Events after the reporting date

The directors confirm that there were no significant events occurring after the balance sheet date to the date of this report that would meet the criteria to be disclosed in the financial statements for the year end 31 March 2023.

# INVESTEC INVESTMENTS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **17 Ultimate Parent Undertaking**

The company's ultimate parent 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 30 Gresham Street, London, EC2V 7QP.

### **18 Risk Management**

As a wholly-owned subsidiary of Investec Bank plc, the company falls under Investec Bank plc's Risk Appetite Framework which is set out in Investec Bank plc's 2023 financial statements, Risk Management and Corporate Governance report.

#### **Market Risk**

The company's exposure to market risk is monitored by Investec Bank plc's independent market risk management team. All investment decisions are subject to the Investec Bank plc's market risk limits and are approved at the Group's Investment or Executive Risk Review forums.

#### **Credit Risk**

The company's management measure, monitor and manage the credit and counterparty risk through independent credit committees in the UK.

#### **Liquidity Risk**

The company's management monitor and manage the company's ongoing cash flow requirements.

#### **Interest Rate Risk**

The company receives funding from its parent and other group undertakings. Amounts due to group undertakings currently bear no interest and are repayable on demand. The company is only exposed to interest rate risk on borrowings and amounts receivable from its parent which funds investments.

#### **Foreign Exchange Risk**

The company is exposed to a limited amount of foreign exchange risk on the small proportion of its investments denominated in currencies other than sterling. The company hedges its exposure under the Group's policy which is for the immediate parent, Investec Bank plc to hedge any exposure.

#### **Capital Management**

The company's capital is managed and monitored as part of the capital management process of Investec Bank plc with consideration of the ongoing commitments of the entity.