

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.**

This document (the “document” or “**Supplementary Prospectus**”) comprises a supplementary prospectus for the purposes of Article 23 of Regulation (EU) 2017/1129 relating to Rathbones. This Supplementary Prospectus is supplemental to, and must be read in conjunction with, the prospectus and circular document published by Rathbones on 1 June 2023 (“**Original Document**”) in relation to its proposed Combination with Investec W&I UK.

Any statement contained in the Original Document shall be modified and superseded to the extent that a statement contained in this document modifies or supersedes such statement. Except as expressly stated herein, or unless the context requires otherwise, the definitions used in Part 14 (Definitions) of the Original Document apply to this Supplementary Prospectus. To the extent there is any inconsistency between a statement or defined term in this Supplementary Prospectus and the Original Document, the statement or defined term in this Supplementary Prospectus will prevail.

The share capital of Rathbones as at the date of this document comprises Ordinary Shares listed on the premium segment of the Official List of the FCA and admitted to trading on the London Stock Exchange's Main Market for listed securities. The Consideration Shares shall be issued by Rathbones in consideration for the acquisition of the entire issued share capital of Investec W&I UK in accordance with the Share Purchase Agreement the terms of which are referred to in Part 2 (*Summary of Key Combination Terms*) of the Original Document. The Consideration Shares shall comprise: (i) 27,056,463 New Ordinary Shares; and (ii) 17,481,868 Convertible Non-Voting Ordinary Shares. An application for Admission of the New Ordinary Shares is intended to be made as set out in the Original Document. It is expected that Admission will become effective and that dealings for normal settlement in the New Ordinary Shares will commence on London Stock Exchange at 8.00 a.m. on the date on which Completion takes place. No applications are intended to be made for the New Ordinary Shares to be admitted to listing or dealing on any exchange other than London Stock Exchange, and no applications will be made for the Convertible Non-Voting Ordinary Shares to be admitted to listing or dealing on any exchange.

This Supplementary Prospectus has been prepared in accordance with the Prospectus Regulation Rules of the FCA and approved by the FCA as competent authority under the UK version of Regulation (EU) 2017/1129, which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018. The FCA only approves this Supplementary Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of the document. Recipients of this document should make their own assessment as to the suitability of investing in the securities. This document has been filed with the FCA and made available to the public in accordance with paragraph 3.2.1 of the Prospectus Regulation Rules.

The Company, each of the Rathbones Directors and the Proposed Directors, whose names appear on page 30 of the Original Document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company, the Rathbones Directors and the Proposed Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

You should read the whole of this Supplementary Prospectus and the Original Document (including the documents incorporated therein by reference). In particular, your attention is drawn to the section of the Original Document entitled “Risk Factors” set out on pages 11 to 29 of the Original Document, which you should read in full.

---



# **RATHBONES**

## **RATHBONES GROUP PLC**

*(incorporated in England and Wales with registered number 01000403)*

**Proposed issue of 27,056,463 New Ordinary Shares and 17,481,868 Convertible Non-Voting Ordinary Shares to Investec Bank (a subsidiary of Investec PLC) in connection with the proposed Combination of Rathbones and Investec W&I UK**

**Admission of the New Ordinary Shares to the premium listing segment of the Official List and to trading on the Main Market of the London Stock Exchange**

**BofA Securities**

**Financial Adviser, Joint Corporate Broker, and Sponsor**

---

None of the Existing Ordinary Shares nor the Consideration Shares are being made generally available to the public in conjunction with the proposed Combination.

Merrill Lynch International (“**BofA Securities**”), which is authorised by the Prudential Regulation Authority (“**PRA**”) and regulated in the United Kingdom by the PRA and the FCA, is acting exclusively for the Company and no-one else in connection with the Combination and Admission, and it will not regard any other person (whether or not a Recipient of this document) as a client in relation to the Combination and Admission and it will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Combination or Admission or another transaction, matter or arrangement referred to in this Supplementary Prospectus and the Original Document.

Apart from the responsibilities and liabilities, if any, which may be imposed on BofA Securities by FSMA or the regulatory regime established thereunder or under the regulatory regime of any other applicable jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither BofA Securities nor any of its affiliates accepts any responsibility whatsoever for the contents of this document and the Original Document including its accuracy, completeness and verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or its subsidiaries, the Ordinary Shares, the Combination or Admission. BofA Securities and its affiliates accordingly disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise be found to have in respect of this document, the Original Document or any such statement. No representation or warranty, express or implied, is made by BofA Securities or any of its affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this Supplementary Prospectus and the Original Document, and nothing in either document will be relied upon as a promise or representation in this respect, whether or not to the past or future.

**NONE OF THE COMPANY, BOFA SECURITIES, INVESTEC W&I UK OR ANY OF THEIR RESPECTIVE REPRESENTATIVES, IS MAKING ANY REPRESENTATION TO ANY RECIPIENT OR HOLDER OF THE ORDINARY SHARES REGARDING THE LEGALITY OF ANY INVESTMENT BY A RECIPIENT UNDER THE LAWS APPLICABLE TO SUCH RECIPIENT. THE CONTENTS OF THIS SUPPLEMENTARY PROSPECTUS AND THE ORIGINAL DOCUMENT ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE. EACH**

**RECIPIENT OR SHAREHOLDER SHOULD CONSULT HIS, HER, THEIR OR ITS OWN SOLICITOR, INDEPENDENT FINANCIAL ADVISOR OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.**

**THIS SUPPLEMENTARY PROSPECTUS AND THE ORIGINAL DOCUMENT DO NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO PURCHASE OR SUBSCRIBE FOR, ANY RATHBONES SHARES IN ANY JURISDICTION.**

Recipients of this Supplementary Prospectus and the Original Document are authorised to use it solely for the purpose of considering the terms of the Combination and may not reproduce or distribute such documents, in whole or in part, and may not disclose any of the contents of such documents or use any information in either document for any purpose other than considering the terms of the Combination. Recipients agree to the foregoing by accepting delivery of this document. If you have sold or otherwise transferred all of your Rathbones Shares you should send this Supplementary Prospectus and the Original Document at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

This Supplementary Prospectus is being made available to the public in accordance with the Prospectus Regulation and can be accessed free of charge in electronic form on Rathbones' website at [www.rathbones.com/investor-relations](http://www.rathbones.com/investor-relations).

Without prejudice to any legal or regulatory obligation on the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and Rule 3.4 of the Prospectus Regulation Rules, neither the delivery of this Supplementary Prospectus nor the Original Document, completion of the Combination nor Admission shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company, the Rathbones Group or the Investec W&I UK Group since the date of this document or that the information in it is correct as of any time subsequent to its date. The Company will comply with its obligation to publish a further supplementary prospectus containing further updated information if so required by law or by any regulatory authority but assumes no further obligation to publish additional information.

Recipients should only rely on the information contained in this Supplementary Prospectus, the Original Document, and the documents (or parts thereof) incorporated therein by reference. No person has been authorised to give any information or make any representations other than those contained in either document and the documents (or parts thereof) incorporated therein by reference, and if given or made, such information or representations must not be relied on as having been so authorised by or on behalf of Rathbones, the Rathbones Directors, the Proposed Directors, or BofA Securities. None of the above persons take any responsibility or liability for and can provide no assurance as to the reliability of other information that Recipients may have been given. In particular, save for the information incorporated by reference into the Original Document as set out in Part 13 (*Information Incorporated by Reference*) of the Original Document, the contents of Rathbones' website does not form part of the Original Document nor this Supplementary Prospectus and should not be relied upon.

#### **NOTICE TO OVERSEAS SHAREHOLDERS AND RECIPIENTS**

Neither this Supplementary Prospectus nor the Original Document constitutes an offer of, or the solicitation of an offer to subscribe for or buy, any Rathbones Shares to any person in any jurisdiction. The distribution of this Supplementary Prospectus and the Original Document in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been or will be taken by Rathbones to permit an issue of the Rathbones Shares or to permit the possession or distribution of this Supplementary Prospectus or the Original Document (or any other issuing or publicity materials relating to the Rathbones Shares) in any jurisdiction where action for that purpose may be required or where to do so may be unlawful. Neither this Supplementary Prospectus nor the Original Document, any advertisement nor any other material relating to it may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Supplementary Prospectus or the Original Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Combination disclaim any responsibility or liability for the violation of any such restrictions by any person.

None of the Existing Ordinary Shares or the Consideration Shares may be offered in or into any Restricted Jurisdiction or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. Any persons (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this Supplementary Prospectus, the Original Document or any accompanying document into a Restricted Jurisdiction should seek appropriate advice before taking any such action. Accordingly, neither this Supplementary Prospectus, the Original Document nor any advertisement nor any other offering material may be distributed or published in any Restricted Jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Supplementary Prospectus or the Original Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Combination disclaim any responsibility or liability for the violation of such requirements by any person.

**THE CONTENTS OF THIS SUPPLEMENTARY PROSPECTUS AND THE ORIGINAL DOCUMENT ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL, BUSINESS OR TAX ADVICE. EACH SHAREHOLDER AND ANY OTHER PERSON WHO RECEIVES THIS DOCUMENT AND/OR THE ORIGINAL DOCUMENT SHOULD CONSULT HIS, HER, THEIR OR ITS OWN LEGAL ADVISER, FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.**

The date of this document is 6 July 2023.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All times shown are London times unless otherwise stated. All dates and times are based on the current expectations of Rathbones and are subject to change. They will depend, among other things, upon the date on which all outstanding Conditions are satisfied or (where applicable) waived. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Shareholders by announcement through a Regulatory Information Service.

<b>Event</b>	<b>Time and/or date</b>
Date of the Original Document	1 June 2023
<b>General Meeting</b>	23 June 2023
Date of this Supplementary Prospectus	6 July 2023
Unconditional Date	being the date upon which each of the Conditions are satisfied or, where applicable, waived (" <b>Unconditional Date</b> ")
Completion <sup>1</sup>	the 15th Business Day of the calendar month immediately following the month in which the Unconditional Date occurs (" <b>D</b> ") <sup>2</sup>
Admission of the New Ordinary Shares	8.00 a.m. on D
Issue of the Convertible Non-Voting Ordinary Shares to Investec Bank	after 8.00 a.m. on D
Issue of the New Ordinary Shares to Investec Bank	after 8.00 a.m. on D
Long Stop Date <sup>3</sup>	3 April 2024

<sup>1</sup> Completion is expected to occur either in late Q3 or in early Q4 2023.

<sup>2</sup> Or such other date as Rathbones and Investec Bank may agree.

<sup>3</sup> The latest date by which the Combination must be implemented unless the parties to the Share Purchase Agreement agree in writing a later date.

## EVENTS ARISING SINCE PUBLICATION OF THE ORIGINAL DOCUMENT

This Supplementary Prospectus is being published in relation to the Combination. This Supplementary Prospectus is a regulatory requirement under Article 23 of the Prospectus Regulation and is being published, amongst other things: (i) in respect of the audited financial information of Investec W&I UK Group for the financial year ended 31 March 2023 (“New Historical Financial Information”); and (ii) to provide an update on the Combination. This Supplementary Prospectus has been approved for publication by the FCA.

