

Company Registration No. 02216551 (England and Wales)

INVESTEC GROUP (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018



INVESTEC GROUP (UK) LIMITED

COMPANY INFORMATION

| | | |
|--------------------------|--------------------------------------------------------------|-------------------------|
| Directors | B Johnson | |
| | B Kantor | |
| | S Koseff | |
| | 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 2018

The directors present the strategic report and financial statements for the year ended 31 March 2018.

Review of the business

The results for the year are set out on page 7.

The company was the principal employer in the Guinness Mahon Pension scheme ("the GM scheme") which is a non-contributory defined benefit scheme and its assets are held in separate trustee administered funds. The company has accounted for this scheme on a defined contribution basis. The scheme is 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 2018 the company had net assets of £443,451,000 (2017: £442,521,000)

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 15.

By order of the board



B Johnson

Director

6 December 2018

INVESTEC GROUP (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

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 7.

The directors do not recommend the payment of a dividend in respect of the year ended 31 March 2018 (2017: £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 | |
| S Koseff | |
| K McKenna | |
| C Dyson | (Appointed 30 May 2018) |

No director holding office at 31 March 2018 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.

INVESTEC GROUP (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced Disclosure Framework". 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.

By order of the board



D Miller
Secretary

6 December 2018

INVESTEC GROUP (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INVESTEC GROUP (UK) LIMITED

Opinion

We have audited the financial statements of Investec Group (UK) Limited for the year ended 31 March 2018 which comprise the Profit And Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 16, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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 below. 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

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.

INVESTEC GROUP (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INVESTEC GROUP (UK) LIMITED

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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or 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, 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.

INVESTEC GROUP (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INVESTEC GROUP (UK) LIMITED

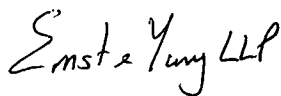
Auditor's responsibilities for the audit of the financial statements

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 <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 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.



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

07/12/2018

INVESTEC GROUP (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

| | Notes | 2018 £'000s | 2017 £'000s |
|---------------------------------------------|-------|----------------|----------------|
| Administrative expenses | | (9) | (4,294) |
| Tax on loss | 6 | 939 | (78) |
| | | <hr/> | <hr/> |
| Profit/(loss) for the financial year | | 930 | (4,372) |
| | | <hr/> | <hr/> |

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

INVESTEC GROUP (UK) LIMITED

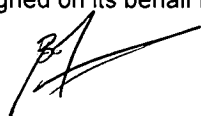
BALANCE SHEET

AS AT 31 MARCH 2018

| | Notes | 2018 £'000s | 2017 £'000s |
|-------------------------------------------------------|-------|----------------|----------------|
| Fixed assets | | | |
| Investments | 7 | 81,801 | 81,801 |
| Current assets | | | |
| Debtors | 8 | 437,106 | 436,261 |
| Creditors: amounts falling due within one year | | | |
| Trade creditors and other payables | 9 | (75,333) | (75,360) |
| Net current assets | | 361,773 | 360,901 |
| Total assets less current liabilities | | 443,574 | 442,702 |
| Provisions for liabilities | | | |
| Other provisions | 10 | (123) | (181) |
| Net assets | | 443,451 | 442,521 |
| Capital and reserves | | | |
| Called up share capital | 11 | 391,629 | 391,629 |
| Share premium account | | 96,409 | 96,409 |
| Retained earnings | | (44,587) | (45,517) |
| Total equity | | 443,451 | 442,521 |

The financial statements were approved by the Board of directors and authorised for issue on 6 December 2018

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 2018

| | Share capital | Share premium account | Retained earnings | Total |
|-----------------------------------------|------------------|-----------------------------|----------------------|-------------|
| | £'000s | £'000s | £'000s | £'000s |
| Balance at 1 April 2016 | 391,629 | 96,409 | (41,145) | 446,893 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Loss for the year | - | - | (4,372) | (4,372) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the year | - | - | (4,372) | (4,372) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Balance at 31 March 2017 | 391,629 | 96,409 | (45,517) | 442,521 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Profit for the year | - | - | 930 | 930 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the year | - | - | 930 | 930 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Balance at 31 March 2018 | 391,629 | 96,409 | (44,587) | 443,451 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

INVESTEC GROUP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

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.

Investec Group (UK) Limited is incorporated and domiciled in England and Wales.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand (£'000) except otherwise when indicated.

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 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 130(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.

1.2 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.

