

Company Registration Number
5754821

Investment Solutions Investment Administration Services Limited

Report and Financial Statements

for the year ended
31 March 2012

TUESDAY



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Investment Solutions Investment Administration Services Limited
Registered Number: 5754821
Report and Financial Statements for the year ended 31 March 2012
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Investment Solutions Investment Administration Services Limited

Registered Number: 5754821

Company Information

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were

P Bradley (appointed 27 May 2011)
L Catterick (appointed 19 July 2011)
E Kieswetter (appointed 9 November 2011)
M McGrade
D Msibi (resigned 9 November 2011)
A Newton (resigned 28 April 2011)
G Stobart
R Warner

Non executive director

M Christophers

Company Secretary

L Voss

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Registered Office

5th Floor
Leon House
233 High Street
Croydon
Surrey
CR9 9AF

Investment Solutions Investment Administration Services Limited

Registered Number: 5754821

Directors' Report

for the year ended 31 March 2012

The Directors present their report and audited financial statements accounts of the Company for the year ended 31 March 2012

Principal activities

The Company acts as a service company for the Investment Solutions Group, providing investment research, marketing, sales and general services

Review of the business

During the year ended 31 March 2012 the Company continued its research activities with a narrower scope than previously. Costs continue to be recharged to group companies with operating expenses increasing by 27% compared to the prior year due to a significant investment in operational systems

Results and dividends

The loss for the year, after taxation, amounted to £99,060 (2011 £270,239). The Directors do not recommend the declaration of a dividend for the year (2011 Nil).

Review of business and future developments

i) Review of developments and performance of the business and position at year-end

The Directors are satisfied with the performance of the Company for the year ended 31 March 2012

ii) Principal risks and uncertainties

The Company is reliant on the performance of the underlying investment funds for which it provides investment research, as well as its ability to generate new business for the Investment Solutions Group. The Company is exposed to global financial market volatility.

iii) Key performance indicators

Net profit is the key performance indicator for the business and despite the disappointing results for the year, the Directors remain confident about the future outlook for the Company.

The Company incurred a loss for the year of £99,060, a decrease of 63% on the prior year.

Directors

The Directors of the Company during the year under review are shown on page 1

Investment Solutions Investment Administration Services Limited

Registered Number: 5754821

Directors' Report

for the year ended 31 March 2012

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and accounting estimates that are reasonable and prudent,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial risk management objectives and policies

The Directors consider that there is no material exposure to price, currency, credit, liquidity or interest rate risk for the financial instruments held by the Company. The Company does not hold equity instruments, and the financial assets and liabilities are British pound denominated.

Investment Solutions Investment Administration Services Limited

Registered Number: 5754821

Directors' Report

for the year ended 31 March 2012

Disclosure of information to Auditors

So far as each Director at the date of approval of this report is aware

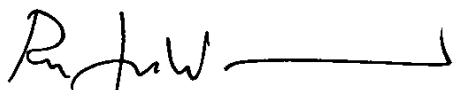
- there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Auditors

In accordance with the Companies Act 2006, the Company is no longer required to hold annual general meetings. Subject to the receipt of any objections as provided under statute or the Company's Articles of Association, the Company is relying on the provisions for the deemed reappointment of PricewaterhouseCoopers LLP as auditors as provided in section 487 of the Companies Act 2006 and PricewaterhouseCoopers LLP have indicated their willingness to continue as auditors of the Company.

This report has been prepared in accordance with the special provisions relating to small companies with Part 15 of the Companies Act 2006.

This report was approved by the Board of Directors on ~~24~~ May 2012 and signed on its behalf by



R Warner
Director

30 May 2012

Investment Solutions Investment Administration Services Limited
Independent Auditors' Report
to the Shareholder of Investment Solutions Investment Administration Services Limited

We have audited the financial statements of Investment Solutions Investment Administration Services Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Investment Solutions Investment Administration Services Limited
Independent Auditors' Report
to the Shareholder of Investment Solutions Investment Administration Services Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



Jeremy Jensen (Senior Statutory Auditor)
Chartered Accountants and Statutory Auditors
For and on behalf of PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

30 May 2012

Investment Solutions Investment Administration Services Limited

Registered Number: 5754821

Profit and Loss Account

for the year ended 31 March 2012

	Note	2012 £	2011 £
Turnover	2	3,384,357	2,370,872
Administrative expenses		(3,489,729)	(2,743,069)
Operating loss	3	(105,372)	(372,197)
Other interest receivable and similar income		-	(24,435)
Loss on ordinary activities before taxation		(105,372)	(396,632)
Tax on loss on ordinary activities	6	6,312	126,393
Loss for the financial year		(99,060)	(270,239)