### Significant New Factors

#### 1 Summary

As a result of the publication of New Historical Financial Information, the summary key financial information in respect of the Investec W&I UK Group contained on pages 6 to 8 of the Original Document is hereby supplemented as follows:

#### 2.2 – What is the key financial information regarding the issuer?

#### Selected financial information of Investec W&I UK Group

The tables below set out the selected historical financial information for Investec W&I UK Group, including the New Historical Financial Information, for the years ended 31 March 2021, 31 March 2022 and 31 March 2023.

##### Consolidated statement of comprehensive income

	Year ended 31 March 2021 (audited) (£'000)	Year ended 31 March 2022 (audited) (£'000)	Year ended 31 March 2023 (audited) (£'000)
Net interest income/(expense)	(509)	(755)	2,674
Net fee and commission income	309,867	336,988	324,518
Operating income	311,158	337,842	346,036
Operating expenses	(239,329)	(253,279)	(261,690)
Profit before tax	71,829	84,563	84,346
Profit after tax	57,763	68,720	68,227
Profit for the year attributable to equity holders of Investec W&I UK	57,763	68,720	68,227
Other comprehensive income/(expense) net of tax	(39)	40	74
Total comprehensive income for the year net of tax attributable to equity holders of Investec W&I UK	57,724	68,760	68,301

##### Consolidated balance sheet

	As at 31 March 2021 (audited) (£'000)	As at 31 March 2022 (audited) (£'000)	As at 31 March 2023 (audited) (£'000)
Total assets	530,672	598,821	594,470
Total liabilities	308,055	397,942	358,906
Total equity	222,617	200,879	235,564
Total liabilities and equity	530,672	598,821	594,470

##### Consolidated statement of cash flows

	Year ended 31 March 2021 (audited) (£'000)	Year ended 31 March 2022 (audited) (£'000)	Year ended 31 March 2023 (audited) (£'000)
Net cash inflow from operating activities	89,566	87,036	93,347
Net cash used in investing activities	(3,450)	(1,644)	(15,060)
Net cash used in financing activities	(43,714)	(98,121)	(41,257)
Net increase/(decrease) in cash and cash equivalents	42,402	(12,729)	37,030
Cash and cash equivalents at the end of the year	192,380	179,651	216,681

## **2 Historical Financial Information of Investec W&I UK Group**

By virtue of this Supplementary Prospectus, the information contained in the Appendix to this document shall supplement Part 7 (*Historical Financial Information of Investec W&I UK Group*) of the Original Document.

## **3 Update on the Combination**

- 3.1 On 23 June 2023, Rathbones announced that its Shareholders had approved the Rathbones Shareholder Resolutions at the General Meeting.
- 3.2 As at the date of this Supplementary Prospectus, the Rathbones Group and the Investec PLC Group have received regulatory approvals from the JFSC, GFSC and SRA in respect of the Combination. All other regulatory approvals to be obtained by the Rathbones Group and Investec PLC Group in respect of the Combination remain outstanding.
- 3.3 Completion is expected to occur in either late Q3 or early Q4 2023 (subject to all Conditions being satisfied).

## **4 No Significant Change**

As a result of the publication of the Investec Group's audited financial results for the year ended 31 March 2023, the statement contained at paragraph 15.2 of Part 12 (*Additional Information*) of the Original Document shall be supplemented with the following statement:

There has been no significant change in the financial position or financial performance of the Investec W&I UK Group since 31 March 2023, the most recent date to which financial information has been prepared and published, up to the date of this Supplementary Prospectus.

## **5 Investec Wealth Profit Estimate**

As a result of the publication of the Investec Group's audited financial results for the year ended 31 March 2023, the Investec Wealth Profit Estimate contained in Part 11 of the Original Document is no longer outstanding nor valid.

## **6 Additional Information**

- 6.1 Copies of this Supplementary Prospectus and the New Historical Financial Information are available for inspection on the Company's website at [www.rathbones.com/investor-relations](http://www.rathbones.com/investor-relations) and during normal business hours on any Business Day free of charge from the offices of Rathbones at 8 Finsbury Circus, London EC2M 7AZ, and shall remain available until the date of Admission. Copies of this Supplementary Prospectus are also available for inspection at the National Storage Mechanism at <https://www.fca.org.uk/markets/primary-markets/regulatory-disclosures/national-storage-mechanism>.
- 6.2 EY has given and not withdrawn its written consent to the inclusion in this document of its accountant's report set out in Part A (*Accountants' Report on the Historical Financial Information of Investec W&I UK Group*) of the Appendix (*Historical Financial Information of Investec W&I UK Group*) and has authorised the contents of its report as part of this document for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules and item 1.3 of Annex 1 to the Prospectus Regulation.
- 6.3 BofA Securities has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context to which it appears.
- 6.4 The Company, each of the Rathbones Directors and the Proposed Directors, whose names appear on page 30 of the Original Document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company, the Rathbones Directors and the Proposed Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

6.5 Save as disclosed in this Supplementary Prospectus:

- (1) no other significant new factor, material mistake or material inaccuracy relating to information included in the Original Document has arisen or been noted, as the case may be since the publication of the Original Document; and
- (2) there has been no change to the information provided in Part 12 (*Additional Information*) of the Original Document in respect of each Rathbones Director and Proposed Director since the publication of the Original Document.

6.6 In the event of any inconsistency between the Original Document and this Supplementary Prospectus, this Supplementary Prospectus shall prevail.

6 July 2023

## APPENDIX

### HISTORICAL FINANCIAL INFORMATION OF INVESTEC W&I UK GROUP

#### Part A Accountants' Report on the Historical Financial Information of Investec W&I UK Group

The Directors  
Rathbones Group Plc  
8 Finsbury Circus  
London  
EC2M 7AZ

6 July 2023

Dear Sirs/Madams

#### **Investec Wealth & Investment Limited**

We report on the financial information set out in Part B of the Appendix of the supplementary prospectus dated 6 July 2023 of Rathbones Group Plc (the "Company") (the "Supplementary Prospectus") for the year ended 31 March 2023 (the "Financial Information").

This report is required by item 18.3.1 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980 and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980, consenting to its inclusion in the Supplementary Prospectus.

#### **Opinion on the Financial Information**

In our opinion, the Financial Information gives, for the purposes of the Supplementary Prospectus dated 6 July 2023, a true and fair view of the state of affairs of Investec Wealth & Investment Limited as at 31 March 2023 and of its profits, comprehensive income, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 1.1 to the Financial Information.

#### **Responsibilities**

The Directors of the Company are responsible for preparing the Financial Information on the basis of preparation set out in note 1.1 to the Financial Information.

It is our responsibility to form an opinion on the Financial Information and to report our opinion to you.

#### **Basis of Preparation**

The Financial Information has been prepared for inclusion in the Supplementary Prospectus on the basis of the accounting policies set out in note 1 to the Financial Information.

#### **Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent in accordance with the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 Information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

**Conclusions Relating to Going Concern**

In performing our work on the Financial Information, prepared on the basis that the acquisition of Investec Wealth & Investment Limited by the Company completes, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Information is appropriate.

Based on the work we have performed, we have not identified any material uncertainties related to events or conditions that, individually or collectively, may cast significant doubt on Investec Wealth & Investment Limited's ability to continue as a going concern for a period of at least twelve months from the date of the Supplementary Prospectus.

**Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R (2)(f) we are responsible for this report as part of the Supplementary Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Supplementary Prospectus in compliance with item 1.2 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980.

Yours faithfully

Ernst & Young LLP



**Part B**  
**Historical Financial Information of Investec W&I UK Group**

**INVESTEC WEALTH & INVESTMENT LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH**

	<b>Notes</b>	<b>2023</b> <b>£ '000</b>	<b>2022</b> <b>£ '000</b>
Interest and similar income		3,533	157
Interest expense and similar charges		(859)	(912)
<b>Net interest income/(expense)</b>	<b>3</b>	<b>2,674</b>	<b>(755)</b>
Fee and commission income		324,518	336,988
<b>Net fee and commission income</b>	<b>4</b>	<b>324,518</b>	<b>336,988</b>
<b>Net trading income</b>		<b>327,192</b>	<b>336,233</b>
Other operating income		18,844	1,609
<b>Operating income</b>		<b>346,036</b>	<b>337,842</b>
Charges in relation to client relationships		(4,846)	(4,654)
Other operating expenses		(256,844)	(248,625)
<b>Operating expenses</b>	<b>5</b>	<b>(261,690)</b>	<b>(253,279)</b>
<b>Profit before tax</b>		<b>84,346</b>	<b>84,563</b>
Taxation	<b>6</b>	(16,119)	(15,843)
<b>Profit after tax</b>		<b>68,227</b>	<b>68,720</b>
<b>Profit for the year attributable to equity holders of Investec W&amp;I UK</b>		<b>68,227</b>	<b>68,720</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Net remeasurement of post retirement benefit liability		74	40
<b>Other comprehensive income/(expense) net of tax</b>		<b>74</b>	<b>40</b>
<b>Total comprehensive income for the year net of tax attributable to equity holders of Investec W&amp;I UK</b>		<b>68,301</b>	<b>68,760</b>

**INVESTECH WEALTH & INVESTMENT LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH**

	<b>Notes</b>	<b>2023</b> <b>£ '000</b>	<b>2022</b> <b>£ '000</b>
<b>ASSETS</b>			
Loans and advances to banks	8	216,681	179,651
Settlement balances		209,431	267,769
Investment securities at fair value through profit or loss	9	461	—
Prepayments, accrued income and other assets	10	41,939	36,814
Property plant and equipment	11	5,352	6,520
Right-of-use assets	12	33,150	34,396
Net deferred tax asset	13	—	1,567
Intangible assets	14	87,456	72,104
<b>Total assets</b>		<u>594,470</u>	<u>598,821</u>
<b>Liabilities</b>			
Settlement balances		203,482	264,670
Accruals and other liabilities	15	105,267	81,747
Provisions	16	8,427	9,429
Lease liabilities	17	40,233	41,520
Current tax liabilities		507	576
Net deferred tax liability	13	990	—
<b>Total liabilities</b>		<u>358,906</u>	<u>397,942</u>
<b>Equity</b>			
Share capital	18	10,455	10,455
Share premium		125,428	125,428
Retained earnings		99,681	64,996
<b>Total equity</b>		<u>235,564</u>	<u>200,879</u>
<b>Total liabilities and equity</b>		<u>594,470</u>	<u>598,821</u>

