

Company Registration Number:
00328206 (England & Wales)

Investec Investment Trust PLC

Unaudited condensed Financial Statements
for the six months ended

30 September 2023

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 2023 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 Investec group activities and it will continue to operate in this capacity for the foreseeable future.

The company's ultimate parent is Investec plc. The company's immediate parent company, Investec Group Investments (UK) Limited, a wholly owned subsidiary of Investec plc, owns all of the company's ordinary shares, 346,357 nominal of the company's 3.5 per cent cumulative preference shares and 104,768 nominal of the company's 5 per cent cumulative preference shares. The company's 3.5 per cent and 5 per cent cumulative preference shares are listed on the London Stock Exchange.

The preference shares are classified as a financial liabilities and not equity (refer to note 1, Accounting Policies, Financial liabilities (preference shares)).

PERFORMANCE OVERVIEW AND PRINCIPAL RISKS

The results for company show a pre-tax loss of £31,386 (30 September 2022: loss of £31,386) for the period (see page 3).

At 30 September 2023 the company had net assets of £25,361,000 (30 September 2022: £25,423,000).

The directors do not recommend the payment of an interim dividend on the ordinary shares for the period (30 September 2022: £nil). Dividends payable, reported as interest payable, on the preference shares in the period amounted to £31,386 (30 September 2022: £31,386).

The company's financial risks are managed at the Investec plc group level. Surplus liquidity arising from time to time is loaned by the company during the year in which it arises 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 9.

As discussed above, the company lends the funds raised to its immediate parent company and these are then on lent to the wider Investec group. The directors have considered this and the liquidity of the Investec Bank plc group when assessing the liquidity and going concern of the company.

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 up to 31 March 2025, which is a period greater than twelve months from the date of issue of the financial statements that aligns with internal budgeting processes. Accordingly, the going concern basis is adopted in the preparation of the 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 2023.

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;
- ◆ 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 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 is part of the Investec plc group and is therefore subject to the group's system of risk management, internal control and financial reporting. The corporate governance statements and disclosures, as required by section 7.2.1 of the Disclosure and Transparency Rules are detailed in the Investec plc consolidated financial statements which are publicly available at 30 Gresham Street, London, EC2V 7QP or on www.investec.com.

Signed on behalf of the board of directors



K P McKenna
Director
21 November 2023

Investec Investment Trust PLC

PROFIT AND LOSS ACCOUNT for the period to 30 September 2023

	Notes	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 £000	Audited 31 March 2023 £000
Interest payable and similar charges	3	(31)	(32)	(63)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(31)	(32)	(63)
Taxation on loss on ordinary activities	2	-	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(31)	(32)	(63)
LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(31)	(32)	(63)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses in the current or prior periods 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 periods 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 2023

	Notes	Unaudited 30 September 2023 £000	Audited 31 March 2023 £000	Unaudited 30 September 2022 £000
CURRENT ASSETS				
Debtors	4	27,061	27,092	27,123
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Creditors	5	(55)	(55)	(55)
NET CURRENT ASSETS				
		27,006	27,037	27,069
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
Preference shares treated as debt	6	(1,645)	(1,645)	(1,645)
NET ASSETS				
		25,361	25,392	25,423
CAPITAL AND RESERVES				
Called up share capital	7	14,436	14,436	14,436
Profit and loss account		10,925	10,956	10,987
TOTAL EQUITY SHAREHOLDER'S FUNDS				
		25,361	25,392	25,423

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

Investec Investment Trust PLC

STATEMENT OF CHANGES IN EQUITY

for the period to 30 September 2023

	Share capital	Retained earnings	Total
	£000	£000	£000
Balance at 1 April 2022	14,436	11,019	25,455
Loss for the period	-	(32)	(32)
Total comprehensive loss for the period	-	(32)	(32)
Balance at 30 September 2022	14,436	10,987	25,423
Loss for the period	-	(31)	(31)
Total comprehensive loss for the period	-	(31)	(31)
Balance at 31 March 2023	14,436	10,956	25,392
Loss for the period	-	(31)	(31)
Total comprehensive loss for the period	-	(31)	(31)
Balance at 30 September 2023	14,436	10,925	25,361

Investec Investment Trust PLC

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2023

1. ACCOUNTING POLICIES

Company information

Investec Investment Trust plc is a public limited company incorporated and domiciled in England and Wales. The registered office is 30 Gresham Street, London, EC2V 7QP.

