INVESTEC FUND MANAGERS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2013

Registered Number: 02392609

FRIDAY
A2DFRIT4
A30 26/07/2013 #312
COMPANIES HOUSE

REPORT OF THE DIRECTORS
For the year ended 31 March 2013

The Directors present their report and the audited financial statements for the year ended 31 March 2013

Investec Fund Managers Limited was incorporated on 6 June 1989 with the registered number 02392609

Principal activity and business review

The principal activity of the Company is the management of Open Ended Investment Companies Both the level of business and the year end financial position are satisfactory, and the Company is expected to continue to pursue its current activities for the foreseeable future The Company is authorised and regulated by the Financial Conduct Authority

Results and dividends

The Company made a profit for the year on ordinary activities after tax of £18,346,000 (2012 £19,582,000)

During the year ended 31 March 2013 the Directors declared a dividend of £24,350,000 equivalent to £6 09 per share (2012 £21,000,000, £5 25 per share)

Share capital

At 31 March 2013, the Company's issued share capital amounted to 4,000,000 ordinary shares of £1 each (2012 4,000,000)

No shares have been issued in the year under review

Directors

The Directors of the Company on 31 March 2013, who unless otherwise stated, held office throughout the year under review, were

D J Aird
H J du Toit
D Ferrini
A Gallagher
J C Green
K M McFarland
P G S Saunders

No other person was a director during the year under review

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Business review

The Company is an asset management company and is engaged in the business of managing investment portfolios on behalf of mutual fund clients, principally through collective investment schemes known as Open Ended Investment Companies (OEICs)

There are certain inherent risks from pursuing this objective, but the main risk is market price risk as in many cases the income derived from the Company's activities is based on the value of assets under management To some extent, therefore, the income received by the Company is dependent on the collective value of the investment portfolios that it manages which in turn is influenced by the progress of worldwide financial markets

A further key risk facing the business is regulatory risk This relates to the risk of censure or any other kind of action from a regulatory body that would have a detrimental impact upon the reputation of the Company and might as a result jeopardise its ability to deliver satisfactory levels of profit over the longer term This is mitigated by the existence of a comprehensive internal control regime covering all aspects of the Company's business and operations, including a fully staffed UK based compliance team which reports directly to the board

OEIC assets under management increased by 4 5% over the year, from £10 02 billion to £10 47 billion This is reflective of increased market levels Subject to there being no significant setback in world investment markets, there is every prospect that the business will prosper in the coming year

Auditors

In accordance with Section 485 of the Companies Act 2006, the Company elected to dispense with the obligation to appoint auditors annually KPMG Audit Plc are therefore deemed to be re-appointed as the Company's auditors for each succeeding year

By Order of the Board of Directors

M Slade
Secretary

Registered Office
Woolgate Exchange
25 Basinghall Street
London EC2V 5HA

19 June 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC FUND MANAGERS LIMITED

We have audited the financial statements of Investec Fund Managers Limited for the year ended 31 March 2013 set out on pages 5 to 12 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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 auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express and opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

Ravi Lamba (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

19 June 2013

INVESTEC FUND MANAGERS LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2013

	Notes	**Year ended 31 March 2013 £'000**	Year ended 31 March 2012 £'000
Turnover	2	**104,120**	105,165
Fees and commissions payable		**(70,903)**	(70,290)
Net income		**33,217**	34,875
Administrative expenses		**(9,150)**	(8,562)
Operating profit		**24,067**	26,313
Interest receivable and similar income	3	**72**	149
Profit on ordinary activities before taxation	4	**24,139**	26,462
Tax on profit on ordinary activities	5	**(5,793)**	(6,880)
Profit on ordinary activities after taxation		**18,346**	19,582

All activities derive from continuing operations There have been no recognised gains or losses in the year under review or prior year other than the profit for the year and accordingly a separate statement of total recognised gains and losses is not presented

The notes on pages 7 to 12 form part of these accounts

INVESTEC FUND MANAGERS LIMITED

BALANCE SHEET
As at 31 March 2013

Registered Number 02392609

	Notes	**31 March 2013 £'000**	31 March 2012 £'000
CURRENT ASSETS			
Debtors	7	**92,143**	106,661
Investments	8	**19,727**	21,446
Cash at bank and in hand		**-**	-
		111,870	128,107
CREDITORS			
Amounts falling due within one year	9	**100,073**	110,306
NET ASSETS		**11,797**	17,801
CAPITAL AND RESERVES			
Called up share capital	10	**4,000**	4,000
Profit and loss account		**7,797**	13,801
TOTAL SHAREHOLDERS' FUNDS	11	**11,797**	17,801

The accounts were approved by the Board of Directors on 19 June 2013 and were signed on its behalf by

K M McFarland
Director

The notes on pages 7 to 12 form part of these accounts

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules and on a going concern basis The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern

Under Financial Reporting Standard 1 (Revised) the Company is exempt from the requirement to prepare a cash flow statement on the basis that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of Investec Plc, registered in England and Wales, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Turnover

Turnover comprises investment management fees, administration fees, initial charges and profit and loss on the sale of units Turnover is stated exclusive of VAT and is accrued over the period to which income relates