**INVESTEC WEALTH & INVESTMENT LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH**

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
<b>At 31 March 2021</b>		<b>10,455</b>	<b>125,428</b>	<b>86,734</b>	<b>222,617</b>
Profit for the year		—	—	68,720	68,720
Net remeasurement of post retirement benefit liability		—	—	40	40
Other comprehensive income net of tax		—	—	40	40
Charge and exercise of long service employment benefits	16	—	—	552	552
Dividends paid	7	—	—	(92,500)	(92,500)
Net transfers from parent	1.1	—	—	1,282	1,282
Share-based payments					
- Tax on share-based payments				168	168
<b>At 31 March 2022</b>		<b>10,455</b>	<b>125,428</b>	<b>64,996</b>	<b>200,879</b>
Profit for the year		—	—	68,227	68,227
Net remeasurement of post retirement benefit liability		—	—	74	74
Other comprehensive income net of tax		—	—	74	74
Charge and exercise of long service employment benefits	16	—	—	980	980
Dividends paid	7	—	—	(35,000)	(35,000)
Net transfers from parent	1.1	—	—	525	525
Share-based payments					
- tax on share-based payments		—	—	(121)	(121)
<b>At 31 March 2023</b>		<b>10,455</b>	<b>125,428</b>	<b>99,681</b>	<b>235,564</b>

**INVESTEC WEALTH & INVESTMENT LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED 31 MARCH**

	<b>Notes</b>	<b>2023</b> <b>£ '000</b>	<b>2022</b> <b>£ '000</b>
<b>Cash flow from operating activities</b>			
Profit before tax		84,346	84,563
Adjustments to reconcile profit before tax to net cash flows:			
Net interest (income)/expense	3	(2,674)	755
Net charge for provisions 16		1,521	1,108
Loss on disposal of property, plant and equipment	5	265	126
Depreciation, amortisation and impairment	5	13,798	13,352
Post retirement benefit liability charges		98	66
Post retirement benefit liability contributions paid		(196)	(188)
Share-based payment charges	19/5.1	1,291	2,242
		<b>98,449</b>	<b>102,024</b>
Changes in operating assets and liabilities:			
– net decrease/(increase) in settlement balance debtors		58,338	(92,197)
– net (increase)/decrease in prepayments, accrued income and other assets		(4,157)	4,921
– net (decrease)/increase in settlement balance creditors		(61,188)	94,660
– net increase in accruals, deferred income, provisions and other liabilities		15,994	6,162
<b>Cash generated from operations</b>		<b>107,436</b>	<b>115,570</b>
Interest paid		(827)	(886)
Interest received		3,533	157
Tax paid		(16,795)	(27,805)
<b>Net cash inflow from operating activities</b>		<b>93,347</b>	<b>87,036</b>
<b>Cash flows from investing activities</b>			
Acquisition of a subsidiary, net of cash acquired	25	(9,497)	—
Purchase of property, plant, equipment and intangible assets	11/14	(5,627)	(2,926)
Purchase of investment securities		(461)	—
Net transfers from parent		525	1,282
<b>Net cash used in investing activities</b>		<b>(15,060)</b>	<b>(1,644)</b>
Dividends paid	7	(35,000)	(92,500)
Payment of lease liabilities		(6,257)	(5,621)
<b>Net cash used in financing activities</b>		<b>(41,257)</b>	<b>(98,121)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>37,030</b>	<b>(12,729)</b>
Cash and cash equivalents at the beginning of the year		179,651	192,380
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>216,681</b>	<b>179,651</b>

**INVESTEC WEALTH & INVESTMENT LIMITED**  
**NOTES TO THE HISTORICAL FINANCIAL INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH**

**1. Principal accounting policies**

Investec Wealth & Investment Limited (“**Investec W&I UK**”) and its subsidiaries (together, “**Investec W&I UK Group**”) are engaged in the business of providing investment management services to private clients, pension funds, charities and companies, and financial planning services to private clients. Investec W&I UK is limited by shares and is registered in England and Wales under the Companies Act 2006. The address of its registered office is 30 Gresham Street, London EC2V 7QN.

The basis of preparation and accounting policies used in preparing the Historical Financial Information in respect of Investec W&I UK Group for the year ended 31 March 2023 is set out below.

**1.1 Basis of preparation**

The consolidated Historical Financial Information for the years ended 31 March 2023 & 31 March 2022 has been prepared specifically for the purposes of this Supplementary Prospectus and in accordance with the Prospectus Regulation Rules and the Listing Rules and in accordance with this basis of preparation. The Historical Financial Information does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006.

The basis of preparation describes how the Historical Financial Information has been prepared in accordance with UK-adopted International Accounting Standards (“**IFRS**”), except as described below.

IFRS does not provide for the preparation of carve-out financial information and accordingly in preparing the carve-out Historical Financial Information certain accounting conventions commonly used for the preparation of Historical Financial Information for inclusion in investment circulars as described in the Annexure to SIR 2000 *Standards for Investment Reporting applicable to public reporting engagements on Historical Financial Information* issued by the UK Financial Reporting Council have been applied. The application of these conventions results in the following material departure from IFRS.

The Historical Financial Information of Investec W&I UK Group omits the results of certain elements of the Investec W&I UK Group’s historical business activities that are not to be acquired by Rathbones Group Plc (“**Rathbones**”) as part of their proposed acquisition of Investec W&I UK Group, and therefore does not comply with the requirements of IFRS 10 *Consolidated Financial Statements*. Except for the carve-out adjustments made to reflect the perimeter of the acquired business, the Historical Financial Information has been prepared on a basis that combines the results and assets and liabilities of each of the entities that constitutes Investec W&I UK Group, derived from the accounting records of those entities, by applying the consolidation procedures of IFRS 10.

In all other material respects, IFRS has been applied.

The Historical Financial Information has been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value. The financial information is presented in Pounds Sterling and all values are rounded to the nearest thousand (£ 000), except where otherwise indicated.

The following summarises the key accounting and other principles applied in preparing the carve-out Historical Financial Information:

- The carve-out adjustments relate to certain services provided by Investec W&I UK to Investec Securities (Pty) Limited of South Africa (“**SA business**”) that will no longer be performed by Investec W&I UK Group following completion of the proposed acquisition. These adjustments comprise:
  - Exclusion of (i) net interest income earned in connection with clients of the SA business, where Investec W&I UK provides administrative services (primarily treasury and operations services) to the SA business in connection with these

clients; and (ii) income from recharges by Investec W&I UK to the SA business for these administration services; and

- Exclusion of (i) employment and related costs incurred by Investec W&I UK for individuals whose roles wholly support the activities of the SA business, and (ii) income from recharges by Investec W&I UK to the SA business for these employment and related costs.

The net impact on profit before tax from excluding such amounts is a reduction of profit of £1,379,000 and £2,576,000 for the years ended 31 March 2022 and 31 March 2023, respectively. These adjustments have also resulted in a change in retained earnings and cash flows from investing activities. They are represented by the line 'Net transfers from parent' in the consolidated statements of changes in equity and in the consolidated statements of cashflow.

The accounting policies applied and disclosed below are consistent with those used by Rathbones in its last Annual Report and Accounts for the year ended 31 December 2022 and these policies have been applied consistently to all periods presented unless stated otherwise.

Investec W&I UK Group is single segment which operates 99% in the UK and will form part of the investment management segment for Rathbones. The information will accordingly not be provided for disaggregated segments.

## 1.2 Basis of consolidation

Investec W&I UK Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained, and no longer consolidated from the date that control ceases; their results are included in the consolidated Historical Financial Information up to the date that control ceases. Inter-company transactions and balances between group companies are eliminated on consolidation.

## 1.3 Developments in reporting standards and interpretations

### Standards and interpretations affecting the reported results or the financial position:

The following amendments to standards have been adopted in the Historical Financial Information, but have not had a significant impact on the amounts reported in the Historical Financial Information:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

### Future new standards and interpretations

The following standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, Investec W&I UK Group has not early-adopted the amended standards, as listed below, in preparing the consolidated Historical Financial Information. Investec W&I UK Group intends to adopt these IFRS standards at the date when the IFRS becomes effective.

	<b>Effective date</b>
IFRS 17 Insurance Contracts	01 January 2023
Amendments to IFRS 17	01 January 2023
Classification of liabilities as current or non-current (Amendments to IAS 1)	01 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	01 January 2023
Definition of Accounting Estimate (Amendments to IAS 8)	01 January 2023

	<b>Effective date</b>
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes	01 January 2023
Initial Application of IFRS 7 and IFRS 9 – Comparative Information (Amendments to IFRS 17)	01 January 2023
Classification of liabilities as current or non-current (Amendments to IAS 1)	01 January 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	01 January 2024

None of the above standards are expected to have a material impact on Investec W&I UK Group's Historical Financial Information.

#### **1.4 Business combinations**

Business combinations are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets acquired, liabilities assumed and equity instruments issued by Investec W&I UK Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the statement of comprehensive income as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values may arise as a result of additional information obtained after this date about facts and circumstances that existed at the acquisition date. Provided they arise within 12 months of the acquisition date, these changes are measurement period adjustments and are reflected against the cost of acquisition.

Changes in the fair value of contingent consideration resulting from events occurring after the acquisition date are charged to the statement of comprehensive income, except for obligations that are classified as equity, which are not remeasured. Such changes are irrespective of the 12-month period from acquisition.

#### **1.5 Going Concern**

The directors of Rathbones (the "**Rathbones Directors**") have, at the time of approving the Historical Financial Information, a reasonable expectation that Investec W&I UK and Investec W&I UK Group have adequate resources to continue in operational existence. In forming this view, the Rathbones Directors have considered Investec W&I UK's and Investec W&I UK Group's prospects for a period of at least 12 months from the date of approval of the Historical Financial Information. The Investec W&I UK Group's profit and capital forecasts were considered, as well as the impact of capital and liquidity stress tests. As a result, the Rathbones Directors have adopted the going concern basis of accounting in preparing the Historical Financial Information.

#### **1.6 Foreign currencies**

The functional and presentational currency of Investec W&I UK Group is Pounds Sterling.

Transactions in currencies other than the relevant Investec W&I UK Group entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Gains and losses arising on translation are included in the statement of comprehensive income for the year.

## 1.7 Income

### **Net interest income:**

Interest income or expense is recognised within net interest income using the effective interest method.

The effective interest method is the method of calculating the amortised cost of a financial asset or liability (or group of assets and liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

The application of the method has the effect of recognising income (or expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment. In calculating effective interest, the Investec W&I UK Group estimates cash flows considering all contractual terms of the financial instrument but excluding the impact of future credit losses.

Dividends received from money market funds are included in net interest income when received.

### **Fee & Commission income:**

Portfolio or investment management fees, commissions receivable or payable and fees from advisory services are recognised on a continuous basis over the period that the related service is provided.

Commission charges for executing transactions on behalf of clients are recognised when the transaction is dealt.

### **Other Operating income:**

Interest receivable and payable on client money balances is netted to calculate Investec W&I UK Group's share of interest receivable and is included under the heading 'Other operating income' and accounts for all of the other operating income balance.

## 1.8 Leases

At inception of a contract, Investec W&I UK Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Investec W&I UK Group uses the definition of a lease in IFRS 16, *Leases*.

Investec W&I UK Group recognises a right-of-use asset and a lease liability at the inception date of the lease. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated on a straight-line basis over the shorter of the expected life of the asset and the lease term, adjusted for any remeasurements of the lease liability. At the end of each reporting period, the right-of-use assets are assessed for indicators of impairment in accordance with IAS 36, *Impairment of Assets*.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Investec W&I UK Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments



- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that Investec W&I UK Group is reasonably certain to exercise, lease payments in an optional renewal period if Investec W&I UK Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Investec W&I UK Group is reasonably certain not to terminate early.

