

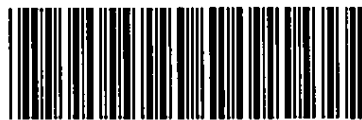
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3i Holdings plc

Annual reports and accounts
for the year to 31 March 2013

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Directors' report

The Directors submit their report with the accounts for the year to 31 March 2013

Business review

Principal activity

The principal activity of 3i Holdings plc (the "Company") is that of a holding company within the group of companies of which 3i Group plc is the ultimate parent undertaking

Development

There have been no changes in activity in the year and the Directors do not foresee any future changes

Principal risks and uncertainties

The Company is a subsidiary of 3i Group plc. The Group sets objectives, policies and processes for managing and monitoring risk as set out in the Directors' report in the 3i Group plc annual report

The financial risks are discussed in further detail in note 15

Results and dividend

Total recognised profit after tax for the year was £61m (2012 loss £74m). The Directors do not recommend a dividend for the year (2012 £nil). The net assets at the year end were £42m (2012 net liabilities £28m).

Directors

K J Dunn

J S Wilson

B R Loomes - Appointed 10 October 2012

M J Queen - resigned 17 May 2012

P Waller - resigned 31 December 2012

J Wilson retires by rotation in accordance with the Articles of Association and, being eligible, offers herself for reappointment

Having been appointed since the last Annual General Meeting, B R Loomes retires in accordance with the Articles of Association and, being eligible, offers himself for reappointment

Directors' report

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable United Kingdom law and have elected to prepare them in accordance with those International Financial Reporting Standards which have been adopted by the European Union

Under Company Law the Directors must not approve financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the Company for that period. In preparing financial statements the Directors are required to

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance,
- state that the Company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements, and
- make judgements and estimates that are reasonable

The Directors have a responsibility for ensuring that proper accounting records are kept which 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 financial statements comply with the Companies Act 2006. They have a general

Going concern

The Directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing the financial statements

Policy for paying creditors

It is the policy of the Group to pay suppliers in accordance with the terms and conditions of the relevant markets in which it operates. Expenses are paid on a timely basis in the ordinary course of business, by the trading subsidiary of the Group, 3i plc, and accordingly at the year end the Company had no trade creditors

Directors' report

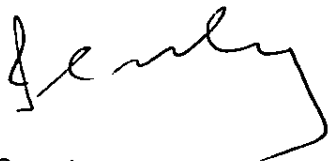
Audit information

Pursuant to section 418(2) of the Companies Act 2006, each of the Directors confirms that (a) so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and (b) they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of such information

Auditors

In accordance with section 489 of the Companies Act 2006, a resolution to reappoint Ernst & Young LLP as the Company's auditors will be put to the forthcoming Annual General Meeting

By Order of the Board



Secretary

Date 27/6/13

Registered Office
16 Palace Street
London SW1E 5JD

Independent auditor's report to the members of 3i Holdings plc

We have audited the financial statements of 3i Holdings plc for the year ended 31 March 2013 which comprise the statement of comprehensive income, the statement of changes in equity, the statement of financial position, the statement of cash flows, significant accounting policies A to K and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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.

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 annual report and accounts 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 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 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of 3i Holdings plc

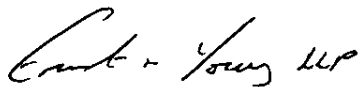
Opinion on other matters prescribed by the Companies Act 2006

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

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



James Stuart (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date 27 June 2013

Statement of comprehensive income

for the year to 31 March

	Notes	2013 £m	2012 £m
Income from subsidiaries	1	12	6
Unrealised movements on the fair value of subsidiaries	2	67	(66)
Loss on disposal of subsidiaries		(11)	(8)
Operating profit/(loss)	3	68	(68)
Interest payable		(5)	(5)
Exchange movements		(2)	(1)
Profit/(loss) before tax		61	(74)
Income taxes	5	-	-
Profit/(loss) for the year		61	(74)
Total comprehensive income/(expense) for the year		61	(74)

