

Registration Number 3633621

# **Investec plc**

## **Interim Financial Statements**

31 May 2008

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COMPANIES HOUSE

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**DIRECTORATE AND CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Hugh S Herman \* (Chairman)  
Stephen Koseff (Chief Executive Officer)  
Bernard Kantor (Managing Director)  
Sam E Abrahams \*  
George F O Alford \*  
Glynn R Burger (Risk & Finance Director)  
Cheryl A Carolus \*  
Haruko Fukuda \*  
Geoffrey M T Howe \*  
Ian R Kantor \*  
Sir Chips Keswick \*  
Mangalani Peter Malungani \*  
Sir David Prosser \*  
Alan Tapnack  
Peter R S Thomas \*  
Fani Titi \*

\* Non-executive

**SECRETARY**

David Miller

**AUDITOR**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

**COMPANY REGISTRATION**

Registration Number 3633621  
Registered Office 2 Gresham Street  
London, EC2V 7QP

## PROFIT AND LOSS ACCOUNT

	Notes	Period ended 31/5/08 £'000	Year Ended 31/3/08 £'000
Dividend from subsidiary undertakings		30,000	82,000
Interest receivable from group undertaking		9,386	53,373
Interest receivable – external		-	188
Interest payable – external		(1,448)	(7,787)
Interest payable to a fellow group undertaking		(5,305)	(31,349)
Foreign exchange gains		(113)	103
Administrative expenses		(2,426)	(8,020)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>30,094</b>	<b>88,508</b>
Taxation	2	-	4,220
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>30,094</b>	<b>92,728</b>

No information has been included in respect of the comparative period

There are no recognised gains or losses in the period other than those passed through the profit and loss account

There is no material difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis

# Investec plc

## BALANCE SHEET

at 31 May 2008

	Notes	31/5/08 £'000	31/3/08 £'000
<b>ASSETS</b>			
Cash at bank and in hand			
- balances with subsidiary undertaking		94,973	67,999
- balances with other banks		924	863
Amounts owed by group undertakings		505,379	499,529
Investments in subsidiaries	4	1,110,533	1,110,533
Tax		16,116	16,116
Other assets		13	124
Prepayments and accrued income		101	108
Total assets		<u>1,728,039</u>	<u>1,695,272</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Bank loans	5	158,950	159,659
Amounts owed to group undertakings	5	737,609	738,004
Other liabilities		1,009	924
Accruals and deferred income		4,858	3,563
Total liabilities		<u>902,426</u>	<u>902,150</u>
<b>Equity</b>			
Called up share capital	6/9	131	131
Share premium account	9	653,212	651,023
Perpetual preference shares	7/9	129,558	129,558
Capital redemption reserve	9	50	50
Treasury stock	8/9	(3,549)	(3,549)
Profit and loss account	9	46,211	15,909
Total equity		<u>825,613</u>	<u>793,122</u>
Total equity and liabilities		<u>1,728,039</u>	<u>1,695,272</u>

The financial statements on pages 2 to 9 were approved by the Board of Directors on 17 June 2008 and signed on its behalf by



Alan Tapnack  
Director

## NOTES TO THE FINANCIAL STATEMENTS

at 31 May 2008

**1 ACCOUNTING CONVENTION**

The interim financial statements have been prepared in accordance with the accounting policies set out in the Company's audited Financial Statements as at 31 March 2008 for the purposes of establishing that the Company has distributable reserves

**2. TAXATION**

	31/5/08 £'000	31/3/08 £'000
Tax charge/(credit)	-	(4,220)

The effective rate for the year is different from the standard rate of UK corporation tax due to the following items

	31/5/08 £'000	31/3/08 £'000
Tax on profit on ordinary activities at UK rate of 28% (30%)	8,426	26,552
Intra-group dividends	(8,400)	(24,600)
Expenses not deductible for tax purposes	-	450
UK-UK transfer pricing	-	(6,622)
Group relief at nil cost	(26)	-
	-	(4,220)

**3. DIVIDENDS PAID**

	31/5/08 £'000	31/3/08 £'000
<b>Ordinary dividend</b>		
Final dividend for prior year	-	49,304
Interim dividend for current year	-	35,718
Total dividend attributable to ordinary shareholder	-	85,022
<b>Perpetual preference dividend</b>		
Final dividend for prior year	-	3,204
Interim dividend for current year	-	4,966
Total dividend attributable to perpetual preference shareholder	-	8,170

The directors have proposed a final dividend in respect of the financial year ended 31 March 2008 of 13.5 pence per ordinary share (31 March 2007 13 pence). This is subject to the approval of the members of Investec plc at the Annual General Meeting which is scheduled to take place on 7 August 2008. If approved, the dividend will be paid as follows

