

Registration Number 3636853

Investec Holdings (UK) Limited

Report and Financial Statements

31 March 2007

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Investec Holdings (UK) Limited

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Investec Holdings (UK) Limited

DIRECTORATE AND CORPORATE INFORMATION

Directors

H Herman (Chairman) *
B Kantor
S Koseff
A Tapnack

* Non-Executive

Secretary

D Miller (appointed 10 May 2007)
R J Vardy (resigned 10 May 2007)

Auditors

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

Company Registration

Registration Number 3636853
Registered Office 2 Gresham Street
London, EC2V 7QP

Investec Holdings (UK) Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 March 2007

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company is a wholly owned subsidiary of Investec plc. Its principal activity is that of an investment holding company and it will continue to operate in this capacity for the foreseeable future. The company's main source of income is dividends from its subsidiaries and interest on loans to its subsidiaries. The company's main expense is interest payable on the subordinated debt from its parent.

A list of the company's principal subsidiary undertakings is shown in note 6 to the financial statements.

RESULTS FOR THE YEAR

The results for the year are shown on page 5. During the year, the company declared and paid a dividend of £41,000,000 (2006 – £75,500,000) on the A ordinary share. No dividend was paid on the B ordinary shares.

DIRECTORS AND THEIR INTERESTS

The current directors of the company are listed on page 1. No other person was a director at any time during the year under review.

According to the register of directors' interests, no director holding office at 31 March 2007 had any beneficial interest in the shares of the company during the year.

The beneficial interests in shares, debentures and options in the ultimate parent company, Investec plc, of the directors who are also all directors of that company are disclosed in the consolidated financial statements of Investec plc.

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.

SUPPLIERS

The Group's standard practice is to agree the terms of payment with suppliers at the time of contract and to make payments within the agreed credit term subject to satisfactory performance.

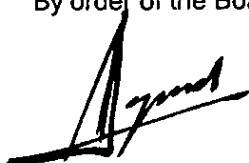
DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Ernst & Young LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board of Directors



A Tapnack
Director
11 July 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those 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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

REPORT OF THE AUDITORS

Independent auditors' report to the members of Investec Holdings (UK) Limited

We have audited the company's financial statements for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for the preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implication for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

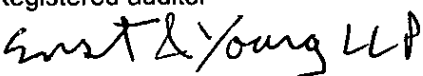
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP
Registered auditor


London
13 July 2007

Investec Holdings (UK) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2007

	Notes	2007 £000	2006 £000
Dividend from subsidiary undertaking		41,000	105,500
Interest receivable from group undertakings		14,470	13,226
Interest payable to group undertakings		(12,873)	(11,876)
Administrative expenses	2	<u>(36)</u>	<u>(70)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		42,561	106,780
Taxation	4	<u>-</u>	<u>(2,676)</u>
EARNINGS ATTRIBUTABLE TO SHAREHOLDERS' EQUITY		<u>42,561</u>	<u>104,104</u>

The above activities are continuing

There are no recognised gains or losses in the year 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

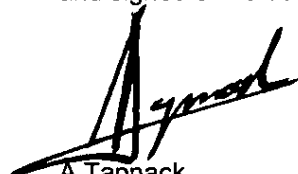
Investec Holdings (UK) Limited

BALANCE SHEET

at 31 March 2007

	Notes	2007 £000	2006 £000
FIXED ASSETS			
Shares in group undertakings	6	465,769	465,769
CURRENT ASSETS			
Amounts due from group undertakings within one year		231,354	217,895
Taxation		-	-
		<u>231,354</u>	<u>217,895</u>
CREDITORS – amounts falling due within one year			
Amounts due to parent undertaking		24,750	23,288
Amounts due to group undertakings		10,400	-
Taxation		2,651	2,651
Accruals		106	70
		<u>37,907</u>	<u>26,009</u>
NET CURRENT ASSETS		<u>193,447</u>	<u>191,886</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		659,216	657,655
CREDITORS – amounts falling due after more than one year			
Subordinated debt	7	191,760	191,760
NET ASSETS		<u>467,456</u>	<u>465,895</u>
CAPITAL RESERVES			
Called up share capital	8	462,332	462,332
Profit and loss account	9	5,124	3,563
EQUITY SHAREHOLDERS' FUNDS	10	<u>467,456</u>	<u>465,895</u>

The financial statements on pages 5 to 11 were approved by the Board of Directors on 11 July 2007 and signed on its behalf by



A Tapnack
Director

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2007

1. ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Group financial statements

The company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare Group financial statements because the company is a wholly owned subsidiary of Investec plc incorporated in the United Kingdom. The financial statements present information about the company as an individual undertaking and not about its group.