All items dealt with in arriving at the above results relate to continuing operations

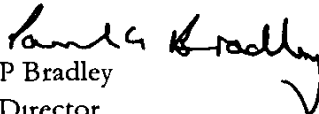
The Company had no recognised gains and losses during the year, other than the result for each year, and therefore no separate statement of total recognised gains and losses has been prepared

There is no material difference between the above results from ordinary activities before taxation and the retained loss for the years stated above and their historical cost equivalents

Investment Solutions Investment Administration Services Limited**Registered Number: 5754821****Balance Sheet****as at 31 March 2012**

	Note	2012 £	2011 £
Fixed assets			
Intangible assets	7	149,053	-
Current assets			
Debtors	8	357,337	332,493
Cash at bank and in hand		<u>187,480</u>	<u>450,144</u>
		544,817	782,637
 Creditors amounts falling due within one year	9	 (546,751)	 (536,458)
Net current (Liabilities)/Assets		<u>(1,934)</u>	<u>246,179</u>
Net assets		<u>147,119</u>	<u>246,179</u>
Capital and reserves			
Called up share capital	10	1,000,001	1,000,001
Profit and loss account	11	(852,882)	(753,822)
Total shareholder's funds	12	<u>147,119</u>	<u>246,179</u>

The financial statements on pages 7 to 13 were approved by the Board of Directors on 24 May 2012 and signed on its behalf by


P Bradley
Director

30 May 2012

Investment Solutions Investment Administration Services Limited
Registered Number: 5754821
Notes to the Financial Statements
for the year ended 31 March 2012

1 Accounting policies

Basis of accounting

These financial statements are prepared under the going concern and historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The Company has adopted the requirements of all relevant accounting standards, including those issued during the year and effective 31 March 2012. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

New accounting policies

No new accounting policies were adopted during the current period. The Company is exempt from Financial Reporting Standard 'FRS' 29 (Financial Instruments Disclosures) as it does not hold assets at fair value and has therefore not adopted FRS 26 (Financial Instruments Recognition and Measurement).

Cash flow statement

The Company is a wholly owned subsidiary of Alexander Forbes Limited and the cash flows of the Company are included in the consolidated cash flow statement of that company. Consequently the Company is exempt under the terms of FRS 1 (revised 1996) 'Cash Flow Statements' from publishing its own cash flow statement.

2 Turnover

Turnover represents income earned on investment research provided by the Company to other Alexander Forbes Group companies and fees charged to Investment Solutions Group companies for new business generated from sales and marketing activities.

	£	£
Research services	849,273	518,635
New business charges	80,399	37,697
Recharges to group companies	2,454,685	1,814,540
	<u>3,384,357</u>	<u>2,370,872</u>

3 Operating loss

	2012	2011
	£	£
Auditors' remuneration - for audit fees	<u>5,000</u>	<u>5,000</u>

Investment Solutions Investment Administration Services Limited**Registered Number: 5754821****Notes to the Financial Statements****for the year ended 31 March 2012****4 Directors' emoluments**

The Executive Directors are employed and paid by companies in the Alexander Forbes International Limited Group. An allocation of the emoluments for the Executive Directors' services is disclosed below.

	2012 £	2011 £
Executive Directors:		
Salaries and other emoluments	37,747	17,690
Aggregate contributions to defined contribution pension funds	2,456	2,018
	<u>40,203</u>	<u>19,708</u>
Amounts attributable to highest paid Director:		
Salaries and other emoluments	11,087	8,656
Aggregate contributions to defined contribution pension funds	30	1,494
	<u>11,117</u>	<u>10,150</u>

5 Employee information

The Company has no employees. Staff costs were borne by Alexander Forbes Services Limited. Alexander Forbes Services Limited is a fellow Group undertaking and recharged staff costs to the Company as management fees. Details of employees and employee related costs, including pension costs, are shown in the financial statements of that company.

6 Tax on loss on ordinary activities	2012 £	2011 £
Current tax		
UK corporation tax on profits of the period	(31,598)	(126,393)
Adjustments to tax charge in respect of previous periods	32,171	-
	<u>573</u>	<u>(126,393)</u>
Deferred tax		
Origination and reversal of timing differences	8,325	-
Adjustments in respect of prior periods	(15,210)	-
	<u>(6,885)</u>	<u>-</u>
Tax on loss on ordinary activities	<u>(6,312)</u>	<u>(126,393)</u>

Factors affecting tax charge for period

The tax assessed for the year is lower (2011 lower) than the standard rate of corporation tax in the UK (26%).