- for Investec plc non-South African resident shareholders, through a dividend paid by Investec plc of 13.5 pence per ordinary share
- for Investec plc South African resident shareholders, through a dividend paid by Investec plc of 4.5 pence per ordinary share and through a dividend paid on the South African Dividend Access share equivalent to 9.0 pence per ordinary share

The final dividend will be payable on 12 August 2008 to shareholders on the register at the close of business on 25 July 2008

The directors have declared a final dividend in respect of the financial year ended 31 March 2008 of 32.67 pence (Investec plc shares traded on the JSE Limited) and 32.67 pence (Investec plc shares traded on the Channel Island Stock Exchange) per perpetual preference share. The final dividend will be payable on 3 July 2008 to shareholders on the register at the close of business on 20 June 2008

# NOTES TO THE FINANCIAL STATEMENTS

at 31 May 2008

## 4. INVESTMENTS IN SUBSIDIARIES

At 1/4/08 and at 31/5/08 **£'000**  
**1,110,533**

The principal subsidiary undertakings of the company given below are 100% owned and registered in England and Wales and incorporated in the United Kingdom, unless otherwise stated

Principal subsidiary undertakings	Country	Principal activity	Interest
Investec Bank (Australia) Limited	Australia	Banking institution	
Investec Holdings (UK) Limited		Holding company	
Investec Holding Company Limited*		Investment holding	
Investec Bank (UK) Limited		Banking institution	
Investec Tier 1 (UK) LP*		Preferred Securities issuer	
Investec Finance plc		Debt issuer	
Investec Asset Finance plc		Leasing company	
Investec Bank (Channel Islands) Limited	Guernsey	Banking institution	
Investec Bank (Switzerland) AG	Switzerland	Banking institution	
Investec Group Investments (UK) Limited		Investment holding	
Investec Asset Management Limited		Asset management	
Investec 1 Limited*		Investment holding	
Guinness Mahon & Co Limited		Investment holding	
Investec Group (UK) plc		Holding company	
Investec Investment Holdings AG	Switzerland	Investment holding	
Investec Trust (Guernsey) Limited	Guernsey	Trust company	
Investec Trust (Switzerland) SA	Switzerland	Trust company	
Investec Trust (Jersey) Limited	Jersey	Trust company	
Investec Ireland Ltd	Ireland	Financial services	
Investec Securities (US) LLC	USA	Financial services	
Insurance Captive Insurance Ltd	Guernsey	Insurance	
European Capital Company Ltd		Project finance	
Kensington Group plc		Financial services	
Kensington Mortgages Limited		Financial services	
Newbury Park Mortgage Funding Limited		Financial services	
St James's Park Mortgage Funding Limited		Financial services	
Start Mortgages Limited	Ireland	Financial services	65 1%
Experien Pty Limited	Australia	Financial services	
Global Ethanol Holdings Limited	Australia	Holding company	44 4%
Global Ethanol LLC	USA	Production and marketing of Ethanol	26 6%
		Development of fuel cell technology	
IdaTech plc	USA		73 1%

\* Directly held by Investec plc

**NOTES TO THE FINANCIAL STATEMENTS**  
at 31 May 2008

**5. BANK LOANS AND AMOUNTS OWED TO GROUP UNDERTAKINGS**

The company drew down on two schuldschein bank loans of €100 million on 8 and 9 of March 2006. These loans bear interest at 90 basis points above three month EURIBOR and are repayable on 8 and 9 of March 2011.

Amounts owed to group undertakings comprise £168 million due to Investec Tier 1 (UK) LP representing the proceeds of the issue by that entity in 2005 of perpetual preferred securities and £570 million interest free loan from Investec plc's wholly owned direct subsidiary Investec Holding Company Limited. This company is not trading and this balance effectively represents its share capital and reserves being lent back to its parent Investec plc.

On 24 June 2005, Investec Tier 1 (UK) LP, a limited partnership organised under the Laws of England and Wales of which the company is the general partner, issued €200,000,000 Fixed/Floating Rate Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities guaranteed by the company. On 24 June 2005, the company issued €200,000,000 Fixed/Floating Rate Perpetual Subordinated Notes ("the Notes") to Investec Tier 1 (UK) LP. The Notes bear interest at 7.075 per cent per annum until 24 June 2015, at which date the Notes are redeemable at the option of the company. From 24 June 2015, the Notes will bear interest at three Month EURIBOR plus 5.625 per cent.

In the event that the company's total capital ratio falls, or in the opinion of the directors is likely to fall, below the minimum ratio required by Capital Adequacy Regulations, the Preferred Securities shall be substituted by fully paid preference shares issued directly by the company.



