

# **Investec Investment Trust PLC**

Unaudited condensed Financial Statements  
for the six months ended  
30 September 2015

# Investec Investment Trust PLC

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**INTERIM MANAGEMENT REPORT**

The Interim Management Report is issued by Investec Investment Trust PLC in accordance with the UK Listing Authority's Disclosure Rules and Transparency Rules. Unless otherwise stated, performance and figures highlighted below refer to the six months ended 30 September 2015 and the corresponding period in the previous year.

**PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of Investec Investment Trust PLC (the "company") is to source funds from the financial market for group activities and it will continue to operate in this capacity for the foreseeable future. The company's 3.5 per cent and 5 per cent cumulative preference stocks are listed on the London Stock Exchange.

The company's ultimate parent is Investec plc. The company's parent company, Investec Group Investments (UK) Limited, a wholly owned subsidiary of Investec plc, owns all of the company's ordinary shares, 266,586 shares of the company's 1,300,000 3.5 per cent cumulative preference shares and 96,612 shares of the company's 345,438 5 per cent cumulative preference shares. The company's 3.5 per cent and 5 per cent cumulative preference stocks are listed on the London Stock Exchange.

The preference shares are classified as a liability and not equity (refer to note 1, Accounting Policies, Classification of preference shares as debt).

**PERFORMANCE OVERVIEW AND PRINCIPAL RISKS**

The results for company show a pre-tax loss of £31,386 (30 September 2014: loss of £31,386) for the period (see page 3).

At 30 September 2015 the company had net assets of £25,863,000 (31 March 2015: £25,894,000).

The directors do not recommend the payment of an interim dividend on the ordinary shares for the period (30 September 2014: £nil). Dividends payable, reported as interest payable, on the preference stocks in the period amounted to £31,386 (30 September 2014: £31,386).

The company's financial risks are managed at the Investec plc group level. Surplus liquidity arising from time to time was loaned by the company during the year in which it arose on an interest free basis to its immediate parent company. The loan is repayable upon demand and the company has the right, at any time and at its sole discretion, to charge interest thereon at a commercial rate. Preference dividend payments are funded from the loan.

The company's exposure to financial risks is further discussed in note 10.

**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 these financial statements.

**Corporate governance**

The directors' disclosure in relation to Corporate Governance is given in detail on the Directors' Responsibilities Statement.

**Unaudited condensed financial statements**

The unaudited condensed financial statements have not been audited or reviewed by the company's auditors pursuant to the Auditing Practices Board guidance Review of Interim Financial Information.

This document includes an unaudited condensed set of financial statements produced by the company for the six months ended 30 September 2015. This document will also be available on Investec's website at [www.investec.com/about-investec/investor-relations/financial-information.html](http://www.investec.com/about-investec/investor-relations/financial-information.html)

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**DIRECTORS' RESPONSIBILITY STATEMENT**

The directors confirm that, to the best of their knowledge:

- ◆ the unaudited condensed set of financial statements has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and the Companies Act 2006, gives a true and fair view of assets, liabilities, financial position and results of the company for that period; and
- ◆ the interim management report of the company includes a fair review of the development and performance of the business and the position of the company together with a description of the principal risks and uncertainties that they face as required by the FCA Disclosure Rules and Transparency Rules 4.2.7, and
- ◆ the unaudited condensed Financial Statements have not been audited or reviewed by the company's auditors in pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

Neither the company nor the directors accept any liability to any person in relation to the half-yearly financial report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A of the Financial Services and Markets Act 2000.

**Corporate Governance Statement**

The Directors are responsible for internal control of the company and for reviewing the effectiveness of those controls. Procedures have been designed for safeguarding assets against unauthorised use or disposition; for maintaining adequate accounting records; and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, errors, losses or fraud. The procedures enable the company to comply with the regulatory obligations. The company also makes use of the controls at the Investec plc Group level, including the audit committee. For further details, refer to notes to the combined Investec plc and Investec Ltd consolidated financial statements, Risk Management and Corporate Governance report.

Signed on behalf of the board of directors

K P McKenna  
Director  
27 November 2015

# Investec Investment Trust PLC

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## PROFIT AND LOSS ACCOUNT

for the period to 30 September 2015

	Notes	Unaudited 30 September 2015 £000	Unaudited 30 September 2014 £000	Audited 31 March 2015 £000
Interest payable	3	(31)	(31)	(63)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(31)	(31)	(63)
Taxation	2	-	-	-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(31)	(31)	(63)
<b>LOSS FOR THE PERIOD</b>	8	(31)	(31)	(63)

The above activities are derived from continuing operations.