Fees and commissions payable

Fees and commissions payable consist of fees paid in respect of trailer payments and investment advice These are accrued over the period to which the advice or service relates and are charged through the profit and loss account

Administrative expenses

Administrative expenses are accrued over the period to which they relate and are charged through the profit and loss account

Investments

Shares in collective investment schemes are all managed by the Investec Asset Management Limited group of companies Investments are stated at amortised cost

1 Accounting policies (continued)

Pension schemes

Directors and employees of the Company are members of a group scheme operated by Investec Asset Management Limited, details of which are disclosed in the financial statements of that company. Because the Company is unable to identify its share of the group's defined benefit scheme on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits', the scheme has been treated in these financial statements as if the scheme was a defined contribution scheme Full disclosure of any information about the existence of a surplus or deficit in the scheme is shown in the Financial Statements of Investec Asset Management Limited The valuation of the scheme at 31 March 2013 showed a surplus of £6,223,000 (2012 £3,000)

Debtors

Debtors are stated at cost less impairment losses

Creditors

The creditors' balances are stated at cost

2 Turnover

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Investment management fees	**96,345**	95,918
Initial charges	**93**	258
Scrip lending income	**243**	248
Sundry income/other income	**62**	268
Administration fees	**7,377**	8,473
	104,120	105,165

Investment management fees and Administration fees are derived solely from related parties, being the Open Ended Investment Companies managed by the Company

3 Interest receivable and similar income

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Foreign exchange (losses)/gains	(28)	2
Interest earned on bank balances	100	147
	72	149

4 Profit on ordinary activities before taxation

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Profit on ordinary activities before taxation is stated after charging		
Audit of these financial statements	35	36
Other fees pursuant to legislation	-	-

5 Tax on profit on ordinary activities

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
UK Corporation tax for the year at 24% (2012 26%)	(5,793)	(6,880)

A reconciliation between the expected tax charge at 24% (2012 26%) of profit on ordinary activities before taxation and the current tax charge is detailed below

Profit on ordinary activities before taxation	24,139	26,462
Tax at 24% (2012 26%)	(5,793)	(6,880)
Current tax charge for the year	(5,793)	(6,880)

6 Information regarding directors and employees

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Directors' remuneration		
Emoluments (including benefits in kind)	**7,066**	7,086
Pension contributions	**119**	120
	7,185	7,206
Highest paid director		
Emoluments (including benefits in kind)	**2,201**	2,192
Pension contributions	**17**	17
	2,218	2,209

The above directors' remuneration reflects an allocation of the total emoluments for directors who were accounted for and paid by Investec Asset Management Limited The emoluments have been allocated on a time apportionment basis across the companies for which each was a director

	Number of Directors	
	Year ended 31 March 2013	Year ended 31 March 2012
Retirement benefits are accruing to the following number of directors under defined benefit schemes	**1**	1

7 Debtors

	31 March 2013 £'000	31 March 2012 £'000
Amounts falling due within one year		
Trade debtors	**9,468**	9,437
Subscription account debtors	**82,365**	93,641
Prepayments and accrued income	**166**	125
Other debtors	**1**	1
Amounts owed by parent and fellow subsidiary undertakings	**143**	3,457
	92,143	106,661

8 Investments

	31 March 2013 £'000	31 March 2012 £'000
Quoted investments	**19,727**	21,446

At 31 March 2013 the amortised cost of the quoted investments was £19 727m (2012 £21 446m)

9 Creditors

	31 March 2013 £'000	31 March 2012 £'000
Amounts falling due within one year		
Deposits by banks	**15,108**	15,660
Subscription account creditors	**54,642**	70,064
Other creditors	**9,541**	9,727
Accruals	**3,296**	2,093
Corporation tax	**12,673**	6,880
Amounts owed to parent and fellow subsidiary undertakings	**4,813**	5,882
	100,073	110,306

10 Called up share capital

	31 March 2013 £'000	31 March 2012 £'000
Allotted, called up and fully paid 4,000,000 Ordinary shares of £1 each (2012 4,000,000)	**4,000**	4,000

11 Reconciliation of movements in shareholders' funds

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Profit for the financial year	**18,346**	19,582
Dividends paid	**(24,350)**	(21,000)
Net decrease in shareholders' funds	**(6,004)**	(1,418)
Opening shareholders' funds	**17,801**	19,219
Closing shareholders' funds	**11,797**	17,801

12 Parent company

The Company's parent is Investec Asset Management Limited and the ultimate parent company is Investec Plc, a company registered in England and Wales This is the group into which accounts of the Company are consolidated Copies of the accounts can be obtained from 2 Gresham Street, London, EC2V 7QP

13 Related party transactions

The Company in its role as the authorised corporate director of Investec Funds Series i, Investec Funds Series ii, Investec Funds Series iii and Investec Funds Series iv (together "the Funds") is a related party to the Funds The Company provides services to the Funds in accordance with its agreement, prospectus and instruments of incorporation In accordance with these documents the Company receives fees for the services it performs The fees are calculated with reference to the assets under management and are paid in arrears of the services provided

The amount of fees paid from the Funds to the Company during the year are set out in Note 2 to the accounts The amount outstanding at the end of the year was £9,353,000 (2012 £9,293,000)