Accounting convention

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 2023 are consistent with those adopted in the Company's audited financial statements for the year ended 31 March 2023, in accordance with FCA Disclosure Rules and Transparency Rules 4.2.6.

The information in this report for the six months to 30 September 2023, which was approved by the board of directors on 21 November 2023, does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006 ("Act"). Statutory accounts for the year ended 31 March 2023, 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.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary accounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost basis. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101 where applicable to the company.

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33 (c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations;
- the requirement of IFRS 7 Financial Instruments: Disclosures;
- the requirement of paragraph 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118(e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40 ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement 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 and 18A 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, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 130(f)(ii) and 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets;

Investec Investment Trust PLC

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2023

1. ACCOUNTING POLICIES (Continued)

Accounting convention (Continued)

- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraph 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, in total;
- (cA) The requirements of paragraph 24 (b) of IFRS 6 Exploration for and Evaluation of Mineral Resources to disclose the operating and investing cash flows arising from the exploration for and evaluation of mineral resources; and
- (iA) The requirements of paragraph 74A (b) of IAS 16.

Where required, equivalent disclosures are given in the group accounts of Investec plc. The group accounts of Investec plc are available to the public and can be obtained as set out below.

Investec Investment Trust PLC is a wholly owned subsidiary of Investec Group Investments (UK) Limited which is a wholly owned subsidiary of Investec plc and the results of Investec Investment Trust PLC are included in the consolidated financial statements of Investec plc which are available from 30 Gresham Street, London, EC2V 7QP.

Going concern

The company's financial risks are managed at the Investec plc group level. Surplus liquidity is loaned by the company on an interest free basis to its immediate parent company and this is then on lent to the wider Investec group. The loan is repayable on demand. Preference dividend payments are funded from the loan. The directors have considered this and the liquidity of the Investec Bank plc group when assessing the liquidity and going concern of the company.

On the basis of current financial projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence up to 31 March 2025, which is a period greater than twelve months from the date of issue of the financial statements that aligns with internal budgeting processes. Accordingly, the going concern basis is adopted in the preparation of the financial statements.

Fair value measurement

A qualifying entity which is a financial institution is not exempt from the disclosure requirements of IFRS 7 Financial Instruments: Disclosures, IFRS 13 Fair Value Measurement to the extent that they apply to financial instruments, and paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements. Investec Investment Trust plc is considered a financial institution and is therefore not exempt from the requirements of IFRS 13 and IFRS 7.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the assets or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or liability measured at fair value has a bid price and ask price, then the company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2023

1. ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

The company classifies disclosed fair values according to hierarchy that reflects the significance of observable market inputs. A transfer is made between the hierarchy when the inputs have changed or there has been a change in the valuation method. Transfers are deemed to occur at the end of each semi-annual group reporting period.

Financial assets and liabilities held at fair value through the profit or loss

Financial assets and liabilities are designated as held at fair value through profit or loss only if:

- they eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- a group of financial liabilities or both financial assets and financial liabilities is managed and its performances evaluated on a fair value basis in accordance with a documented risk management or investment strategy and information about the group is provided internally on that basis to the group's key management personnel; or
- a financial liability contract contains one or more embedded derivatives (which significantly modifies the cash flows that would be required by the contract and is not clearly prohibited from separation from the host contract) and the group has designated the entire hybrid contract as a financial instrument at fair value through the profit or loss.

Financial liabilities (preference shares)

Financial instruments issued by the group are classified as liabilities if they contain a contractual obligation to deliver cash or another financial asset.

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 accrual basis.

Derecognition of financial assets and liabilities

A financial asset, or a portion thereof, is derecognised when the group's rights to cash flow have expired or when the group has transferred its rights to cash flow relating the financial assets and either (a) the group has transferred substantially all the risks and rewards associated with the financial assets or (b) the group has neither transferred nor retained substantially all the risks and rewards associated with the financial assets but has transferred control of the assets.

The treatment of a renegotiation or modification of the contractual cash flows of a financial asset depends upon whether the modification is done for commercial reasons, in which case if they are significant the old asset is derecognised and a new asset recognised, or because of financial difficulties of the borrower.

A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled or expired. When an existing financial liability is replaced or modified with substantially different terms, such a replacement or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is provided on the amount expected to be payable on taxable profit at rates that are enacted or substantively enacted and applicable to the relevant period.