INVESTEC GROUP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.3 Investments in associates and subsidiaries

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 Financial assets

Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Available-for-sale financial assets

Available-for-sale financial assets are those which are designated as such or do not qualify to be classified as designated at fair value through profit or loss, held-to-maturity, or loans and receivables. They include strategically held equity instruments that are not interests in associated undertakings, joint ventures or subsidiaries of the group. Further, certain debt instruments that are held at fair value due to being quoted on an active market, which are neither actively traded nor held-to-maturity instruments, are classified as available-for-sale financial assets.

Financial assets classified as available-for-sale are measured at fair value with unrealised gains and losses recognised directly in other comprehensive income in the available-for-sale reserve. When the asset is disposed of, the cumulative gain or loss previously recognised in other comprehensive income is recognised in the income statement. Interest earned while holding available-for-sale financial assets is reported as interest income using the effective interest rate. Dividends earned while holding available-for-sale financial assets are recognised in the income statement when the right of payment has been established.

If an available-for-sale instrument is determined to be impaired, the respective cumulative unrealised losses previously recognised in other comprehensive income are included in the income statement in the period in which the impairment is identified. Impairments on available-for-sale equity instruments are not reversed once recognised in the income statement.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed, limited to the impairment value previously recognised in the income statement.

INVESTEC GROUP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and exclude the following:

- Those in which the group intends to trade in, which are classified as held-for-trading and those that the group designates as fair value through profit and loss.
- Those that the group designate as available for sale.
- Those for which the group may not recover substantially all of its initial investment, other than because of credit deterioration, which is accounted for as available-for-sale instruments.

Subsequent to initial recognition, loans and receivables are measured at amortised cost, using the effective interest method, less impairment losses. The effective interest rate represents that rate that exactly discounts future projected cash flows through the expected life of the financial instrument, to the net carrying amount of the financial instrument. Included in the effective calculation of the effective interest rate is any discount or premium on acquisition and fees that are an integral part of the effective interest rate.

Losses arising from impairment of such investments are recognised in the income statement line "impairment losses on loans and advances".

Interest on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Impairment of amounts due from group undertakings held at amortised cost

Amounts due from group undertakings carried at amortised cost are impaired if there is objective evidence that the company will not receive cash flows according to the inter-company agreement. Amounts due from group undertakings are assessed for objective evidence of impairment at least at each balance sheet reporting date. The test for impairment is based on the specific amount due from the group undertaking and the impairment is credited against the carrying value of the amount due. The impairment is calculated as the difference between the carrying value of the asset and the expected cash flows discounted at the effective interest rate.

1.6 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.

INVESTEC GROUP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

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.

1.7 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.

1.8 Employee benefits

The company accounts for its contributions to the Guinness Mahon Pension Scheme ("the scheme") on a defined contribution basis. All the company's contributions are charged to the income statement as and when they are incurred, and are included under administration expenses.

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, (2017: £10,500).

INVESTEC GROUP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

| | | |
|-----------------------------------------------------------|-------------------|-------------------|
| 3 Profit for the year | 2018 | 2017 |
| | £'000s | £'000s |
| Profit for the year is stated after charging/(crediting): | | |
| Staff costs | - | 4,236 |
| Pension contribution | - | 4,236 |
| | <u> </u> | <u> </u> |

The company was the principal employer in a pension scheme which is a non-contributory defined benefit scheme and the assets of which are held in separate trustee administered funds. Employees from various Investec plc undertakings participate in this scheme and the company is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. The company has accounted for this scheme on a defined contribution basis. The scheme is closed to new entrants and accrual of service ceased on 31 March 2002. The company's share of contributions to the scheme in the year ended 31 March 2018 totalled £nil (2017 - £4.236m).

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

The financial statements of Investec plc, the company's ultimate parent company, disclose the actuarial valuation of the scheme under IAS 19 at 31 March 2017. There is no actuarial valuation at 31 March 2018 following the buy-out with Aviva. This was performed by a qualified, independent actuary. The valuation at 31 March 2017 showed a deficit in the scheme of £4,529,000.

4 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

| | | |
|---------------------------------------------------------------------------------------|-------------------|-------------------|
| | 2018 | 2017 |
| | £'000s | £'000s |
| Fees payable to the company's auditors for the audit of the company's annual accounts | 9 | 9 |
| | <u> </u> | <u> </u> |

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

5 Employees

Their aggregate remuneration comprised:

| | | |
|---------------|-------------------|-------------------|
| | 2018 | 2017 |
| | £'000s | £'000s |
| Pension costs | - | 4,236 |
| | <u> </u> | <u> </u> |

The company has no employees (2017: nil).