There are no recognised gains or losses in the current or prior year other than those stated in the profit and loss account.

There is no material difference between the results disclosed in the profit and loss account for current or prior period and the results on an unmodified historical cost basis.

The accompanying notes form an integral part of these unaudited condensed financial statements.

# Investec Investment Trust PLC

## BALANCE SHEET

as at 30 September 2015

	Notes	Unaudited 30 September 2015 £000	Audited 31 March 2015 £000	Unaudited 30 September 2014 £000
<b>CURRENT ASSETS</b>				
Debtors: Amounts falling due within one year	4	27,563	27,594	27,626
<b>CREDITORS</b>				
Amounts falling due within one year	5	(55)	(55)	(55)
<b>NET CURRENT ASSETS</b>		27,508	27,539	27,571
<b>CREDITORS</b>				
Amounts falling due after more than one year	6	(1,645)	(1,645)	(1,645)
<b>NET ASSETS</b>		25,863	25,894	25,926
<b>CAPITAL AND RESERVES</b>				
Called up share capital	7	14,436	14,436	14,436
Profit and loss account	8	11,427	11,458	11,490
<b>TOTAL EQUITY SHAREHOLDER'S FUNDS</b>	9	25,863	25,894	25,926

The accompanying notes form an integral part of the unaudited condensed financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2015

### 1. ACCOUNTING POLICIES

#### **Basis of presentation**

The interim financial statements have been prepared in accordance with the recognition and measurement requirements of Financial Reporting Standards and the disclosure rules and transparency rules. The accounting policies applied in the preparation of the results for the six months ended 30 September 2015 are consistent with those adopted in the Company's audited Financial Statements for the year ended 31 March 2015, in accordance with FCA Disclosure Rules and Transparency Rules 4.2.6.

The information in this report for the six months to 30 September 2015, which was approved by the board of directors on 27 November 2015, does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006 ("Act"). Statutory accounts for the year ended 31 March 2015, which contained an unqualified audit report under Chapter 3, Part 16 of the Act and which did not contain statements under Section 498 of the Act, have been delivered to the Registrar of Companies in accordance with Section 1068 of the Act.

There is no material difference between the results disclosed in the Income Statement and the results on an unmodified historical cost basis.

The company transitioned from UK Accounting Standards to Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) for all periods presented. There were no material amendments on the adoption of FRS 101. The company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of paragraphs 10(d), (10)f and 134-136 of IAS 1 *Presentation of Financial Statements*
- the requirements of IAS 7 *Statements of Cash Flows*;
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;
- the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group.

#### **Classification of preference shares as debt**

The preference shares issued by the company create a financial liability as defined by Financial Reporting Standard 25 as they contain a contractual obligation to deliver cash and are therefore presented as a liability in the balance sheet. Shares classified as debt are initially measured at fair value net of transaction costs and thereafter at amortised cost until extinguished on redemption. The corresponding dividends relating to the preference shares classified as a liability are charged as interest expense in the profit and loss account on an accruals basis.

# Investec Investment Trust PLC

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2015

### 2. TAX ON LOSS ON ORDINARY ACTIVITIES

	Unaudited 6 months to 30 September 2015 £000	Unaudited 6 months to 30 September 2014 £000	Audited Year to 31 March 2015 £000
Taxation	-	-	-

The effective tax rate for the period is different from the standard rate of UK corporation tax, due to the following reconciling items:

	2015 £000	2014 £000	2015 £000
Tax credit on loss on ordinary activities at 20% (2015: 21%)	(7)	(7)	(13)
Non deductible expenses	7	7	13
	-	-	-

A deferred tax asset has not been recognised in respect of capital losses carried forward of £137,712 (2014: £137,712) as there is insufficient evidence that the loss will be recovered.