The lease liability is subsequently measured by adjusting the carrying amount to reflect the interest charge, the lease payments made and any reassessment or lease modifications. The lease liability is remeasured if Investec W&I UK Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

For leases which are of a short term or of which the underlying asset is of a low value, Investec W&I UK Group has made an election to recognise the lease expense on a straight line basis over the lease term.

## **1.9 Share-based payments**

Investec W&I UK Group engages in equity-settled and cash-settled share-based payment transactions in respect of services received from its employees.

### **Equity-settled awards**

Where a parent grants rights to its equity instruments to the employees of a subsidiary, the subsidiary is required to measure the fair value of the services received from its employees in accordance with the requirements applicable to equity-settled share-based payment transactions.

For equity-settled share-based payments, the fair value of the award is measured by reference to the fair value of the shares or share options granted on the grant date. The cost of the employee services received in respect of the shares or share options granted is recognised in profit or loss, as part of Other operating expenses, over the vesting period, with a corresponding credit to equity.

The fair value of the awards or options granted is determined using a Black-Scholes model, which takes into account the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option or award, any applicable exercise price and other relevant factors. Only those vesting conditions that include terms related to market conditions are taken into account in estimating fair value. Non-market vesting conditions are taken into account by adjusting the number of shares or share options included in the measurement of the cost of employee services so that, ultimately, the amount recognised in the statement of comprehensive income reflects the number of vested shares or share options, with corresponding adjustment to equity. Where vesting conditions are related to market conditions, the charges for the services received are recognised regardless of whether or not the market-related vesting condition is met, provided that any non-market vesting conditions are also met. Shares purchased and issued are charged directly to equity.

## **1.11 Taxation**

### **Current tax:**

Current tax is the expected tax payable or receivable on net taxable income for the year. Current tax is calculated using tax rates enacted or substantively enacted by the balance sheet date, together with any adjustment to tax payable or receivable in respect of previous years.

**Deferred tax:**

Deferred tax is accounted for under the balance sheet liability method in respect of temporary differences using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the liability is settled or when the asset is realised. Deferred tax liabilities are recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences may be utilised. Deferred tax liabilities shall be recognised for all taxable temporary differences except to the extent that the deferred tax liability arises from:

- from the initial recognition of goodwill;
- from the initial recognition of other assets and liabilities in a transaction, which affects neither the tax profit nor the accounting profit, other than in a business combination; or
- in relation to investments in subsidiaries and associates, where Investec W&I UK Group is able to control the reversal of the temporary difference and it is Investec W&I UK Group's intention not to reverse the temporary difference in the foreseeable future.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and Investec W&I UK Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised, in the same or a different period:

- in other comprehensive income if they relate to items recognised in other comprehensive income
- directly in retained earnings if they relate to items recognised directly in retained earnings.

**1.12 Cash and cash equivalents**

Cash comprises cash in hand.

Cash equivalents comprise deposits which are realisable on demand and loans and advances to banks with a maturity of less than three months from the date of acquisition.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**1.13 Financial assets****Initial recognition and measurement**

Financial assets, excluding trade & other receivables, are initially recognised when Investec W&I UK Group becomes party to the contractual provisions of the asset.

Trade & other receivables are recognised when cash is advanced to the borrowers.

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition (except those assets classified at fair value through profit or loss, where such transaction costs are accounted for as an expense in the statement of comprehensive income). Trade & other receivables without a significant financing component are initially measured at the transaction price.

**Classification and subsequent measurement**

Financial assets are classified and measured in the following categories:

- amortised cost

Financial assets are measured at amortised cost if their contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding and they are held within a business model whose objective is to hold assets to collect contractual cash flows.

Assets are measured at amortised cost using the effective interest rate method, less any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- at fair value through profit or loss (“FVTPL”)

All equity instruments are measured at FVTPL unless, provided the instrument is not held for trading, or if Investec W&I UK Group irrevocably elects to measure the instrument at fair value through other comprehensive income. This election is made on an investment-by-investment basis.

Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

### **Derecognition**

Financial assets are derecognised when the contractual rights to receive cash flows have expired or Investec W&I UK Group has transferred substantially all the risks and rewards of ownership.

### **Impairment of financial assets**

Investec W&I UK applies the simplified approach within IFRS 9 ‘Financial Instruments’ to measure expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets.

## **1.14 Property, plant and equipment**

All property, plant and equipment is stated at historical cost, which includes directly attributable acquisition costs, less accumulated depreciation and impairment losses. Depreciation is charged so as to write off the cost of assets to their estimated residual value over their estimated useful lives, using the straight-line method, on the following bases:

- |                         |                |
|-------------------------|----------------|
| – Fixtures and fittings | Up to 10 years |
| – Computer hardware     | Up to 5 years  |
| – Right-of-use assets   | Up to 15 years |

The assets’ residual lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and these are included in the statement of comprehensive income.

## **1.15 Intangible assets**

### **Goodwill**

Goodwill arising on business combinations, representing the excess of the fair value of the consideration given over the fair value of identifiable assets and liabilities acquired, is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units which represent the lowest level at which goodwill is monitored for internal management purposes. Cash-generating units are identified as the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Groups of assets. Goodwill is not amortised but is tested annually for impairment in accordance with IAS 36.

On disposal of a subsidiary the attributed amount of goodwill that has not been subject to impairment is included in the determination of the profit or loss on disposal.

### **Client relationships**

Client relationship assets acquired in a business combination are recognised at fair value at the acquisition date. Where a transaction to acquire client relationship assets includes an element of variable deferred consideration, an estimate is made of the value of consideration that will ultimately be paid. The client relationship assets recognised on the balance sheet are adjusted for any subsequent change in the value of deferred consideration. Client relationship

assets are considered to have a finite useful economic life and are carried at cost less accumulated amortization and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the client relationships over their estimated useful economic lives, currently between 8 and 20 years.

#### **Computer software**

Acquired computer software and software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software, and are subsequently measured at cost less accumulated amortisation and impairment losses. Capitalised costs are amortised over their estimated useful lives of up to 5 years.

#### **Internally generated software**

Expenditure on development activities is capitalised as an intangible fixed asset if the project is technically and commercially feasible, Investec W&I UK intends and has the technical ability and sufficient resources to complete the development, future economic benefits are probable and the expenditure attributable to the asset can be reliably measured during its development.

Once the asset has been brought into use, the capitalised expenditure is amortised on a straight-line basis over the useful economic life of the product, up to 5 years, unless there is evidence that the asset is impaired, in which case the impairment is taken to the income statement immediately. Development expenditure that does not meet the criteria for capitalisation is expensed to the statement of comprehensive income as incurred.

### **1.16 Impairment of goodwill and intangible assets**

At each balance sheet date, Investec W&I UK Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, Investec W&I UK Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Goodwill is tested for impairment at least annually. For the purposes of impairment testing, goodwill is allocated to groups of cash-generating units. The carrying amount of each group of cash-generating units is compared to its value in use, calculated using a discounted cash flow method. If the recoverable amount of the group of cash-generating units is less than the carrying amount of the group of units, the impairment loss is allocated first to reduce the carrying amount of the goodwill allocated to that group of units and then to the other assets of the group of units *pro rata* on the basis of the carrying amount of each asset in the group of units.

Client relationships are tested for impairment by comparing the fair value of funds under management and administration for each individually acquired client relationship (or, for client relationships acquired with a business combination, each acquired portfolio of clients) with their associated amortised value. An example of evidence of impairment would be lost client relationships. In determining whether a client relationship is lost, Investec W&I UK Group considers factors such as the level of funds withdrawn and the existence of other retained family relationships. When client relationships are lost, the full amount of unamortised cost is recognised immediately in the statement of comprehensive income and the intangible asset is derecognised.

If the recoverable amount of any asset other than goodwill or client relationships is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Any impairment loss is recognised immediately in the statement of comprehensive income.

## **1.17 Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities are initially recognised at fair value plus transaction costs that are directly attributable to their issue.

### **Classification and subsequent measurement**

Financial liabilities are classified as measured at amortised cost or at fair value through profit or loss.

Financial liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discounts or premiums on settlement. Interest expense and foreign exchange gains and losses are recognised in the statement of comprehensive income. Any gain or loss on derecognition is also recognised in the statement of comprehensive income.

Financial liabilities at fair value through profit or loss comprise deferred consideration. Deferred consideration is initially recognised at fair value, determined by reference to the expected discounted cash flows, and is subsequently remeasured to fair value at each reporting date.

### **Derecognition**

Investec W&I UK Group derecognises financial liabilities when its contractual obligations are discharged or cancelled, or expire.

## **1.18 Provisions and contingent liabilities**

Provisions are recognised when Investec W&I UK Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits, that can be reliably estimated, will occur. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The Investec W&I UK Group may be subject to legal claims or regulatory reviews and investigations, which may result in, among other things, actions being taken by governmental and regulatory authorities. Material matters are reassessed periodically, in some instances with advice from internal and external legal advisors, to determine the likelihood of incurring a liability for costs resulting from, legal claims, remedial actions or fines and associated costs.

Where, for a particular matter, it is concluded that it is not yet probable that a quantifiable payment will be made, because the facts of the matter are not sufficiently clear or that expected payment cannot be reasonably quantified, no provision is made. Provisions recognised by Investec W&I UK Group are set out in note 16.

The Investec W&I UK Group does not disclose amounts in relation to contingent liabilities associated with cases where the likelihood of any payment is remote or where disclosure could be seriously prejudicial.

## **1.19 Employee benefits**

Investec W&I UK Group operates various defined contribution schemes.

In respect of the defined contribution schemes, all employer contributions are charged to the statement of comprehensive income as incurred, in accordance with the rules of the scheme, and included under staff costs.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if Investec W&I UK Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The long-term employment benefits liability relates to the obligation of the Investec Group to deliver ordinary shares of Ninety One plc and Ninety One Limited to employees over a predetermined vesting period. The fair value of this liability is calculated by applying the Black-

Scholes option pricing model at each reporting date. The changes in fair value will be recognised as an employee benefit expense. The liability is included in other liabilities on the balance sheet.

## **1.20 Fiduciary activities**

Investec W&I UK Group commonly acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. Such assets and income arising thereon are excluded from these Historical Financial Information, as they are not assets of Investec W&I UK Group. Largely as a result of cash and settlement processing, Investec W&I UK Group holds money on behalf of some clients in accordance with the Client Money Rules of the Financial Conduct Authority (“FCA”), the Guernsey Financial Services Commission and the Solicitors’ Accounts Rules issued by the Solicitors Regulation Authority, as applicable. Such monies and the corresponding amounts due to clients are not shown on the face of the balance sheet as the Investec W&I UK Group is not beneficially entitled to them.

