

INVESTEC FUND MANAGERS LIMITED
(becoming Ninety One Fund Managers UK Limited)

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

(Registration number: 02392609)



INVESTEC FUND MANAGERS LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

The directors of Investec Fund Managers Limited ("the Company") are responsible for preparing the directors' report, strategic 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 International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

INVESTEC FUND MANAGERS LIMITED

DIRECTORS' REPORT

For the year ended 31 March 2020

The directors present their report and the audited financial statements for the year ended 31 March 2020.

Legal form and domicile

The Company is domiciled in the United Kingdom and its principal place of business is Woolgate Exchange, 25 Basinghall Street, London, EC2V 5HA, United Kingdom.

Share capital

Share capital is set out in the financial statements.

Disclosure of information to the auditor

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 auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors

The directors of the Company at year end who, unless otherwise stated, held office throughout the year under review were:

D J Aird
K R Alcock
A J Fletcher
J C Green
K M McFarland
J T McNab
M E C R Richardson (resigned 4 November 2019)
R B Saunders

Holding company

On 16 March 2020, the Investec Asset Management business demerged from the Investec plc group and listed publicly under a new name as the Ninety One plc group.

The holding and ultimate holding companies before the demerger were Investec Asset Management Limited and Investec plc respectively, both companies incorporated in England & Wales.

The holding and ultimate holding companies after the demerger are Ninety One UK Limited (formerly Investec Asset Management Limited) and Ninety One plc respectively, both companies incorporated in England & Wales.

Events after the reporting date

Refer to note 11 to the financial statements.

By order of the board of directors:

Virginia Duncan

V Duncan
Secretary
3 July 2020

INVESTEC FUND MANAGERS LIMITED

STRATEGIC REPORT

For the year ended 31 March 2020

The Company is an asset management company and is engaged in the business of managing investment portfolios on behalf of mutual fund clients through collective investment schemes known as Open Ended Investment Companies (OEICs) and is the Alternative Investment Fund Manager of Temple Bar Investment Trust plc.

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 global 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 comprehensive internal controls covering all aspects of the Company's business and operations, including a fully staffed international compliance team, based principally in the United Kingdom, which reports directly to the board.

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.

OEIC assets under management decreased over the year from £11.5 billion to £10.0 billion. Assets under management for Temple Bar Investment Trust plc decreased over the year from £1,017 million to £626 million.

The results and dividends declared for the current and prior years are set out in the financial statements and require no further comment.

On 11 March 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. The impact of the COVID-19 pandemic on the Company is set out in notes 1 (Significant accounting policies, going concern paragraph) and 11 (Events after the reporting date) to the financial statements.

Section 172 statement

The directors are aware of their duty under s172(1) of the Companies Act 2006 to promote the success of the Company for the benefit of its stakeholders, and in doing so had regard, amongst other matters, to:

- the likely consequences of any decisions in the long term
- the need to foster relationships with all of its stakeholders
- the impact of operations on the community and the environment
- the desire to maintain a reputation for high standards of business conduct.

The directors understand that the Company's stakeholders are integral to the success of the Company. The directors conduct stakeholder engagement to aid in the achievement of their strategic objectives. The Company relies on its reputation with its clients for its continued success. The directors prioritise and take a close interest in the Company's ability to deliver consistently for its clients, and to ensure it maintains high standards of ethical conduct. When making decisions, the directors take a long-term view in reaching key decisions, and look to act in the interests of all stakeholders.

By order of the board of directors:

Virginia Duncan

V Duncan
Secretary
3 July 2020

INVESTEC FUND MANAGERS LIMITED

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 March 2020

To the member of Investec Fund Managers Limited

Opinion

We have audited the financial statements of Investec Fund Managers Limited ("the company") for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

INVESTEC FUND MANAGERS LIMITED

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 March 2020

Directors' responsibilities

As explained more fully in their statement set out on page 1, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to 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 member, as a body, for our audit work, for this report, or for the opinions we have formed.