Cash flow statement

The company is exempt from the requirements to prepare a cash flow statement under Financial Reporting Standard 1, because a consolidated cash flow statement is included in the publicly available consolidated financial statements of its ultimate parent undertaking and controlling party, Investec plc.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements, which are capable of reversal in one or more subsequent periods.

Deferred tax is recognised in respect of the future remittance of retained earnings of overseas subsidiaries only to the extent that, at balance sheet date, dividends have been accrued as receivable (or a binding agreement to distribute past earnings in future has been entered into by the subsidiary).

Deferred tax is measured at a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Related party transactions

The directors have taken advantage of the exemptions available in Financial Reporting Standard 8 from disclosing transactions with related parties which are members of Investec plc Group.

Dividend from subsidiary undertaking

Dividends are recognised when received.

Interest income and expense

Amounts due to and from group undertakings are initially recognised at fair value and are carried in the balance sheet at amortised cost applying the effective interest method.

Shares in group undertakings

Shares in group undertakings are stated at cost less provision for impairment in value.

Disclosure of financial instruments

The directors have taken advantage of the disclosure exemptions available to subsidiary undertakings in Financial Reporting Standard 25.

Investec Holdings (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2007

2. ADMINISTRATIVE EXPENSES

The company has no employees. The auditors' remuneration totalled £2,521 (2006: £2,334).

3. EMOLUMENTS OF DIRECTORS

The directors were employed and remunerated as directors or executives of Investec plc and its subsidiaries ("the Group") in respect of their services to the Group as a whole, and it is therefore considered that there is no appropriate basis on which they can apportion part of their remuneration for their services to the company.

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £000	2006 £000
Group relief payable based on result for the year	-	2,676

The effective tax rate for the year is 0% (2006: 0%). The current tax charge is lower than the standard rate of UK Corporation Tax due to the following items:

	2007 £000	2006 £000
Tax on profit on ordinary activities at UK rate of 30%	12,768	32,034
Intra-group dividends receivable	(12,300)	(31,650)
UK to UK transfer pricing adjustment	87	84
Reversal of short term timing difference	-	(2,908)
Tax profit/(loss) available	555	(2,440)
Loss (surrendered to)/received from other group companies for no payment	(555)	(84)
Loss surrendered to other group companies for payment	-	(2,524)
Adjustment in respect of prior year group relief	-	5,200
Current tax charge	-	2,676

5. DIVIDENDS

	2007 £000	2006 £000
Interim dividend for current year	41,000	75,500
Final dividend in previous year	-	22,500
Total dividend attributable to the A Ordinary income share recognised in current financial year (note 9)	41,000	98,000

Investec Holdings (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 March 2007

6 SHARES IN GROUP UNDERTAKINGS

	2007 £000	2006 £000
Investment in subsidiary undertakings		
Cost at the beginning and end of the year	465,769	465,769

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

Principal subsidiary undertakings	Interest	Country	Principal activity
Investec Bank (UK) Limited			Banking institution
Investec Asset Finance PLC			Leasing company
Investec Bank (Australia) Limited		Australia	Banking institution
Investec Australia Limited (formerly N M Rothschild & Sons (Australia) Limited)		Australia	Holding company
Investec Bank (Channel Islands) Limited		Guernsey	Banking institution
Investec Bank (Switzerland) AG		Switzerland	Banking institution
Investec Group Investments (UK) Limited			Investment holding
Investec Finance plc			Debt issuer
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 Securities (US) LLC		USA	Financial services
European Capital Company Ltd			Project finance
Global Ethanol Holdings Limited	46.4%	Australia	Holding company
GEH LLC (formerly Midwest Grain Processors LLC)	27.8%	USA	Production and marketing of Ethanol
Ida Tech LLC	86.7%	USA	Development of fuel processors

* Directly held subsidiary of Investec Holdings (UK) Limited

Investec Holdings (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2007

7. SUBORDINATED DEBT

	2007 £000	2006 £000
Variable rate notes		
At beginning of year	191,760	182,060
Issued during the year	-	9,700
At end of year	<u>191,760</u>	<u>191,760</u>

£102,208,000 and £13,250,000 of the loan capital, on which interest is payable at the rate of sterling LIBOR plus 2.000%, was issued on 31 March 2000 and is held by Investec Finance SARL, a company wholly owned by the ultimate parent company. The loans can be terminated by the lender giving five years and two days notice. At the date of signature of the financial statements, no such notice has been received. The final maturity date for the loans is 31 March 2050.