## **1.21 Fair value measurement**

The fair values of quoted financial instruments in active markets are based on current bid prices. If an active market for a financial asset does not exist, Investec W&I UK Group establishes fair value by using valuation techniques. These include the use of recent arm’s-length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Investec W&I UK Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## **2 Critical accounting judgements and key sources of estimation uncertainty**

Investec W&I UK Group makes judgements and estimates that affect the application of its accounting policies and reported amounts of assets, liabilities, income and expenses within the next financial year. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following key accounting policies involve critical judgements made in applying the accounting policy and involve estimations.

### **2.1 Estimation uncertainty**

#### **Amortisation of client relationship intangibles**

Investec W&I UK Group makes estimates as to the expected duration of client relationships to determine the period over which related intangible assets are amortised. The amortisation period is estimated with reference to historical data on account closure rates and expectations that these will continue in the future. During the year, client relationship intangible assets were amortised over a 3 to 20 year period.

Amortisation of £4,846,000 (2022: £4,654,000) was charged during the year, and is included within the line charges in relation to client relationships in the statement of comprehensive income. At 31 March 2023, the carrying value of client relationship intangibles was £22,737,000 (2022: £15,243,000). A reduction of one year in the amortization period of the Group’s client relationship intangible assets would increase the annual amortisation charge by £0.5mn.

#### **Impairment of goodwill**

In accordance with IAS 36, goodwill is required to be tested annually for impairment. Impairment exists when the carrying value of the cash-generating unit (“CGU”) containing the goodwill exceeds its recoverable amount, being the higher of its fair value less costs of disposal and its value in use.

Investec W&I UK uses value in use to determine recoverable amount. The preparation of long-term forecasts requires management to exercise a significant degree of judgement in

estimating both the amount and timing of future cash flows and also in respect of the discount rate that is applied to those cash flows. The conclusion of the impairment tests at 31 March 2023 and 31 March 2022 was that no impairment exists.

The pre-tax discount rate applied to the long-term forecasts would need to increase by approximately 23 (2022: 21) percentage points, or the present value of the future cash flows (at the unsensitised discount rate applied in the impairment tests) would need to decrease by approximately 75% (2022: 73%), in order for the carrying value of the CGU to exceed the discounted value of future cash flows and therefore impairment to exist.

#### **Fair value of deferred contingent consideration**

During the year, the Investec W&I UK Group acquired the entire share capital of Murray Asset Management UK Limited (“MAM”). The Investec W&I UK Group accounted for the transaction as a business combination, as set out in note 25. The purchase price payable includes components of deferred consideration that are contingent upon the successful transfer of funds under management to the Investec W&I UK Group and the achievement of future revenue performance targets.

At 31 March 2023, management’s best estimate of the contingent element of the deferred consideration payable is £3,373,000. The maximum contingent deferred consideration payable is £4,000,000, and therefore paying the maximum amount would result in an additional income statement charge of £627,000. A payment of £nil would result in income statement credit of £3,373,000.

### **3 Net interest income/(expense)**

	<b>2023</b>	<b>2022</b>
	<b>£ '000</b>	<b>£ '000</b>
<b>Interest income</b>		
Loans and advances to banks	3,533	157
	<u>3,533</u>	<u>157</u>
<b>Interest expense</b>		
Banks and customers	8	17
Lease liabilities	819	869
Post-retirement benefits	32	26
	<u>859</u>	<u>912</u>
<b>Net interest income/(expense)</b>	<u>2,674</u>	<u>(755)</u>

### **4 Net fee and commission income**

	<b>2023</b>	<b>2022</b>
	<b>£ '000</b>	<b>£ '000</b>
<b>Fee and commission income</b>		
Investment management	324,518	336,988
	<u>324,518</u>	<u>336,988</u>

## 5 Operating expenses

	Note	2023 £ '000	2022 £ '000
Staff costs	5.1	167,589	164,641
Depreciation of property, plant and equipment		2,798	3,260
Depreciation of right-of-use assets		5,138	4,749
Amortisation of internally generated software		621	517
Amortisation and impairment of computer software		395	172
Auditor's remuneration*		512	476
Rental charge		224	120
Loss on disposal of Property, Plant and Equipment		265	126
Other**		79,302	74,564
<b>Other operating expenses</b>		<b>256,844</b>	<b>248,625</b>
Charges in relation to client relationships		4,846	4,654
		<b>261,690</b>	<b>253,279</b>

\*A more detailed analysis of auditor's remuneration is provided below:

	2023 £ '000	2022 £ '000
Fees payable to Investec W&I UK's auditor for the audit of the annual financial statements	244	220
Fees payable to Investec W&I UK's auditor and their associates for other audit-related assurance services	268	256

\*\*Other expenses largely comprise costs relating to software and IT support, property, recruitment and other staff costs, subscriptions and licenses, insurance and regulatory fees, and legal and professional fees.

### 5.1 Staff costs

	2023 £ '000	2022 £ '000
Wages and salaries	135,970	134,422
Social security costs	17,646	17,555
Pension costs	12,682	10,422
Share-based payment charges	1,291	2,242
	<b>167,589</b>	<b>164,641</b>



## 6 Income tax expense

	2023 £ '000	2022 £ '000
<b>Current tax:</b>		
United Kingdom corporation tax at 19% (2022: 19%)	17,075	17,781
Guernsey income tax at an intermediate rate of 10% (2022:10%)	58	57
Adjustment in respect of prior years	(411)	(12)
<b>Total current tax</b>	<b>16,722</b>	<b>17,826</b>
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	(667)	(1,804)
Adjustment in respect of prior years	64	(179)
<b>Total deferred tax</b>	<b>(603)</b>	<b>(1,983)</b>
<b>Total income tax expense</b>	<b>16,119</b>	<b>15,843</b>

The total tax expense in the statement of comprehensive income differs from the amount calculated by applying the standard UK corporation tax rate of 19% (2022: 19%). The difference can be reconciled as follows:

<b>Profit before tax</b>	<b>84,346</b>	<b>84,563</b>
Tax on profit before taxation at 19% (2022: 19%)	16,026	16,067
Effect of:		
Tax on foreign income at different rates	(131)	(121)
Deferred tax only adjustments	171	—
Disallowable expenses	655	858
Effect of change in corporation tax rate on deferred tax	(239)	(159)
Share-based payment charges	61	(534)
Income not chargeable to tax	(77)	(77)
Adjustments in respect of prior years	(347)	(191)
<b>Total tax expense in the statement of comprehensive income</b>	<b>16,119</b>	<b>15,843</b>

The following amounts of deferred tax have been recognised directly in equity

Share-based payment charges	(121)	168
<b>Total deferred tax recognised in equity</b>	<b>(121)</b>	<b>168</b>

## 7 Dividends

	2023 £ '000	2022 £ '000
Equity dividends on ordinary shares:		
Interim dividends paid: £3.35 per share (2022: £8.85 per share)	35,000	92,500

## 8 Loans and advances to banks

	<b>2023</b>	<b>2022</b>
	<b>£ '000</b>	<b>£ '000</b>
Current accounts	209,681	172,651
Fixed term deposits	7,000	7,000
	<u>216,681</u>	<u>179,651</u>

	<b>2023</b>	<b>2022</b>
	<b>£ '000</b>	<b>£ '000</b>
Repayable:		
– on demand	216,681	179,651
Amounts include loans and advances:		
– with variable interest rates	216,681	179,651

The Investec W&I UK Group's exposure to credit risk arising from loans and advances to banks is described in note 21.

## 9 Investment securities

	<b>2023</b>	<b>2022</b>
	<b>£ '000</b>	<b>£ '000</b>
<b>Fair value through profit or loss</b>		
Equity securities:		
– unlisted	461	—
	<u>461</u>	<u>—</u>

## 10 Prepayments, accrued income and other assets

	<b>2023</b>	<b>2022</b>
	<b>£ '000</b>	<b>£ '000</b>
Prepayments and other assets	19,199	11,181
Accrued income	22,740	25,633
	<u>41,939</u>	<u>36,814</u>

## 11 Property, plant and equipment

	Note:	Computer hardware £ '000	Fixtures and fittings £ '000	Total £ '000
<b>Cost:</b>				
<b>At 1 April 2021</b>		<b>10,412</b>	<b>15,822</b>	<b>26,234</b>
Additions		245	815	1,060
Disposals		(2,836)	(389)	(3,225)
Transfers		85	(85)	—
		<hr/>	<hr/>	<hr/>
<b>At 31 March 2022</b>		<b>7,906</b>	<b>16,163</b>	<b>24,069</b>
Additions		34	1,588	1,622
Acquisition of subsidiary	25	6	9	15
Disposals		—	(8)	(8)
		<hr/>	<hr/>	<hr/>
<b>At 31 March 2023</b>		<b>7,946</b>	<b>17,752</b>	<b>25,698</b>
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Depreciation:</b>				
<b>At 1 April 2021</b>		<b>7,211</b>	<b>10,177</b>	<b>17,388</b>
Charge for the year		1,443	1,817	3,260
Disposals		(2,717)	(382)	(3,099)
		<hr/>	<hr/>	<hr/>
<b>At 31 March 2022</b>		<b>5,937</b>	<b>11,612</b>	<b>17,549</b>
Charge for the year		1,184	1,614	2,798
Disposals		—	(1)	(1)
		<hr/>	<hr/>	<hr/>
<b>At 31 March 2023</b>		<b>7,121</b>	<b>13,225</b>	<b>20,346</b>
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Carrying amount at 31 March 2023		825	4,527	5,352
Carrying amount at 31 March 2022		1,969	4,551	6,520

## 12 Right of use assets

Investec W&I UK Group leases office premises. The leases typically run for a period of between 10 and 15 years, with an option to break after 5 or 10 years, depending upon the overall term of the lease. Leases for office premises are recognised as right-of-use ('ROU') assets in accordance with IFRS 16, *Leases*.

Investec W&I UK Group also leases IT equipment, typically with contract terms of up to five years. These leases are short-term and/or leases of low-value items, and therefore Investec W&I UK Group has elected not to recognise ROU assets and lease liabilities in respect of these leases. Refer to note 17 – Leases for the other required disclosure as per IFRS 16.

	<u>£ '000</u>
<b>Cost:</b>	
<b>At 1 April 2021</b>	<b>45,471</b>
Additions	3,101
Disposals	(184)
Modifications and reassessments	(514)
	<hr/>
<b>At 31 March 2022</b>	<b>47,874</b>
Disposals	(837)
Modifications and reassessments	4,151
	<hr/>
<b>At 31 March 2023</b>	<b>51,188</b>
	<hr/> <hr/>
<b>Depreciation:</b>	
<b>At 1 April 2021</b>	<b>8,913</b>
Charge for the year	4,749
Disposals	(184)
	<hr/>
<b>At 31 March 2022</b>	<b>13,478</b>
Charge for the year	5,138
Disposals	(578)
	<hr/>
<b>At 31 March 2023</b>	<b>18,038</b>
	<hr/> <hr/>
Carrying amount at 31 March 2023	33,150
Carrying amount at 31 March 2022	34,396

Investec W&I UK Group recognised a charge of £167,000 in the statement of comprehensive income during the year ended 31 March 2023 in respect of short-term leases and low-value assets (2022: £120,000).

