Company Registration No. 02216551 (England and Wales)

INVESTEC GROUP (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

INVESTEC GROUP (UK) LIMITED

COMPANY INFORMATION

Directors	B Johnson K McKenna C Dyson	 (Appointed 30 May 2018)
Secretary	D Miller	
Company number	02216551	
Registered office	30 Gresham Street London EC2V 7QP	
Auditor	Ernst & Young LLP 25 Churchill Place London E14 5EY	

INVESTEC GROUP (UK) LIMITED

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INVESTEC GROUP (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present the strategic report and financial statements for the year ended 31 March 2019.

Review of the business
The results for the year are set out on page 6.

The company was the principal employer in the Guinness Mahon Pension scheme ("the GM scheme") which was a non-contributory defined benefit scheme and its assets are held in separate trustee administered funds. The company accounted for this scheme on a defined contribution basis. The scheme was closed to new entrants and accrual of service ceased on 31 March 2002.

In November 2016, the trustees of the GM scheme entered into a "buy-in" insurance agreement with Aviva Annuity UK Ltd ("Aviva"). As a result Aviva provide the accrued pension benefits of members of the scheme, as the previous assets held in the scheme were replaced by this insurance agreement.

In March 2018, the trustees of the GM scheme entered into a buy-out with the assets and liabilities being transferred to Aviva. Members now receive their pension from Aviva and Investec has no remaining liability relating to the GM scheme.

Given the straight forward nature of the business the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or financial position of the business.

At 31 March 2019 the company had net assets of £442,671,000 (2018: £443,451,000)

The company's financial risks are managed at the Investec plc group level. Surplus liquidity, arising from time to time, was loaned by the company during the year in which it arose on an interest free basis to its immediate parent company. The loan is repayable on demand and the company has the right, at any time and at its sole discretion, to charge interest thereon at a commercial rate. The company's exposure to financial risks is further discussed in note 13.

On behalf of the board

K McKenna
Director
8 October 2019

INVESTEC GROUP (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities
The principal activity of the company continued to be that of investment holding company and it will continue to operate in this capacity for the foreseeable future.

Results and dividends
The results for the year are set out on page 6.

The directors do not recommend the payment of a dividend in respect of the year ended 31 March 2019 (2018: £nil)

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

C Heyworth	(Resigned 30 May 2018)
B Johnson	
B Kantor	(Resigned 8 August 2019)
S Koseff	(Resigned 8 August 2019)
K McKenna	
C Dyson	(Appointed 30 May 2018)

No director holding office at 31 March 2019 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.

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

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to 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 they ought to have taken as a director in order to make themselves 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

8 October 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INVESTEC GROUP (UK) LIMITED

Opinion

We have audited the financial statements of Investec Group (UK) Limited (the 'company') for the year ended 31 March 2019 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes 1 to 14 to the financial statements, 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 2019 and of its loss 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 the 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 and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Ernst & Young LLP

James Billingham (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

08/10/2019.

INVESTEC GROUP (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £'000s	2018 £'000s
Administrative expenses		81	(9)
Profit/(loss) before taxation		81	(9)
Tax on profit/(loss)	5	(861)	939
(Loss)/profit and total comprehensive income for the financial year		(780)	930

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

INVESTEC GROUP (UK) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £'000s	2018 £'000s
Fixed assets			
Investments	6	6,469	81,801
Current assets			
Debtors	7	436,331	437,106
Creditors: amounts falling due within one year			
Creditors	8	-	75,333
Net current assets		436,331	361,773
Total assets less current liabilities		442,800	443,574
Provisions for liabilities			
Other provisions	9	129	123
Net assets		442,671	443,451
Capital and reserves			
Called up share capital	10	391,629	391,629
Share premium account		96,409	96,409
Retained earnings		(45,367)	(44,587)
Total equity		442,671	443,451

The financial statements were approved by the board of directors and authorised for issue on 8 October 2019 and are signed on its behalf by:

B Johnson
Director

Company Registration No. 02216551

INVESTEC GROUP (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Share capital	Share premium account	Retained earnings	Total
	£'000s	£'000s	£'000s	£'000s
Balance at 1 April 2017	391,629	96,409	(45,517)	442,521
Year ended 31 March 2018:				
Profit and total comprehensive income for the year	-	-	930	930
Balances at 31 March 2018	391,629	96,409	(44,587)	443,451
Year ended 31 March 2019:				
Loss and total comprehensive income for the year	-	-	(780)	(780)
Balances at 31 March 2019	391,629	96,409	(45,367)	442,671

1 Accounting policies

Company information
Investec Group (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 30 Gresham Street, London, EC2V 7QP.

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 on the historical cost basis. 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 IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- 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 Intangibles 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 ,111 and 134-136 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 paragraph 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 ; and
- the requirements of paragraphs 103 (f) (ii) and 130 (f) (iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

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.

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 Group (UK) Limited is a wholly owned subsidiary of Investec 1 Limited which is a wholly owned subsidiary of Investec plc and the results of Investec Group (UK) Limited are included in the consolidated financial statements of Investec plc which are available from 30 Gresham Street, London, EC2V 7QP.

1 Accounting policies **(Continued)**

On 1 April 2018 the Investec group adopted IFRS 9 Financial Instruments which replaced IAS 39 Financial Instruments: Recognition and Measurement. The impact of this standard on the company has been assessed and the classification of the intergroup loans made by the company will change from amortised cost to fair value loans under IFRS 9, and there was no impact to measurement or impairment methodology as a result of adoption.

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 for the foreseeable future and accordingly the going concern basis is adopted in the preparation of the financial statements.