# NOTES TO THE FINANCIAL STATEMENTS

at 31 May 2008

## 6. CALLED UP SHARE CAPITAL

### Authorised

The authorised share capital of Investec plc comprises 560,000,000 (31 3 08 560,000,000) ordinary shares of £0 0002 each, 277,500,000 (31 3 08 277,500,000) Special Converting Shares of £0 0002 each, 1 (31 3 08 1) Special Voting share of £0 001, 1 (31 3 08 1) UK DAN Share of £0 001 and 1 (31 3 08 1) UK DAS Share of £0 001, 1,000,000 (31 3 08 1,000,000) non-cumulative perpetual Preference Shares of £0 01

### Issued, allotted and fully paid

#### Number of ordinary shares

At 1/4/08

Issue during the period

At 31/5/08

Number
423,319,499
854,869
<u>424,174,368</u>

#### Nominal value of ordinary shares

At 1/4/08 and 31/5/08

Issued during the period

£'000
84
*
<u>84</u>

#### Number of special converting shares

At 1/4/08

Issued during the period

At 31/5/08

Number
234,311,314
1,109,184
<u>235,420,498</u>

#### Nominal value of special converting shares

At 1/4/08 and 31/5/08

£'000
47

#### Number of UK DAN shares

At 1/4/08 and 31/5/08

Number
1

#### Nominal value of UK DAN shares

At 1/4/08 and 31/5/08

£'000
*

#### Number of UK DAS shares

At 1/4/08 and 31/5/08

Number
1

#### Nominal value of UK DAS shares

At 1/4/08 and 31/5/08

£'000
*

#### Number of special voting shares

At 1/4/08 and 31/5/08

Number
1

#### Nominal value of special voting shares

At 1/4/08 and 31/5/08

£'000
*

\* Less than £1,000

# Investec plc

## NOTES TO THE FINANCIAL STATEMENTS

at 31 May 2008

### 7. PERPETUAL PREFERENCE SHARES

	31/5/08 £'000	31/3/08 £'000
<b>Authorised</b>		
100,000,000 (31 3 08 100,000,000) non-redeemable, non-cumulative, non-participating preference shares of £0.01 each	1,000	1,000
<b>Issued</b>	£'000	£'000
9,381,149 (31 3 08 9,381,149) non-redeemable, non-cumulative, non-participating preference shares of £0.01 each, issued at a premium of £8.58 per share	79,584	79,584
5,700,000 (31 3 08 5,700,000) non-redeemable, non-cumulative, non-participating preference shares of £0.01 each, issued at a premium of £8.86 per share	49,974	49,974
	<u>129,558</u>	<u>129,558</u>
Nominal value of shares	151	151
Share premium	129,407	129,407
	<u>129,558</u>	<u>129,558</u>

Preference shareholders will receive an annual dividend, if declared, based on the coupon rate (being equivalent to the base rate plus 1%) multiplied by the deemed value of £10, on a daily basis and payable in two semi-annual instalments

An ordinary dividend will not be declared by Investec plc unless the preference dividend has been declared. If declared, preference dividends are payable semi-annually at least seven business days prior to the date on which Investec plc pays its ordinary dividends, if any, but shall be payable no later than 120 business days after 31 March and 30 September respectively

### 8. TREASURY SHARES

	31/5/08 £'000	31/3/08 £'000
<b>Treasury shares held by Investec plc</b>		
Investec plc ordinary shares	1,000	3,549
<b>Number of Investec plc ordinary shares held by Investec plc</b>	<b>Number</b>	<b>Number</b>
At beginning of period	1,124,995	500,000
Purchase of own shares by Investec plc	-	624,995
	<u>1,124,995</u>	<u>1,124,995</u>
<b>Reconciliation of treasury shares</b>	<b>£'000</b>	<b>£'000</b>
At beginning of period	3,549	1,197
Purchase of own shares by Investec plc	-	3,549
Share based payments adjustment	-	(1,197)
At end of period	<u>3,549</u>	<u>3,549</u>
Market value of treasury shares	3,937	3,808

The Treasury shares are being held in an employee benefit trust in relation to the Investec Share Matching Plan 2005

Dividends on treasury shares have not been included in the profit and loss account

# NOTES TO THE FINANCIAL STATEMENTS

at 31 May 2008

## 9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS IN RESERVES

	Share capital	Share premium	Perpetual preference shares	Treasury shares	Capital redemption reserve	Profit and loss account	Total reserves
	£000	£000	£000	£000	£000	£000	£000
At 1/4/08	131	651,023	129,558	(3,549)	50	15,909	793,122
Share based payments adjustment	-	-	-	-	-	208	208
Issue new shares	*	2,189	-	-	-	-	2,189
Profit for the period	-	-	-	-	-	30,094	30,094
At 31/5/08	131	653,212	129,558	(3,549)	50	46,211	825,613

\*less than £1,000