### 13 Net deferred tax asset/(liability)

The UK Government legislated in the Finance Act 2021 to increase the UK corporation tax rate to 25.0% in 2023. The Finance Act 2021 became substantively enacted on 24 May 2021. This has been reflected in the deferred tax calculations. Deferred income taxes are calculated on all temporary differences under the liability method using the rate expected to apply when the relevant timing differences are forecast to unwind.

	Assets		Liabilities		Net	
	2023 £ '000	2022 £ '000	2023 £ '000	2022 £ '000	2023 £ '000	2022 £ '000
Goodwill	173	180	(2,957)	(194)	(2,784)	(14)
Client relationships	—	—	(2,992)	(3,278)	(2,992)	(3,278)
Property, plant and equipment	1,262	1,342	—	—	1,262	1,342
Provisions	2,319	1,754	—	—	2,319	1,754
Share-based payments	1,205	1,763	—	—	1,205	1,763
<b>Total</b>	<b>4,959</b>	<b>5,039</b>	<b>(5,949)</b>	<b>(3,472)</b>	<b>(990)</b>	<b>1,567</b>

The movement in deferred tax assets and liabilities during the year is as follows:

#### Deferred tax assets:

	Goodwill £ '000	Property, plant and equipment £ '000	Provisions £ '000	Share-based payments £ '000	Total £ '000
At 31 March 2021	187	1,006	1,297	889	3,379
(Charged) / credited to the statement of comprehensive income	(7)	336	457	706	1,492
Reserves	—	—	—	168	168
At 31 March 2022	180	1,342	1,754	1,763	5,039
(Charged) / credited to the statement of comprehensive income	(7)	(80)	565	(437)	41
Reserves	—	—	—	(121)	(121)
<b>At 31 March 2023</b>	<b>173</b>	<b>1,262</b>	<b>2,319</b>	<b>1,205</b>	<b>4,959</b>

#### Deferred tax liabilities:

	Goodwill £ '000	Client relationships £ '000	Property, plant and equipment £ '000	Total £ '000
At 31 March 2021	(159)	(3,341)	—	(3,500)
(Charged) / credited to the statement of comprehensive income	(35)	526	—	491
Additions to the balance sheet	—	(463)	—	(463)
At 31 March 2022	(194)	(3,278)	—	(3,472)
(Charged) / credited to the statement of comprehensive income	(48)	563	47	562
Additions to the balance sheet	—	(277)	—	(277)
Acquisition of subsidiary	(2,762)	—	—	(2,762)
<b>At 31 March 2023</b>	<b>(3,004)</b>	<b>(2,992)</b>	<b>47</b>	<b>(5,949)</b>

There are no income tax consequences attached to the payment of dividends in either 2023 or 2022 by Investec W&I UK Group to its shareholders.

## 14 Intangible assets

	Note:	Goodwill £ '000	Client relationships £ '000	Computer software £ '000	Internally generated software £ '000	Total £ '000
<b>Cost:</b>						
<b>At 31 March 2021</b>		<b>54,220</b>	<b>65,623</b>	<b>1,966</b>	<b>1,702</b>	<b>123,511</b>
Additions		—	463	1	1,402	1,866
<b>At 31 March 2022</b>		<b>54,220</b>	<b>66,086</b>	<b>1,967</b>	<b>3,104</b>	<b>125,377</b>
Additions		—	1,457	2,548	—	4,005
Acquisition of subsidiary	25	6,237	10,883	89	—	17,209
<b>At 31 March 2023</b>		<b>60,457</b>	<b>78,426</b>	<b>4,604</b>	<b>3,104</b>	<b>146,591</b>
<b>Amortisation:</b>						
<b>At 1 April 2021</b>		<b>—</b>	<b>46,189</b>	<b>1,741</b>	<b>—</b>	<b>47,930</b>
Charge for the year		—	4,654	172	517	5,343
<b>At 1 April 2022</b>		<b>—</b>	<b>50,843</b>	<b>1,913</b>	<b>517</b>	<b>53,273</b>
Charge for the year		—	4,846	395	621	5,862
<b>At 31 March 2023</b>		<b>—</b>	<b>55,689</b>	<b>2,308</b>	<b>1,138</b>	<b>59,135</b>
Carrying amount at 31 March 2023		60,457	22,737	2,296	1,966	87,456
Carrying amount at 31 March 2022		54,220	15,243	54	2,587	72,104

### Impairment

Goodwill is tested annually, at year end, for impairment, or more frequently if evidence exists that goodwill might be impaired, by comparing the carrying value to its recoverable amount.

The recoverable amount of goodwill is determined based on expected cash flows within the cash-generating units of Investec W&I UK Group to which the goodwill is allocated. Key assumptions within the calculation include discount rates, growth rates in revenue and related expenditure and loan impairment rates.

Discount rates are based on pre-tax rates that reflect current market conditions, adjusted for the specific risks associated with the cash-generating unit. Growth rates are based on industry growth forecasts. Cash flow forecasts are based on the most recent financial budgets for the next financial year and are extrapolated for a period of three to five years, adjusted for expected future events.

For Investec W&I UK Group, goodwill has been tested for impairment on the basis of the cash flow projections for the next three years discounted at 9.65% (2022: 9.77%) which incorporates an expected revenue growth rate of 2% (2022: 2%) in perpetuity.

The valuation is based on value in use of the business.

## 15 Accruals and other liabilities

	2023 £ '000	2022 £ '000
Trade creditors	9,082	10,068
Other creditors	21,411	15,556
Accruals and deferred income	74,774	56,123
	<b>105,267</b>	<b>81,747</b>

## 16 Provisions

	Property dilapidations £ '000	Post retirement benefit £ '000	Sundry claims and associated costs £ '000	Long term employee benefits £ '000	Total £ '000
Note:					
<b>At 31 March 2021</b>	<b>3,347</b>	<b>1,276</b>	<b>1,881</b>	<b>1,255</b>	<b>7,759</b>
Charged to the income statement (excluding interest)	—	66	1,326	806	2,198
Interest expense	—	26	—	—	26
Released to the income statement	—	—	(284)	—	(284)
Utilised in the year	(44)	(188)	(150)	—	(382)
Additions to the balance sheet	704	—	—	—	704
Credited to other comprehensive income	—	(40)	—	—	(40)
Credited directly to equity	—	—	—	(552)	(552)
<b>At 31 March 2022</b>	<b>4,007</b>	<b>1,140</b>	<b>2,773</b>	<b>1,509</b>	<b>9,429</b>
Charged to the income statement (excluding interest)	162	98	1,275	83	1,618
Interest expense	—	32	—	—	32
Released to the income statement	—	—	(986)	(207)	(1,193)
Utilised in the year	(64)	(196)	(232)	—	(492)
Credited to the statement of other comprehensive income	—	(74)	—	—	(74)
Credited directly to equity	—	—	—	(980)	(980)
Acquisition of subsidiary	25 87	—	—	—	87
<b>At 31 March 2023</b>	<b>4,192</b>	<b>1,000</b>	<b>2,830</b>	<b>405</b>	<b>8,427</b>

The provision for property dilapidations reflects the obligations that Investec W&I UK has to reinstate leasehold properties to their original condition prior to the expiry of the relevant lease. The leases held on these properties expire in the period up to the year ending 31 March 2034. There is currently no intention to vacate these properties and therefore there is no acceleration of the dilapidation costs.

The provision for sundry claims and associated costs reflects the potential obligation to settle sundry claims and the costs associated with the settlement of those claims. Whilst the timing of settlement is uncertain, it is expected that claims will be settled with 12 months.

The long-term employee benefits provision relates to the IAS 19, *Employee Benefit*, liability arising on the demerger of Investec Asset Management Limited (subsequently renamed Ninety One plc). Please refer to note 19 for more detail on the share based payments.

The post-retirement benefit provision reflects Investec W&I UK's contractual obligation to pay post-retirement benefits to a limited number of employees. It is expected that this obligation will be settled in the period up to the year ending 31 March 2036.

The key assumptions in this calculation are:

	<b>2023</b>	<b>2022</b>
Discount rate	4.77%	2.85%
Average client life	18 years	18 years
Net annual growth in income	4.50%	4.50%

## 17 Lease liabilities

### Maturity analysis

	2023 £ '000	2022 £ '000
Less than one year	5,670	5,391
One to five years	24,187	22,177
More than five years	10,376	13,952
Lease liabilities as at 31 March	40,233	41,520
Current	5,670	5,391
Non-current	34,563	36,129
	40,233	41,520

## 18 Share capital

	2023		2022	
	Number '000	Value £'000	Number '000	Value £'000
Allotted, called up and fully paid: Ordinary shares of £1 each	10,455	10,455	10,455	10,455

The rights and obligations attached to the fully paid ordinary shares of £1 each are as follows:

- Every member who is present in person or by proxy at a general meeting of Investec W&I UK shall have one vote on a show of hands and one vote for every share held on a poll;
- All shares in issue at the year end rank *pari passu* for dividends. Shareholders shall be entitled to receive final dividends following declaration by Investec W&I UK in general meeting and interim dividends declared by the board;
- Ordinary shareholders are entitled to participate in any surplus assets relating to the winding up of Investec W&I UK in proportion to their shareholdings.

## 19 Share-based payments

Investec plc, Investec W&I UK's ultimate parent undertaking, operates the following share-based payment schemes in which certain of Investec W&I UK's employees are eligible to participate:

### Long-term share awards ("LTSA")

In June and December each year, the Investec Group considers making awards of conditional and non-conditional nil cost deferred shares under the LTSA to qualifying employees of Investec W&I UK. Both conditional and non-conditional awards are subject to the employee remaining in the employment of the Investec group for a specified period and vest in three equal tranches; one third at the end of years three, four and five. Other than in respect of conditional awards, the employee is eligible to receive dividends on the shares throughout the vesting period. With regard to the awards outstanding at 31 March 2022 and 31 March 2021, the vesting of the awards is not subject to any performance conditions and no consideration is payable by the employee upon the making or vesting of the award.