Jatin Patel

Jatin Patel (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

3 July 2020

INVESTEC FUND MANAGERS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2020

		2020	2019
	<i>Notes</i>	£'000	£'000
Revenue	2	96,847	96,635
Commission expense *		(21,673)	(24,790)
Net revenue		75,174	71,845
Interest income		60	55
Investment and administration expenses		(65,111)	(61,428)
Fair value adjustment on investments at fair value through profit or loss		(32)	-
Foreign exchange gains		1	5
Profit from operations before tax	3	10,092	10,477
Income tax expense	4	(1,917)	(1,991)
Profit and total comprehensive income for the year		8,175	8,486

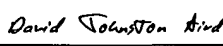
* Commission expense was previously disclosed as part of Investment and administration expenses.

INVESTEC FUND MANAGERS LIMITED
STATEMENT OF FINANCIAL POSITION
At 31 March 2020

	Notes	2020 £'000	2019 £'000
Assets			
Trade receivables		8,515	9,553
Other receivables		499	321
Investments	6	232	206
Cash and cash equivalents	7	11,495	19,186
Amounts receivable from group companies	9	100	168
Income tax receivable		82	-
Subscription accounts receivable		56,963	69,401
Total current assets		77,886	98,835
Total assets		77,886	98,835
Equity			
Share capital	8	4,000	4,000
Retained earnings		6,212	9,302
Total equity		10,212	13,302
Liabilities			
Amounts payable to group companies	9	3,925	5,662
Trade and other payables		9,950	12,749
Income tax payable		-	911
Subscription accounts payable		30,710	54,676
Subscription cash		23,089	11,535
Total current liabilities		67,674	85,533
Total equity and liabilities		77,886	98,835

The financial statements were approved by the board of directors on 3 July 2020 and signed on its behalf by:


K M McFarland
Director


D J Aird
Director

INVESTEC FUND MANAGERS LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2020

	Share capital £'000	Retained earnings £'000	Total equity £'000
2020			
Opening balance	4,000	9,302	13,302
Profit and total comprehensive income for the year		8,175	8,175
Dividends paid		(11,265)	(11,265)
Closing balance	<u>4,000</u>	<u>6,212</u>	<u>10,212</u>
2019			
Opening balance	4,000	3,341	7,341
Profit and total comprehensive income for the year		8,486	8,486
Dividends paid		(2,525)	(2,525)
Closing balance	<u>4,000</u>	<u>9,302</u>	<u>13,302</u>

INVESTEC FUND MANAGERS LIMITED**STATEMENT OF CASH FLOWS**

For the year ended 31 March 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Profit from operations before tax		10,092	10,477
Adjusted for:			
Interest income		(60)	(55)
Foreign exchange gains		(1)	(5)
Fair value adjustment on investments at fair value through profit or loss		32	-
Operating profit before working capital changes		10,063	10,417
Working capital changes:			
Trade receivables		1,038	201
Other receivables		(178)	(228)
Amounts receivable from group companies		68	32
Subscription accounts receivable		12,438	(29,363)
Foreign exchange gains related to receivables and payables		1	5
Amounts payable to group companies		(1,737)	427
Trade and other payables		(2,799)	1,423
Subscription accounts payable		(23,966)	29,988
Subscription cash		11,554	(609)
Cash flows from operations		6,482	12,293
Interest received		60	55
Income tax paid		(2,910)	(5,161)
Balance at beginning of year		(911)	(4,081)
Current tax	4	(1,917)	(1,991)
Balance at end of year		(82)	911
Net cash flows from operating activities		3,632	7,187
Cash flows from investing activities			
Net acquisition of investments		(58)	(53)
Net cash flows from investing activities		(58)	(53)
Cash flows from financing activities			
Dividends paid		(11,265)	(2,525)
Net cash flows from financing activities		(11,265)	(2,525)
Net change in cash and cash equivalents		(7,691)	4,609
Cash and cash equivalents at beginning of year		19,186	14,577
Cash and cash equivalents at end of year	7	11,495	19,186

INVESTEC FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

1 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise specified.

Basis of preparation

The financial statements have been prepared on a going concern basis, in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs") and the requirements of the Companies Act 2006.

The financial statements are presented in pound sterling, which is the functional currency of the Company, and are prepared on the historical cost basis with the exception of investments which are measured at fair value. All financial information presented has been rounded to the nearest thousand pound sterling, unless otherwise indicated.

There were no judgements or estimates made by management in the application of IFRS that have a significant effect on the financial statements.