	2012 £	2011 £
Loss on ordinary activities before tax	<u>(105,372)</u>	<u>(396,632)</u>
Standard rate of corporation tax in the UK	26%	28%

Investment Solutions Investment Administration Services Limited

Registered Number: 5754821

Notes to the Financial Statements

for the year ended 31 March 2012

	£	£
Loss on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 26% (2011 28%)	(27,397)	(111,057)
Effects of		
Expenses not deductible for tax purposes	3,549	(15,336)
Capital allowances in excess of depreciation	(7,750)	-
Adjustments to tax charge in respect of previous periods	32,171	-
Current tax charge for period	573	(126,393)
Tax credits for the period will be allocated to another company within the Group as a Group Relief payment		
7 Intangible fixed assets		£
Software Development		
Cost		
At 1 April 2011		-
Additions		149,053
At 31 March 2012		149,053
Amortisation		
At 31 March 2012		-
Net book value		
At 31 March 2012		149,053

Goodwill is being written off in equal annual instalments over its estimated economic life of 5 years

8 Debtors	2012	2011
	£	£
Amounts owed by group undertakings	307,364	198,600
Corporation tax recoverable	31,598	126,393
Deferred tax	6,885	-
Prepayments and accrued income	11,490	7,500
	357,337	332,493

Amounts owing by group undertakings are unsecured, interest free and with no fixed terms of redemption

The deferred tax can be analysed as follows	2012	2011
	£	£
Accelerated capital allowances	(7,155)	-
Short term timing differences	14,040	-
Deferred tax asset	6,885	-

Investment Solutions Investment Administration Services Limited
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Notes to the Financial Statements
for the year ended 31 March 2012

The deferred tax movement comprises of the following

At 1 April 2011	-	-
Capital allowances and other timing differences	(8,325)	-
Adjustments to tax in prior periods	15,210	-
At 31 March 2012	<u>6,885</u>	<u>-</u>

9 Creditors: amounts falling due within one year	2012	2011
	£	£
Amounts owed to group undertakings	53,789	250,800
Accruals and deferred income	492,962	285,658
	<u>546,751</u>	<u>536,458</u>

Amounts owing by group undertakings are unsecured and represent trading balances on which no interest is charged

10 Called up share capital	2012	2011
	£	£
Ordinary shares of £1 each	<u>1,000,001</u>	<u>1,000,001</u>

11 Profit and loss account	2012	2011
	£	£
At 1 April	(753,822)	(483,583)
Loss for the financial year	(99,060)	(270,239)
At 31 March	<u>(852,882)</u>	<u>(753,822)</u>

12 Reconciliation of movement in shareholder's funds	2012	2011
	£	£
At 1 April	246,179	(483,582)
Loss for the financial year	(99,060)	(270,239)
Shares issued	-	1,000,000
At 31 March	<u>147,119</u>	<u>246,179</u>

Investment Solutions Investment Administration Services Limited**Registered Number: 5754821****Notes to the Financial Statements
for the year ended 31 March 2012****13 Related party transactions**

The Company is a wholly owned subsidiary within the Alexander Forbes Limited Group and advantage has been taken of the exemption in FRS 8 not to disclose any transactions with entities that are part of that group, as the accounts of Alexander Forbes Limited are publicly available. Details of Directors are shown on page 1.

Indirect operating expenses incurred on behalf of the Investment Solutions Group relating to the maintenance of existing business are recharged to the appropriate Group operating entities. Indirect operating, sales and marketing expenses related to the attainment of new business by the Investment Solutions Group are retained by the Company and an asset based fee is charged to the appropriate Group entity on a success basis.

In the year ended 31 March 2012 net management expenses incurred by Investment Solutions Investment Administration Services amounted to £ 3,489,729 (2011 £2,743,069) of which £2,453,814 (2011 £1,814,539) was recharged to Group companies.

14 Ultimate Parent Company and Controlling Party

The Company's immediate parent company at 31 March 2012 was Investment Solutions Group Limited, which is registered in England and Wales. The Company's ultimate parent company and controlling party at 31 March 2012 was Alexander Forbes Equity Holdings (Pty) Limited, a company registered in South Africa.

The largest and smallest groups for which group accounts are prepared and of which the Company is a member is as follows:

Name	Largest	Smallest
	Alexander Forbes Equity Holdings (Pty) Limited	Alexander Forbes Limited
Country of incorporation	South Africa	South Africa
Address from which copies of the group accounts can be obtained	61 Katherine Street Sandown 2196 South Africa	61 Katherine Street Sandown 2196 South Africa