	2023 Number of Investec plc options and shares	2023 Weighted average exercise price	2022 Number of Investec plc options and shares	2022 Weighted average exercise price
Details of options & shares outstanding during the year				
Outstanding at the beginning of the year	1,501,085	£0.00	1,824,414	£0.00
Re-location of employees during the year	16,982	£0.00	(1,570)	£0.00
Granted during the year	87,685	£0.00	152,508	£0.00
Exercised during the year	(667,692)	£0.00	(435,993)	£0.01
Lapsed during the year	(41,585)	£0.00	(38,274)	£0.04
Outstanding at the end of year	<u>896,475</u>	<u>£0.00</u>	<u>1,501,085</u>	<u>£0.00</u>
Exercisable at end of year	111,497	£0.00	75,732	£0.00

The exercise price range and weighted average remaining contractual life for options outstanding at 31 March, were as follows:

	2023	2022
Exercise price range	n/a	n/a
Weighted average remaining contractual life	n/a	n/a

The exercise price range and weighted average remaining contractual life for LTIPs & LTSAs outstanding at 31 March, were as follows:

	2023	2022
Exercise price range	£0	£0
Weighted average remaining contractual life	1.18 years	1.22 years

The fair value of shares granted were calculated at Market Price. For shares granted during the period, the inputs were as follows:

	2023	2022
– Share price at date of grant	£4.70 – £4.81	£3.06 – £3.80
– Exercise price	£0	£0
– Option life	4.76 – 5.67 Years	4.67 – 5.68 Years
	<u>£'000</u>	<u>£'000</u>
Fair value of options granted in the year	418	485

#### **Long-term employment benefit liability – Ninety One shares**

As part of the demerger of Investec Asset Management Limited (subsequently renamed Ninety One plc) (the “IAM Demerger”) from the Investec Group during the year ended 31 March 2020, each participant of the Investec plc LTIP and LTSA share-based payment schemes, received the right to receive one Ninety One share option for every two Investec share options they had. The Ninety One share options were granted on the same terms and vesting period as the Investec Group options they related to.

Investec Plc has an obligation to deliver Ninety One shares to the holders of Investec Plc share options. Accordingly, this obligation was classified and measured as a long-term liability in terms of IAS 19. The initial liability of £745,639 was calculated as the fair value of the liability at the date of demerger for the portion of the options already vested. The total value of the liability represented past service cost and resultingly was accounted for in retained earnings. The liability was subsequently measured at fair value through the statement of comprehensive income.

Details of options & shares outstanding during the year	The IAS 19 long-term employee benefit liability at 31 March 2023 was £405,000		The IAS 19 long-term employee benefit liability at 31 March 2022 was £1,509,000	
	2023 Number of N91 awards	2023 Weighted average exercise price	2022 Number of N91 options and shares	2022 Weighted average exercise price
IAM Demerger – Ninety One Share Awards Issued 16 March 2020	671,225	£0.00	916,911	£0.00
Relocation of employees during the year	3,063	£0.00	(5,715)	£0.00
Distributed during the year	205,806	£0.00	—	£0.00
Exercised during the year	(667,081)	£0.00	(222,016)	£0.00
Lapsed during the year	(10,758)	£0.00	(17,955)	£0.16
Outstanding at the end of year	<u>202,255</u>	<u>£0.00</u>	<u>671,225</u>	<u>£0.00</u>
Exercisable at end of year	202,255	£0.00	37,819	£0.00

The exercise price range and weighted average remaining contractual life for options outstanding at 31 March, were as follows:

Exercise price range	n/a	n/a
Weighted average remaining contractual life	n/a	n/a

The exercise price range and weighted average remaining contractual life for LTIPs & LTSAs outstanding at 31 March, were as follows:

Exercise price range	£0	£0
Weighted average remaining contractual life	0 years	0.98 years

	<u>2023</u>	<u>2022</u>
– Share price at date of grant	1.85	2.55
– Exercise price	Nil	Nil
– Expected volatility	37.67%	35.03%
	0.17 – 1.21	0 – 2.16
– Option life	years	years
– Expected dividend yield	0%	0% – 6.37%
– Risk-free rate	4.22% – 4.24%	0.69% – 2.02%

## 20 Capital management

The capital of Investec W&I UK Group comprises share capital, share premium and retained earnings. The total capital at 31 March 2023 amounted to £235,564,000 (2022: £200,879,000). The objectives of Investec W&I UK in managing its capital are to:

- Provide a strong capital base to ensure that Investec W&I UK can continue as a going concern, in order to meet the needs of its clients and to provide continuing returns for its shareholder and benefits for its other stakeholders;
- Maintain, as a minimum, the appropriate levels of capital to ensure that Investec W&I UK complies with the capital requirements of the FCA.

These objectives are met by setting the level of dividends paid to shareholders at a level appropriate to the performance and regulatory capital position of the business.

## 21 Financial risk management

Investec W&I UK Group operates a formal risk management process to identify, evaluate and manage the risks to which Investec W&I UK is exposed. A standard risk management framework is used across Investec W&I UK to assess exposure to risks and the controls that are in place to manage those risks.

For the purposes of the risk management process, Investec W&I UK Group is divided into separate business units which share common risk characteristics. Each business unit has a

designated risk owner, who is normally the person with management responsibility for the particular unit. The risks identified for each business unit are recorded on a centralised system, which is used to consolidate risks across Investec W&I UK in order to provide a company-wide view of risk. Where a risk relates to a single business unit, the risk is managed within the relevant business unit through its control procedures.

Where risks are common to more than one business unit, the risks are managed in a centralised manner through Investec W&I UK's risk management structure, which is led by Investec W&I UK's Risk Management Committee, which reports to Investec W&I UK's Board Risk Committee. Investec W&I UK's attitude towards the acceptance of risk is set out in a formal risk appetite policy, which is approved by the board.

The financial risks to which Investec W&I UK is exposed comprise credit risk, liquidity risk, and market risk. The management of these financial risks is set out below.

### **Credit risk**

Credit risk is the risk of financial loss arising from a client or other counterparty failing to meet their obligations to repay outstanding amounts as they fall due. For Investec W&I UK, credit risk principally arises from the settlement of market transactions, amounts receivable from clients, and cash deposited with banks relating to its investment management activities.

The settlement risk in respect of client counterparties is mitigated by virtue of the high proportion of client portfolios being managed on a discretionary basis, with relatively little business undertaken on an execution only basis. Normally, the purchase of securities on behalf of clients is undertaken only when cleared funds are available, or are expected to be available, on the settlement date. Sales of securities are normally undertaken only once the related securities are held, or are expected to be held on the settlement date, within Investec W&I UK's nominee company. Any transactions undertaken prior to the receipt of cleared funds or securities are subject to close monitoring as part of Investec W&I UK's internal control procedures.

Trades undertaken on behalf of individual clients, or combined and executed as a bulk order, that exceed the pre-set authorisation limits that are embedded within Investec W&I UK's order management system for each individual, determined by reference to their role and level of seniority, are referred to an individual with the appropriate level of authority for further approval.

The settlement risk in respect of market counterparties is mitigated as a result of transactions normally being undertaken on recognised exchanges and standard platforms, and delivered through major settlement systems.

Investec W&I UK undertakes investment business only on behalf of its clients and does not trade on its own account, other than in respect of a minority of transactions undertaken on behalf of clients that must be undertaken on a matched principal basis.

The mitigation of credit risk relating to cash deposited with banks is achieved as a result of deposits being held across a spread of major banks.

Deposits are managed by Investec W&I UK's dedicated treasury function in accordance with Investec W&I UK's treasury policy, which is set by Investec W&I UK's Cash and Credit Management Committee ("**CCMC**").

Financial institutions with which cash deposits are placed are subject to approval by the CCMC, following completion of Investec W&I UK's counterparty due diligence process, and must possess a minimum long-term Standard & Poors rating of BBB+ or equivalent.

As set out in the section on liquidity risk below, Investec W&I UK's fee and commission charges to clients are usually charged to, and paid from, the portfolios of clients managed by Investec W&I UK and therefore the risk of default is low. Modest short-term loan advances to clients may occasionally be made, subject to these being secured against suitable portfolios managed by Investec W&I UK.

Loans and advances to clients at 31 March 2023 amounted to £1,139,000 (2022: £1,588,000). These loans are collateralised against the clients' underlying investment portfolios and are structured in such a way to prevent the value of the loan from normally exceeding 50% of the

value of the portfolio. As such, the expected credit loss impairment is considered to be negligible.

### **Liquidity risk**

Liquidity risk is the risk that Investec W&I UK will be unable to meet its financial obligations as they fall due. Investec W&I UK also manages portfolio liquidity on behalf of clients and is subject to a pre-funding risk in exceptional circumstances, where either client assets are traded without cleared funds or where there is a mismatch in the date of settlement of the transaction.

In respect of Investec W&I UK's own cash resources, it is exposed to the risk relating to the sufficiency of liquid cash resources to meet Investec W&I UK's financial obligations as they become due for payment. Investec W&I UK manages the cash resources of its investment management clients, where client portfolios include an element of cash assets. The management of clients' cash assets is undertaken on the basis that clients' portfolios should retain a sufficient amount of liquidity in order that sufficient cash is available for investment in non-cash assets within clients' portfolios at the relevant time, or repaid to clients upon demand.

The CCMC is responsible for setting and monitoring Investec W&I UK's policy for the management of both Investec W&I UK's cash assets and those of clients. The management of these assets principally involves placing cash deposits with banks and holding other liquid assets that can readily be realised into cash.

The process by which Investec W&I UK's liquidity is managed is formally documented and subject to board approval. The documented process includes a statement of Investec W&I UK's liquidity risk appetite; an assessment of the factors which drive liquidity risk within Investec W&I UK; a detailed assessment of material liquidity risks; and the framework within which liquidity risks are managed.

Investec W&I UK has a documented contingency funding plan which sets out the actions that would be taken to access alternative sources of funding should Investec W&I UK's existing funding ever become insufficient to meet its obligations.

The policy for cash management specifies the institutions with which deposits may be made and sets out the criteria regarding the maximum deposit that may be made with a single institution, the proportion of cash that may be held on call, notice and fixed term deposits, and the maximum term of deposits. The day-to-day management of cash assets within the parameters of the policy is the responsibility of a dedicated treasury team, which reports to the CCMC. In accordance with Investec W&I UK's current policy, a substantial proportion of Investec W&I UK's own cash assets are deposited on call, with the remainder held on fixed term or notice deposits with a maturity or notice period of up to three months. The approved institutions with which deposits may be made represent a range of the more highly-rated banks.

In order to mitigate Investec W&I UK's exposure to demands by clients for cash withdrawals from portfolios, its current policy is to maintain a substantial proportion of clients' total cash deposits available on call. The balance may be placed on notice or term deposits of up to 30 days. The proportion of clients' cash deposited on call is considerably greater than the maximum historical demand for client cash in any single month and the policy applied is considered to reduce the liquidity risk in respect of clients' cash assets to an acceptable level. The liquidity risk relating to non-cash investment assets held in clients' portfolios remains with the relevant client.

Investec W&I UK's ability to generate cash from its operating activities remains strong and there continues to be a high correlation between Investec W&I UK's profitability and cash generation. A principal reason for this is that fees, commission and other charges in respect of Investec W&I UK's investment management and dealing activities are usually charged to, and paid directly from, the portfolios of clients managed by Investec W&I UK. There is therefore a minimal period of time between charges being levied and the collection of cash.

Whilst Investec W&I UK has considerable cash resources and continues to generate cash over a relatively short operating cycle, it is Investec W&I UK's policy to maintain overdraft facilities

where it is efficient to do so. At 31 March 2023, Investec W&I UK had access to an overdraft facility of £3 million (2022: £3 million) which is due for review in October 2023

At 31 March 2023, Investec W&I UK had not drawn (2022: £nil drawn) on this facility and all conditions necessary for Investec W&I UK to draw on this facility were satisfied at 31 March 2023.