Going concern

In preparing the financial statements, the Directors have considered plausible downside scenarios, including the impact of COVID-19. These scenarios consider the impact on the financial performance of the Company, and on its ability to settle obligations as they fall due for a period of at least 12 months from the date of the approval of these financial statements. Based on these scenarios, the Directors conclude that it is appropriate to prepare the financial statements on a going concern basis.

Forthcoming requirements

There are new or revised Accounting Standards and Interpretations in issue that are not yet effective. These include the following amendments to standards that are applicable to the business of the Company:

- Amendments to IAS 1 Presentation of financial statements and IAS 8 Accounting policies, changes in accounting estimates and errors align the wording of the definition of "material" across all IFRSs and the Conceptual Framework for Financial Reporting. These amendments also clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. These amendments are effective for annual periods beginning on or after 1 January 2020, and will be adopted when effective. The impact on the financial statements of these amendments is not expected to be significant.

Revenue

Revenue includes service fees (management fees). It excludes value added tax. Service fees are revenue from contracts within the scope of IFRS 15 Revenue from contracts with customers.

The Company recognises revenue when or as it satisfies a performance obligation by transferring promised services to customers in an amount to which the Company expects to be entitled in exchange for those services. The Company includes variable considerations in revenue when significant reversal thereof is no longer highly probable. The Company is deemed to be the principal in its contracts with customers because the Company controls the promised services before they are transferred to customers, and accordingly presents the revenue gross of related costs.

The performance obligation for service fees is the provision of investment management services. The performance obligation is satisfied and management fees are recognised over time as services are rendered.

Management fees are a form of variable consideration, however, there is no significant judgement or estimation involved as the transaction price is equal to the amount determined at the end of each measurement period and is equal to the amount billed to the customer as per contractual agreements.

The Company uses the output method to recognise revenue, applying the practical expedient that allows an entity to recognise revenue in the amount to which the entity has a right to invoice if that consideration corresponds directly with the value to the customer of the entity's performance completed to date.

Commission expenses

Commission and similar expenses payable to intermediaries are recognised when services are provided.

Other income

Interest income is recognised on an accrual basis using the effective interest method (in accordance with the requirements of IFRS 9 Financial instruments).

Income tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

INVESTEC FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

Financial instruments

Recognition and de-recognition of financial instruments

Financial instruments are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the particular instrument. On initial recognition, financial assets are measured at fair value plus, for financial assets not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets. Initial recognition of financial liabilities is at fair value less directly attributable transaction costs. Financial assets are de-recognised when, and only when, the Company transfers substantially all risks and rewards of ownership. Financial liabilities are de-recognised when, and only when, the obligations under the contract are discharged, cancelled or expire.

Classification and measurement of financial instruments

The classification of financial assets is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

Investments at fair value through profit or loss

Investments at fair value through profit or loss comprise seed capital. These investments are initially recognised at fair value and subsequently measured at fair value through profit or loss. Fair value is deemed to be the quoted net asset value per share as reported by the managers of such schemes.

Financial assets measured at amortised cost

Trade receivables, cash and cash equivalents, amounts receivable from group companies and subscription accounts receivable are measured at amortised cost using the effective interest method, less any impairment losses determined using the expected credit loss ("ECL") model. Receivables with a short duration are not discounted.

Impairment of financial assets measured at amortised cost

In measuring expected credit losses ("ECLs"), the Company takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

The ECL loss amount depends on the specific stage that the financial instrument has been allocated to within the ECL model which depends on whether there has been a significant increase in credit risk since initial recognition of the financial instrument, it is in default, or is considered to be credit impaired. Impairment loss allowances are measured on either i) 12-month ECLs: that result from possible default events within the 12 months after the reporting date; or ii) Lifetime ECLs: that result from all possible default events over the expected life of a financial instrument. The Company considers a financial asset to be in default when: i) the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or ii) the financial asset is more than 90 days past due without reasonable expectation of recovery.

Financial liabilities

Financial liabilities comprise amounts payable to group companies, trade and other payables, subscription accounts payable and subscription cash. All financial liabilities are measured at amortised cost using the effective interest method.