Investec Investment Trust PLC

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2023

1. ACCOUNTING POLICIES (Continued)

Deferred tax

Deferred taxation is provided using the balance sheet method on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base, except where such temporary differences arise from:

- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction has no effect on the income statement or taxable profit.
- In respect of temporary timing differences associated with the investments in subsidiaries or interests in associated undertakings, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets or liabilities are measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised.

Items recognised directly in other comprehensive income are net of related current and deferred taxation.

2. TAX ON LOSS ON ORDINARY ACTIVITIES

	Unaudited 6 months to 30 September 2023 £000	Unaudited 6 months to 30 September 2022 £000	Audited Year to 31 March 2023 £000
Total tax charge on continuing operations	-	-	-

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

	2022 £000	2021 £000	2022 £000
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 25% (31 March 2023 - 19%)	(8)	(6)	(12)
Taxation impact of factors affecting tax charge:			
Transfer pricing adjustment	(102)	(37)	(51)
Loss claimed from other group companies for nil payment	102	37	51
Effect of expenses not deductible in determining taxable loss	8	6	12
Tax charge for the period	-	-	-

The UK rate of corporation tax increased to 25% from 19% from 1 April 2023.

A deferred tax asset has not been recognised in respect of capital losses carried forward of £137,712 (2023: £137,712) as there is insufficient evidence that the losses will be recovered.

Investec Investment Trust PLC

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2023

3. FINANCIAL COSTS

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

During the current year and the prior year the payment of the dividend paid and accrued on the cumulative preference shares classified as financial liabilities has been paid on behalf of the company by Investec Group Investments (UK) Limited and the amount owed by parent undertaking reduced accordingly.

		Unaudited 6 months to 30 September 2023 £000	Unaudited 6 months to 30 September 2022 £000	Audited Year to 31 March 2023 £000
Dividends paid				
3.5 per cent cumulative preference shares	1 June	7	8	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
		<u>31</u>	<u>32</u>	<u>63</u>

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

The amount receivable from the immediate parent undertaking currently bears no interest and is repayable on demand at request of the company. The company has the right, at any time and at its sole discretion, to charge interest thereon at a commercial rate.

Receivables are carried on the balance sheet at fair value and are measured using level 2 techniques. The fair value of the amount receivable is equal to the undiscounted cash amount payable reflecting the company's right to demand immediate repayment.

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unaudited 30 September 2023 £000	Audited 31 March 2023 £000	Unaudited 30 September 2022 £000
Other creditors	<u>55</u>	<u>55</u>	<u>55</u>
	<u>55</u>	<u>55</u>	<u>55</u>

Investec Investment Trust PLC

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2023

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

Secured borrowings at amortised cost	Unaudited 30 September 2023 £000	Audited 31 March 2023 £000	Unaudited 30 September 2022 £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
Preference shares	<u>1,645</u>	<u>1,645</u>	<u>1,645</u>

Both classes of 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; and
- there is no prescribed redemption or repayment date for either class of preference shares.

The preference shares are carried on the balance sheet at amortised cost. The fair value is £1,645k (2023 - £1,645k) and the fair value hierarchy is level 3 (2023 – level 3). The fair value is determined as being the par value, the closest approximation of the price expected to pay to buyback the shares as there are limited liquid trades and therefore limited observable prices.

Investec Investment Trust PLC

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2023

7. CALLED UP SHARE CAPITAL

	Unaudited 30 September 2023 £000	Audited 31 March 2023 £000	Unaudited 30 September 2022 £000
Authorised 60,000,000 (31 March 2023: 60,000,000) ordinary shares of 25p each	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Issued, allotted and fully paid 57,744,387 (31 March 2023: 57,744,387) ordinary shares of 25p each	<u>14,436</u>	<u>14,436</u>	<u>14,436</u>

8. EVENTS AFTER THE REPORTING DATE

The directors confirm that there were no significant events occurring after the balance sheet date to the date of this report that would meet the criteria to be disclosed in the financial statements for period ended 30 September 2023.

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2023

9. RISK MANAGEMENT

As a wholly-owned subsidiary of Investec plc, the company falls under the Investec plc group's Risk Management Framework which is set out in the combined Investec plc and Investec Limited 2023 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 provided the parent undertaking has sufficient liquid resources available, the company will be able 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.

10. 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 30 Gresham Street, London, EC2V 7QP.