1.3 Fixed asset investments

Interests in subsidiary and associated undertakings are stated at cost less any impairment in value.

1.4 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

1.5 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.

1.6 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.

Financial assets and liabilities measured 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.

1 Accounting policies **(Continued)**

Financial assets measured at fair value through other comprehensive income (FVOCI)

Financial assets held for a business model that is achieved by both collecting contractual cash flows and selling and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. They are recognised on the trade date when the group enters into contractual arrangements to purchase and are normally derecognised when they are either sold or redeemed.

They are subsequently remeasured at fair value and changes therein (except for those relating to impairment, interest income and foreign currency exchange gains and losses) are recognised in other comprehensive income until the assets are sold. Upon disposal, the cumulative gains or losses in other comprehensive income are recognised in the income statement as 'Gains less losses arising from derecognition of debt instruments measured at fair value through other comprehensive income'.

Financial assets measured at FVOCI are included in the impairment calculations set out below and impairment is recognised in profit or loss.

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.

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.

1 Accounting policies (Continued)

Impairment of financial assets held at amortised cost or FVOCI

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.

Derecognition of financial assets and liabilities

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.

Financial assets and liabilities at fair value through profit or loss

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

• they eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or

• a group of financial liabilities or both financial assets and financial liabilities is managed and its performances 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; or

• a financial liability 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 or loss

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

1 Accounting policies **(Continued)**

1.7 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.

1.8 Taxation

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

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.

1.9 Provisions

Where the company has a lease regarded as an onerous lease, it is the policy to provide against the present obligation of all expected future cash flows arising from the lease.

2 Directors' Emoluments

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 £10,000 (2018: £10,000).

3 Auditor's remuneration

	2019	2018
Fees payable to the company's auditor and associates:	£'000s	£'000s
For audit services		
Audit of the financial statements of the company	8	9

3 Auditor's remuneration (Continued)

The auditor's remuneration has been borne by another group company.

4 Employees

The company has no employees (2018: nil).

5 Income tax expense

	2019 £'000s	2018 £'000s
Current tax		
UK corporation tax on profits for the current period	-	(2)
Adjustments in respect of prior periods	861	(937)
Total UK current tax	861	(939)

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

	2019 £'000s	2018 £'000s
Profit/(loss) before taxation	81	(9)
Expected tax charge/(credit) based on a corporation tax rate of 19.00%	15	(2)
Under/(over) provided in prior years	861	(937)
Transfer pricing adjustments	(1,397)	996
Free group relief surrender	1,383	(996)
Write off of loan to a connected party	(1)	-
Taxation charge/(credit) for the year	861	(939)

The Finance Act 2015 reduced the main rate of corporation tax to 19% with effect from 1 April 2017. On 16 March 2016, the Chancellor of the Exchequer announced a further reduction of the corporation tax rate to 17% effective from 1 April 2020.

6 Investments

	2019 £'000s	2018 £'000s
Investments in subsidiaries	6,469	81,801

Movements in fixed asset investments

	Shares in group undertakings £'000s	Other Investments £'000s	Total £'000s
Cost or valuation			
At 1 April 2018	81,801	22	81,823
Disposals	(75,332)	-	(75,332)
At 31 March 2019	6,469	22	6,491
Impairment			
At 1 April 2018	-	(22)	(22)
At 31 March 2019	-	(22)	(22)
Carrying amount			
At 31 March 2019	6,469	-	6,469
2018			
Cost or valuation			
At 1 April 2017	81,801	22	81,823
At 31 March 2018	81,801	22	81,823
Impairment			
At 1 April 2017	-	(22)	(22)
At 31 March 2018	-	(22)	(22)
Carrying amount			
At 31 March 2018	81,801	-	81,801

7 Debtors

	2019 £'000s	2018 £'000s
Amount due from parent undertaking	436,239	436,153
Amounts due from subsidiary undertakings	35	896
Amounts due from fellow group undertakings	57	57
	436,331	437,106

The amounts receivable from the immediate parent undertaking and fellow group undertakings currently bear no interest and are repayable on demand at the request of the company.

8 Creditors

	Due within one year 2019 £'000s	2018 £'000s
Amounts owed to fellow group undertakings	-	75,333

9 Provisions for liabilities

	2019 £'000s	2018 £'000s
	129	123

Movements on provisions:

	£'000s
At 1 April 2018	123
Reversal of provision	(80)
Utilisation of provision	86
At 31 March 2019	129

The property lease as managed by the company expired during the prior year. The company is in negotiation with the Landlord in respect to the final dilapidation costs of this property.

		2019	2018
10	**Share capital**	**£'000s**	**£'000s**
	Ordinary share capital		
	Issued and fully paid		
	3,916,285,477 Ordinary shares of 10p each	391,629	391,629
		391,629	391,629
	Preference share capital		
	Authorised		
	15,000,000 Convertible Redeemable Participating Non- Cumulative Preference Shares of £1 each	15,000	15,000

11 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

	Registered office	Nature of business	Proportion of ownership interest (%)
Guinness Mahon Group Limited	30 Gresham Street, London, EC2V 7RJ	Investment holding	100.00%
Guinness Mahon Pension Fund Trustees Limited	30 Gresham Street, London, EC2V 7RJ	Pension fund trustee	100.00%

All holdings are in ordinary shares.

12 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 2019.

13 Risk management

As a wholly-owned subsidiary on Investec plc, the company falls under the Investec plc Group's Risk Management Framework which is set out in the combined Investec plc and Investec Limited 2019 financial statements, Risk Management and Corporate Governance report. The company's principal activity is that of an investment holding company. The company's investment in its subsidiaries has been funded by equity and borrowings from fellow group companies.

14 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.