Subscription accounts

As manager of a number of funds, the Company is responsible for the collection and payment of monies arising from the issue and redemption of shares in the funds. Such amounts are shown in these financial statements as subscription accounts receivable, subscription cash and subscription accounts payable. Subscription cash does not form part of the operating cash of the company and has not been included as cash and cash equivalents for the purposes of the cash flow statement.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the transaction date. Financial assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Gains and losses arising on translation are credited to or charged against profit or loss.

Impairment

The carrying amounts of the Company's other non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. At the reporting date, there was no indication of impairment of any other non-financial assets.

INVESTEC FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

	2020 £'000	2019 £'000
2 Revenue		
comprises:		
Management fees	<u>96,847</u>	<u>96,635</u>
3 Profit from operations before tax		
is arrived at after taking into account:		
Investment advisory fee expense	<u>37,169</u>	<u>35,562</u>
4 Income tax expense		
Current tax - current year	<u>1,917</u>	<u>1,991</u>
Reconciliation of effective tax rate		
	%	%
Effective rate of taxation	<u>19.0</u>	<u>19.0</u>
United Kingdom standard tax rate	<u>19.0</u>	<u>19.0</u>
	£'000	£'000
5 Directors' remuneration		
Emoluments (including benefits in kind)	2,505	3,587
Pension contributions	33	29
Share-based payments	<u>42</u>	<u>-</u>
	<u>2,580</u>	<u>3,616</u>
Highest paid director		
Emoluments (including benefits in kind)	1,291	1,844
Share-based payments	<u>42</u>	<u>-</u>
	<u>1,333</u>	<u>1,844</u>
The above directors' remuneration reflects the proportion of the total emoluments for directors who were accounted for and paid by Ninety One UK Limited (formerly Investec Asset Management Limited) which relates to their services to the Company. The emoluments have been allocated on a time apportionment basis across the companies for which each was a director.		
6 Investments		
Seed capital investments	<u>232</u>	<u>206</u>
7 Cash and cash equivalents		
Current account (Citibank: A+ rated)	1,310	9,067
Investec Global Strategy Fund - Sterling Money Fund (AAAf rated)	<u>10,185</u>	<u>10,119</u>
	<u>11,495</u>	<u>19,186</u>
8 Share capital		
<i>Authorised, issued and fully paid</i>		
4,000,000 ordinary shares of £1 each (2019: 4,000,000)	<u>4,000</u>	<u>4,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

9 Related parties

Identity of related parties

On 16 March 2020, the Investec Asset Management business demerged from the Investec plc group and listed publicly under a new name as the Ninety One plc group.

The holding and ultimate holding companies before the demerger were Investec Asset Management Limited and Investec plc respectively.

The holding and ultimate holding companies after the demerger are Ninety One UK Limited (formerly Investec Asset Management Limited) and Ninety One plc respectively.

After the demerger, Investec plc retained a 25% ownership share of the Ninety One plc group.

INVESTEC FUND MANAGERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2020

Before the demerger, the Company had a related party relationship with companies in the Investec Limited group, Investec plc group and with its directors.

After the demerger, the Company has a related party relationship with companies in the Investec Limited group, Investec plc group, Ninety One Limited group, Ninety One plc group and with its directors.

Transactions with key management personnel

Directors are considered to be the only key management personnel. Compensation paid to directors is disclosed in note 5.

Transactions with the holding company

Dividends paid are disclosed in the statement of changes in equity. Other transactions with the holding company are as follows:

	2020 £'000	2019 £'000
Investment advisory fee expense	(34,381)	(35,172)
Other investment and administration expenses	(24,480)	(22,964)
Transactions with fellow subsidiaries *		
Other investment and administration expenses	(275)	(88)
Investment advisory fee expense	(2,788)	(390)
Balances with related parties		
Amount payable to holding company	(3,551)	(5,571)
Amounts receivable from fellow subsidiaries *	100	168
Amounts payable to fellow subsidiaries *	(374)	(91)

All amounts outstanding are unsecured, interest free, due on demand and will be settled through the normal operations of the Company.

* Fellow subsidiaries with which the Company had transactions and balances before the demerger remain fellow subsidiaries after the demerger.

10 Financial instruments**Financial risk management**

The Company has exposure to credit risk, liquidity risk and market risk from its financial instruments.

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing risk.