### 3. INTEREST PAYABLE

The interest payable represents the dividend paid and accrued on the cumulative preference shares classified as financial liabilities and comprises the following:

	Unaudited 6 months to 30 September 2015 £000	Unaudited 6 months to 30 September 2014 £000	Audited Year to 31 March 2015 £000
Dividends paid			
3.5 per cent cumulative preference shares 1 June	7	7	7
3.5 per cent cumulative preference shares 1 December	-	-	23
5 per cent cumulative preference shares 15 May	2	2	2
5 per cent cumulative preference shares 15 November	-	-	9
Dividends payable			
3.5 per cent cumulative preference shares	15	15	15
5 per cent cumulative preference shares	7	7	7
	31	31	63

### 4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

The amount represents a loan to the company's immediate parent company, Investec Group Investments (UK) Limited on an interest free basis. The loan is repayable upon demand and the company has the right, at any time and at its sole discretion, to charge interest thereon at a commercial rate.

### 5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unaudited 30 September 2015 £000	Audited 31 March 2015 £000	Unaudited 30 September 2014 £000
Other creditors	55	55	55
	55	55	55



# NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2015

## 6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Unaudited 30 September 2015 £000	Audited 31 March 2015 £000	Unaudited 30 September 2014 £000
1,300,000 3.5 per cent cumulative preference shares of £1 each (1.75p each dividend) authorised, issued, allotted and fully paid up	1,300	1,300	1,300
345,438 5 per cent cumulative preference shares of £1 each (2.5p each dividend) authorised, issued, allotted and fully paid up	345	345	345
	<u>1,645</u>	<u>1,645</u>	<u>1,645</u>

The 3.5 per cent cumulative preference shares and the 5 per cent cumulative preference shares carry the following rights:

- holders are entitled to fixed cumulative preferential dividends at the rates of 3.5 per cent and 5 per cent per annum respectively. Payment of such dividends is due on 1 June and 1 December each year in the case of the 3.5 per cent preference shares and 15 May and 15 November each year in the case of the 5 per cent preference shares.
- holders are entitled to the amounts paid up on the preference shares together with all arrears of the respective cumulative preferential dividends on a winding up of the company, in priority to the Ordinary shareholders.
- holders are not entitled to attend or vote at general meetings of the company, save in specified circumstances, principally where the business to be transacted affects their rights as preference shareholders.
- there is no prescribed redemption or repayment date for either class of preference shares.

## 7. CALLED UP SHARE CAPITAL

	Unaudited 30 September 2015 £000	Audited 31 March 2015 £000	Unaudited 30 September 2014 £000
<b>Authorised</b> 60,000,000 (2014: 60,000,000) ordinary shares of 25p each	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
<b>Issued, allotted and fully paid</b> 57,744,387 (2014: 57,744,387) ordinary shares of 25p each	<u>14,436</u>	<u>14,436</u>	<u>14,436</u>

## 8. RESERVES

	Profit and loss account £000
Balance at the beginning of the year	11,458
Loss for the period (unaudited)	<u>(31)</u>
Balance at the end of the period	<u>11,427</u>

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2015

### 9. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	Unaudited 30 September 2015 £000	Audited 31 March 2015 £000	Unaudited 30 September 2014 £000
Opening equity shareholder's funds	25,894	25,957	25,957
Loss for the period (unaudited)	(31)	(63)	(31)
Closing equity shareholder's funds	25,863	25,894	25,926

### 10. RISK MANAGEMENT

As a subsidiary of Investec plc, the company falls under the Investec Group's Risk Management Framework which is set out in the Investec plc and Investec Limited 2015 combined consolidated financial statements, Risk Management and Corporate Governance report.

#### *Credit risk*

The company has no exposure to credit risk other than on the loan advanced to the parent undertaking.

#### *Liquidity risk*

The company's only financial obligations in the foreseeable future are payment of dividend on the preference shares and administrative expenses. The company is able to recall the loan to the parent undertaking (or part thereof) at any time and therefore does not foresee any risk of being unable to meet its financial commitments.

#### *Interest rate risk*

The company has a fixed interest obligation in respect of the dividend on the preference shares and is therefore not exposed to fluctuation in interest rates. The loan to the parent is interest free. However, the company has the right at any time and at its sole discretion to charge interest thereon at a commercial rate.

#### *Capital Management*

The company manages and monitors its capital on an ongoing basis and with consideration for the ongoing commitments of the entity. The company is not regulated and therefore it is not subject to any capital adequacy requirements.

### 11. ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Investec Group Investments (UK) Limited.

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. Investec Bank plc is the smallest group and Investec plc is the largest group in which the results of the company are consolidated. The consolidated financial statements of Investec plc and Investec Bank plc are available to the public and may be obtained from Investec plc at 2 Gresham Street, London, EC2V 7QP.