A significant volume of the trades undertaken on behalf of clients are settled on the Euroclear settlement platform. In order to facilitate the overnight settlement of client trades, Investec W&I UK is required to lodge collateral with Euroclear.

At 31 March 2023 and 31 March 2022, Investec W&I UK had pledged cash collateral with Euroclear of £7,000,000, which provided a settlement facility of \$8,000,000. Upon termination of the settlement facility, the pledged cash collateral is available for withdrawal by Investec W&I UK.

### **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Investec W&I UK is exposed to two types of market risk, being interest rate risk and price risk.

### **Interest rate risk**

Interest rate risk is the risk that future cash flows may be adversely affected as a result of changes in interest rates.

Investec W&I UK does not hold a banking licence and does not therefore undertake banking activity. The interest rate risk to which Investec W&I UK is exposed principally relates to the effect that a change in interest rates would have on Investec W&I UK's cash deposits and on other income that is determined by reference to interest rates.

As explained above in the liquidity risk section, a substantial proportion of Investec W&I UK's cash resources are held on call deposits, which typically earn a floating rate of interest.

A smaller proportion of deposits are held in notice deposit accounts. Notice accounts typically earn a floating rate of interest. This combination of deposits mitigates liquidity risks to an acceptable level and is considered to provide an overall risk profile that is appropriate for Investec W&I UK and its financial position.

There is a direct relationship between changes in market interest rates and the contribution to profit before tax of Investec W&I UK from Investec W&I UK's cash balances. Using the level of these balances at 31 March 2023 and assuming they remain unchanged, it is estimated that an increase in the market interest rate of 100 basis points would result in an annualised increase in this contribution to profit before tax of approximately £2,072,000 (2022: £1,744,000).

Interest rate positions are monitored on a day-to-day basis by Investec W&I UK's treasury team, in accordance with the policy set out by the CCMC. Interest paid by Investec W&I UK to individual clients on cash balances within their portfolios is determined by reference to the rate set by Investec W&I UK and the level of cash held within their portfolio. Interest earned by Investec W&I UK on client cash deposits is expected to exceed the level payable to clients. This interest rate margin is variable and is dependent upon the size of cash balances within client portfolios and the level of interest rates available to Investec W&I UK in the marketplace.

Whilst variations in the interest rate margin represent exposure to interest rate risk for Investec W&I UK, this risk is mitigated to acceptable levels by Investec W&I UK's internal control procedures and the policy set by the CCMC regarding the placing of cash deposits, set out above.

### **Price Risk**

Price risk is the risk that changes in market prices will affect Investec W&I UK's income from, or the value of, its holdings of financial instruments.

Investec W&I UK's fee income is determined by reference to the value of the funds managed by it. Although these funds represent client assets and are not assets of Investec W&I UK, changes to the level of funds under management directly affect the level of Investec W&I UK's fee income. To the extent that funds under management include equity investments and other traded securities, changes in market prices of investments will affect the value of Investec W&I UK's funds under management and hence the level of fee income earned by Investec W&I UK. This represents exposure to price risk.

Whilst changes in the market prices of investments have significant influence on the value of Investec W&I UK's funds under management, and hence the level of its fee income, factors other than price risk also affect the level of Investec W&I UK's funds under management.

These factors include asset allocations within individual portfolios, the specific investments held within portfolios, individual investment decisions and Investec W&I UK's overall investment performance.

### Concentration of risks

The business of Investec W&I UK is that of investment management undertaken within the UK. It is therefore inherent within the business that the risk arising from Investec W&I UK's financial instruments are concentrated within this business and geographical sector.

### Financial Instruments

	<b>2023</b>	<b>2022</b>
	<b>£ '000</b>	<b>£ '000</b>
<b>Financial assets at amortised cost:</b>		
Trade and other receivables (excluding non-financial assets)	243,756	297,670
Loans and advances to banks	216,681	179,651
<b>Financial liabilities</b>		
<b>Financial liabilities at amortised cost:</b>		
Trade and other payables (excluding non-financial liabilities)	221,183	281,680
<b>Financial liabilities at fair value through profit or loss:</b>		
Deferred consideration	6,325	1,208

Details of Investec W&I UK's exposure to the various risks associated with financial instruments are set out in note 21. Investec W&I UK's maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial asset. No financial assets of Investec W&I UK are impaired.

None of the financial assets or liabilities shown above have been renegotiated during the years ended 31 March 2023 and 31 March 2022 and no defaults of their terms have occurred.

Investec W&I UK has no financial assets measured at fair value through profit or loss. Financial liabilities measured at fair value through profit or loss comprise deferred consideration.

All other financial instruments are held at amortised cost, which is considered to be a reasonable approximation of fair value due to the short-term nature of these balances. Expected credit losses arising on Investec W&I UK's financial instruments are immaterial.

All of the financial assets and liabilities disclosed above contractually mature within one year.

### Fair values hierarchy

Financial instruments carried at fair value are categorised into the following levels based upon valuation method:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.



The below provides a reconciliation of Level 3 financial instruments for the period:

**Unlisted equity instruments:**

	<u>£ '000</u>
Balance at 31 March 2022	—
Additions (Note 9)	461
Balance at 31 March 2023	<u>461</u>

**Deferred contingent consideration:**

	<u>£ '000</u>
Balance at 31 March 2022	—
Additions relating to business combination and customer relationships	6,325
Balance at 31 March 2023	<u><u>6,325</u></u>

**22 Contingent liabilities**

Investec W&I UK has contingent liabilities which cannot be quantified in respect of letters of indemnity, principally for certified stock transfers and share certificates, given in the ordinary course of business.

The Investec W&I UK Group is currently in the early stages of a review by the Financial Conduct Authority in respect of its board effectiveness and Senior Management recruitment processes. As this engagement is at an early stage, Investec W&I UK Group is not in a position to determine what the impact of this review and any remedial action may have on its financial position or financial performance.



## 23 Statement of cash flows

A reconciliation of the movements of liabilities to cash flows arising from financing activities was as follows:

	<b>Lease liabilities £ '000</b>	<b>Retained earnings £ '000</b>
At 1 April 2021	44,774	86,734
Dividends paid	—	(92,500)
Interest charge	869	—
Payment for lease liabilities	(5,621)	—
<b>Total changes from financing cash flows</b>	<b>(4,752)</b>	<b>(92,500)</b>
Total non-cash movements	1,498	70,762
<b>At 31 March 2022</b>	<b>41,520</b>	<b>64,996</b>
Dividends paid	—	(35,000)
Interest charge	819	—
Payment for lease liabilities	(6,257)	—
<b>Total changes from financing cash flows</b>	<b>(5,438)</b>	<b>(35,000)</b>
Total non-cash movements	4,151	69,685
<b>At 31 March 2023</b>	<b>40,233</b>	<b>99,681</b>

## 24 Related party transactions

Investec W&I UK Group utilises certain shared central service functions provided by other entities within the Investec group, being Investec Bank plc and Investec Securities (Pty) Limited. These entities make a charge for the provision of these services, as set out below:

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

<b>Period ended 31 March</b>	<b>2023 £ '000</b>	<b>2022 £ '000</b>
Total central service cost recharges	25,546	20,572
Share-based charges	1,292	2,242

The balances outstanding in respect of the shared services were as follows:

<b>As at 31 March</b>	<b>2023 £ '000</b>	<b>2022 £ '000</b>
Central service costs owed to:		
– Investec Bank PLC	2,495	2,175
– Investec Securities (Pty) Limited	215	376
Share-based charges owed to:		
– Investec One Limited	353	152

The amounts are classified as trade receivables and trade payables, respectively.

Terms and conditions of transactions with related parties

The transactions between related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

## Compensation of key management personnel of the Investec W&I UK Group

	2023 £ '000	2022 £ '000
Short-term employee benefits	7,349	7,770
Post-employment pension and medical benefits	334	291
Share-based payment transactions	892	603
<b>Total compensation paid to key management personnel</b>	<b>8,575</b>	<b>8,664</b>

## 25 Business combination

On 31 January 2023, Investec W&I UK Group acquired the entire share capital of MAM, an Edinburgh-based wealth management firm. MAM is a private company limited by shares and is registered in England and Wales. The acquisition strengthens Investec W&I UK Group's presence in the strategically important Scottish market.

Assets acquired and liabilities assumed:

The fair value of the identifiable assets and liabilities of MAM as at the date of acquisition were:

	Fair value recognised on acquisition £ '000
<b>Assets</b>	
Property, plant & equipment	15
Software	89
Investments in subsidiaries	3
Trade & other receivables	1,240
Cash at bank	2,453
	<u>3,800</u>
<b>Liabilities</b>	
Trade & other payables	(867)
Provisions	(87)
	<u>(954)</u>
<b>Total identifiable net assets at fair value</b>	<b><u>2,846</u></b>
Client relationship intangible assets arising on acquisition	10,883
Goodwill arising on acquisition	6,237
Deferred tax liability in respect of acquired intangibles	(2,721)
<b>Total intangible assets arising on acquisition at fair value</b>	<b><u>14,399</u></b>
<b>Fair value of purchase consideration</b>	<b><u>17,245</u></b>

Transaction costs amounted to £426,000, of which £85,000 was expensed and included in other operating expenses during the year ended 31 March 2023 and £341,000 was expensed and included in other operating expenses during the year ended 31 March 2022.

The fair value of the client relationship intangible assets of £10,883,000 has been measured using a multi-period earnings method. The model uses estimates of client longevity and investment performance to derive a series of cash flows, which are discounted to a present value to determine the fair value of the client relationships acquired.

The deferred tax liability arises on recognition of the client relationship intangible assets.

Goodwill of £6,237,000 comprises the value of expected synergies arising from the acquisition. Any impairment of goodwill in future periods is not expected to be deductible for tax purposes.

The fair value of the trade receivables is equal to the gross amount of trade receivables and it is expected that the full contractual amounts can be collected. The fair value of all other net assets acquired were equal to their carrying value.

From the date of acquisition, MAM contributed £501,000 to operating income and £99,000 to profit before tax of the Investec W&I UK Group. If the acquisition had taken place at the beginning of the financial year, operating income would have been £348,532,000 and profit before tax would have been £85,040,000.

The fair value of the purchase consideration amounted to £17,245,000. This comprised £11,950,000 that was paid in cash upon completion, £1,922,000 of deferred consideration in relation to the surplus of completion date net assets over an agreed amount, plus deferred cash consideration that is contingent upon the successful transfer of funds under management to Investec W&I UK Group and the achievement of future revenue performance targets of £3,373,000. The valuation techniques applied in determining the fair value of the purchase consideration are set out in note 21.

## **26 Events after the reporting date**

On 3 April 2023, Investec Bank plc, the immediate parent company of Investec W&I UK, entered into a definitive agreement regarding an all-share combination of Investec W&I UK and Rathbones to create a discretionary wealth manager, with circa £100 billion of funds under management and administration. This combination will provide the enlarged Rathbones Group with scale to underpin future growth and provide an enhanced client proposition across banking and wealth management for both the Investec and Rathbones groups.