£7,200,000 of the loan capital, on which interest is payable at the rate of three months sterling LIBOR plus 1.25%, was issued on 31 March 2000 and is held by Investec Finance SARL, a company wholly owned by the ultimate parent company. The loan can be terminated by the lender giving five years and two days notice. At the date of signature of the financial statements, no such notice has been received. The final maturity date for the loan is 31 March 2050.

£7,200,000 of the loan capital, on which interest is payable at the rate of three months sterling LIBOR plus 2.000%, was issued on 30 April 2001 and is held by Investec Finance SARL, a company wholly owned by the ultimate parent company. The loan can be terminated by the lender giving five years and two days notice. At the date of signature of the financial statements, no such notice has been received. The final maturity date for the loans is 31 March 2050.

£24,700,000 of the loan capital, on which interest is payable at the rate of three months sterling LIBOR plus 1.250%, was issued on 10 September 2001 and is held by Investec Finance SARL, a company wholly owned by the ultimate parent company. The loan can be terminated by the lender giving five years and two days notice. At the date of signature of the financial statements, no such notice has been received. The final maturity date for the loans is 31 March 2050.

£19,901,839.96 of the loan capital, on which interest is payable at the rate of three months sterling LIBOR plus 1.125%, was issued on 8 October 2002 and is held by Investec Finance SARL, a company wholly owned by the ultimate parent company. The loan can be terminated by the lender giving five years and two days notice. At the date of signature of the financial statements, no such notice has been received. The final maturity date for the loans is 31 March 2050.

£7,600,000 of the loan capital, on which interest is payable at the rate of three months sterling LIBOR plus 1.50%, was issued on 21 March 2005 and is held by Investec Finance SARL, a company wholly owned by the ultimate parent company. The loan can be terminated by the lender giving five years and two days notice. At the date of signature of the financial statements, no such notice has been received. The final maturity date for the loan is 31 March 2050.

£9,700,000 of the loan capital, on which interest is payable at the rate of three months sterling LIBOR plus 2.00%, was issued on 30 March 2006 and is held by Investec Finance SARL, a company wholly owned by the ultimate parent company. The loan can be terminated by the lender giving five years and two days notice. At the date of signature of the financial statements, no such notice has been received. The final maturity date for the loan is 31 March 2050.

Investec Holdings (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2007

8. CALLED UP SHARE CAPITAL

	2007 £000	2006 £000
Authorised		
A Ordinary shares of £1 each – 100 (2006 – 100)	-	-
B Ordinary shares of £1 each – 1,000,000,000 (2006 – 1,000,000,000)	<u>1,000,000</u>	<u>1,000,000</u>
Issued, allotted and fully paid		
At beginning and end of year	<u>462,332</u>	<u>462,332</u>

Any dividends declared by the Company are due to the holders of the 'B' shares subject to the decision of the directors that all or part of any dividend should be paid to the holders of the 'A' Ordinary Shares. The holders of the 'B' shares have full voting rights. The 'A' Ordinary Shares only carry voting rights in the following circumstances:

- i In any period where the Company has failed to pay a dividend which it has declared and which is then due and payable, or
- ii A resolution is proposed to vary, alter or abrogate the rights of the 'A' Shareholders, or
- iii A resolution is proposed for the winding up of the Company

One 'A' ordinary share (income share) has been issued to Investec Holding Company Limited at par

9 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS IN RESERVES

	Share capital £000	Profit and loss account £000	Total reserves £000
At 31 March 2006	462,332	3,563	465,895
Retained profit for the year	-	42,561	42,561
Dividends paid to ordinary shareholders (note 5)	-	(41,000)	(41,000)
At 31 March 2007	<u>462,332</u>	<u>5,124</u>	<u>467,456</u>

10 DEFERRED TAX

	2007 £000	2006 £000
Asset at the beginning of the year	-	2,907
Movement in the year	-	(2,907)
Asset at the end of the year	<u>-</u>	<u>-</u>

11 RISK MANAGEMENT

As a wholly-owned subsidiary of Investec plc, the company falls under the Investec Group's Risk Management Framework which is set out on pages 71 to 99 of Investec plc's 2007 Annual 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. The company has also made loans to its subsidiaries funded by loans from its parent. Loans from the parent and to the company's subsidiaries are structured so as to match, as far as possible, interest rate, liquidity and foreign currency risks.

12 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Investec Finance SARL.

The company's ultimate parent undertaking 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 2 Gresham Street, London, EC2V 7QP. This is the smallest and largest group in which the results of the company are consolidated.