INVESTEC GROUP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

6 Income tax expense

| | Continuing operations | |
|-----------------------------------------|-----------------------|----------------|
| | 2018 £'000s | 2017 £'000s |
| Corporation tax | | |
| Current year | (2) | 78 |
| Adjustments in respect of prior periods | (937) | - |
| | <u>(939)</u> | <u>78</u> |
| Total tax (credit) / charge | <u>(939)</u> | <u>78</u> |

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

| | 2018 £'000s | 2017 £'000s |
|-------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Loss before taxation on continued operations | <u>(9)</u> | <u>(4,294)</u> |
| Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2017 - 20.00%) | <u>(2)</u> | <u>(859)</u> |
| Taxation impact of factors affecting tax charge: | | |
| Under/(over) provided in prior years | (937) | - |
| Transfer pricing adjustments | 996 | 937 |
| Free group relief surrender | (996) | - |
| Total adjustments | <u>(937)</u> | <u>937</u> |
| Tax credit for the year | <u>(939)</u> | <u>78</u> |

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.

INVESTEC GROUP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

7 Investments

| | 2018 £'000s | 2017 £'000s |
|-----------------------------|----------------|----------------|
| Investments in subsidiaries | 81,801 | 81,801 |

Movements in fixed asset investments

| | Shares in group undertakings £'000s | Other Investments £'000s | Total £'000s |
|--------------------------|----------------------------------------------|--------------------------------|-----------------|
| 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 |
| 2017 | | | |
| Cost or valuation | | | |
| At 1 April 2016 | 81,801 | 22 | 81,823 |
| At 31 March 2017 | 81,801 | 22 | 81,823 |
| Impairment | | | |
| At 1 April 2016 | - | (22) | (22) |
| At 31 March 2017 | - | (22) | (22) |
| Carrying amount | | | |
| At 31 March 2017 | 81,801 | - | 81,801 |

INVESTEC GROUP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

8 Debtors

| | 2018 | 2017 |
|--------------------------------------------|----------------|----------------|
| | £'000s | £'000s |
| Other receivables | - | 80 |
| Amount due from parent undertaking | 436,153 | 435,251 |
| Amounts due from subsidiary undertakings | 896 | 873 |
| Amounts due from fellow group undertakings | 57 | 57 |
| | <u>437,106</u> | <u>436,261</u> |

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.

9 Creditors

| | Due within one year | |
|------------------------------------------|---------------------|---------------|
| | 2018 | 2017 |
| | £'000s | £'000s |
| Amounts due to fellow group undertakings | 75,333 | 75,333 |
| Accruals | - | 27 |
| | <u>75,333</u> | <u>75,360</u> |

The amounts payable to fellow group undertakings currently bear no interest and are repayable on demand at request of the lender.

10 Provisions for liabilities

| | 2018 | 2017 |
|--------------------------|------------|------------|
| | £'000s | £'000s |
| | <u>123</u> | <u>181</u> |
| | | £'000s |
| At 1 April 2017 | | 181 |
| Utilisation of provision | | (58) |
| At 31 March 2018 | | <u>123</u> |

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

INVESTEC GROUP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

| 11 Share capital | 2018 £'000s | 2017 £'000s |
|--------------------------------------------------------------------------------------------|----------------|----------------|
| Ordinary share capital | | |
| Authorised | | |
| 5,000,000,000 Ordinary shares of 10p each | 500,000 | 500,000 |
| Issued and fully paid | | |
| 3,916,285,477 Ordinary shares of 10p each | 391,629 | 391,629 |
| Authorised | | |
| 15,000,000 Convertible Redeemable Participating Non-Cumulative Preference Share of £1 each | 15,000 | 15,000 |

12 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | Land and buildings | |
|-----------------|--------------------|----------------|
| | 2018 £'000s | 2017 £'000s |
| Within one year | - | 225 |
| | - | 225 |

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

| | Registered office | Nature of business | Proportion of ownership interest (%) |
|----------------------------------------------|-----------------------------------------|----------------------|--------------------------------------|
| Guinness Mahon Holdings Limited | 30 Gresham Street, London, EC2V 7QP, UK | Investment holding | 100.00% |
| 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.

INVESTEC GROUP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

14 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 2018.

15 Risk management

As a wholly-owned subsidiary of 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 2018 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.

16 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.