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Ninety One (formerly Investec Asset Management) Management Risk Committee, which is responsible for developing and monitoring the Company's risk management policies, reports quarterly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Management Risk Committee meets once every two months and risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Ninety One DLC Audit and Risk Committee (formerly the Investec Asset Management Global Audit Committee) oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Ninety One DLC Audit and Risk Committee receives updates from Internal Audit, the Management Risk Committee and the Management Audit Committee. Material risks are appropriately escalated to the Ninety One DLC Audit and Risk Committee, and all levels of risk are regularly and formally evaluated. The Management Risk Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Management Audit Committee reviews and oversees financial, audit and tax-related matters. Internal Audit undertakes both regular and ad hoc reviews of the governance framework, risk management and control environment, the results of which are reported to the Management Audit Committee, as well as the DLC Audit and Risk Committee.

INVESTEC FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

Credit risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's financial assets measured at amortised cost. The maximum exposure to credit risk is represented by the carrying value of financial assets measured at amortised cost. All amounts are current.

Trade receivables: Fee income is collected from funds under management, mitigating a large portion of credit risk.

Cash and cash equivalents: Reputable financial institutions are used for investing and cash handling purposes.

Amounts receivable from group companies: In the context of the regulatory environments in which Ninety One group companies operate, the credit risk related to amounts receivable from group companies is not considered to be significant.

Subscription accounts receivable: Credit risk is mitigated by short settlement times and the spread of redemptions across a diversified range of funds.

Expected credit loss

The Company determines the provision for ECLs by grouping together financial assets at amortised cost with similar credit risks and collectively assessing them for the likelihood of recovery, taking into account prevailing economic conditions. Expected loss rates are based on historical credit loss experience over the past 10 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the assets. No allowance has been provided for in the current year as the result of the ECL assessment showed no significant impact.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The maximum exposure to liquidity risk is represented by current financial liabilities which are contractually due on demand. All amounts are unsecured and interest free.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Currency risk: The Company is exposed to currency risk on portions of its trade payables, amounts payable to group companies and cash and cash equivalents. Outstanding amounts are regularly monitored and settled to mitigate currency exposures. At year end, exposure to currency risk was £594,250 (2019: £375,980).

Interest rate risk: The Company adopts a policy of ensuring that its exposure to changes in interest rates is on a floating rate basis as virtually all such exposures are short term in nature. At year end, the Company's only interest-bearing financial instruments were cash and cash equivalents as reflected on the statement of financial position, which are variable rate instruments. This was also the case at the previous year end.

Price risk: Price risk on seed capital investments is not deemed to be significant.

Cash flow sensitivity analysis for variable rate instruments:

Currency:

At year end, if the pound sterling had strengthened by 10%, profit before tax would have increased by £59,425 (2019: £37,598). A 10% weakening would have had the equal but opposite effect.

Interest rate:

An increase of 10 basis points in interest rates at year end would have increased profit before tax by £11,495 (2019: £19,186). A decrease of 10 basis points in interest rates at year end would have had the equal but opposite effect. This assumes that all other variables remain constant and the year end balance has been constant throughout the year. The analysis is performed on the same basis for the prior year.

INVESTEC FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

Capital management

The capital of the Company is considered to be its total equity. The Company's policy is to retain sufficient capital on hand to meet the external minimum capital requirements of regulatory authorities, as these are considered relevant levels. The Company complies with these requirements at year end. Surplus capital is returned to shareholders on a regular basis. There were no changes in the Company's approach to capital management during the year.

Fair values

The fair values of all financial instruments are substantially similar to carrying values reflected in the statement of financial position as they are short term in nature, subject to variable, market related interest rates or stated at fair value in the statement of financial position. The fair values of seed capital investments are determined using quoted market prices (IFRS 13 level 1 valuation). There are no investments requiring IFRS 13 level 2 or level 3 disclosure in terms of the fair value hierarchy.

11 Events after the reporting date

On 28 May 2020, the name of the Company changed from Investec Fund Managers Limited to Ninety One Fund Managers UK Limited.

The financial statements reflect the impact of the COVID-19 pandemic up to the end of the reporting period. In the second quarter of 2020, the ongoing COVID-19 pandemic has led to disruption to business and economic activity which has been reflected in recent fluctuations in global stock markets. The Directors consider the continued spread of COVID-19 to be a non-adjusting event after the reporting date.