All the items in above statements are derived from continuing operations

Statement of changes in equity

	Issued capital £m	Retained earnings £m	Total £m
At 31 March 2011	1	39	40
Total comprehensive income for the year	-	(74)	(74)
Share-based payments	-	6	6
At 31 March 2012	1	(29)	(28)
Total comprehensive income for the year	-	61	61
Share-based payments	-	9	9
As at 31 March 2013	1	41	42

Statement of financial position

as at 31 March

	Notes	2013 £m	2012 £m
Assets			
Non-current assets			
Investments	6	-	3
Interests in Group entities	7	440	386
		440	389
Current assets			
Other current assets	8	100	105
Cash and cash equivalents		-	43
		100	148
Total assets		540	537
Liabilities			
Non-Current liabilities			
Loans and borrowings	9	(165)	(206)
		(165)	(206)
Current liabilities			
Trade and other payables	10	(333)	(359)
		(333)	(359)
Total liabilities		(498)	(565)
Net assets/(liabilities)		42	(28)
Equity			
Issued capital	11	1	1
Retained earnings		41	(29)
Total equity		42	(28)

The financial statements have been approved and authorised for issue by the Board of Directors



J WILSON

Director

Date 27/6/13

Statement of cash flows

for the year to 31 March

	2013	2012
	£m	£m
Cash flows from operating activities		
Profit/(loss) before taxation	61	(74)
(Profit)/loss on revaluation of investment in subsidiaries	(67)	66
Exchange movements	2	1
Loss on disposal of investments in subsidiaries	11	8
	7	1
Decrease in other current assets	14	42
(Decrease)/increase in other payables	(27)	20
Net cash flow from operating activities	(6)	63
Cash flows from financing activities		
Proceeds from short-term borrowings	-	50
Repayment of short-term borrowings	(50)	(67)
Net cash flow from financing activities	(50)	(17)
Cash flows from investing activities		
Proceeds on liquidation of subsidiary	13	(15)
Net cash flow from investing activities	13	(15)
Change in cash and cash equivalents	(43)	31
Cash and cash equivalents at the start of the year	43	12
Cash and cash equivalents at the end of the year	-	43

Accounting policies

A Statement of compliance These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and their interpretations issued or adopted by the International Accounting Standards Board as adopted for use in the European Union ("IFRS")

These financial statements have been prepared in accordance with and in compliance with the Companies Act 2006

The IASB has issued the following standards and interpretations to be applied to financial statements with periods commencing on or after the following dates

		Effective for period beginning on or after
IFRS 7	Amendment to offsetting financial assets and liabilities	1 January 2013
IFRS 9	Financial instruments – classification and measurement	1 January 2015
IFRS 10	Consolidated financial statements	1 January 2014
IFRS 11	Joint arrangements	1 January 2014
IFRS 12	Disclosure of interest in other entities	1 January 2014
IFRS 13	Fair value measurement	1 January 2013
IAS 19	Amendment to employee benefits	1 January 2013
IAS 27	Amendment to separate financial statements	1 January 2014
IAS 28	Amendment to Investments in associates and joint ventures	1 January 2014
IAS 32	Amendment to offsetting financial assets and financial liabilities	1 January 2014

The Directors do not anticipate that the adoption of these standards, interpretations and amendments will have a material impact on the financial statements in the period of initial application and has therefore decided not to adopt these amendments early

B Basis of preparation The financial statements are presented in Sterling, the functional currency of the Company, and all values are rounded to the nearest million pounds (£m) except where otherwise indicated

Under the provision of Section 400 of the Companies Act 2006, consolidated accounts have not been prepared as the Company is a wholly owned subsidiary undertaking of 3i Group plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the Company's financial statements are publicly available at its registered office Palace Street 16, SW1E 5JD

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates

Accounting policies

B Basis of preparation (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The most significant techniques for estimation are described in the accounting policies below.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

C Exchange differences

(i) Foreign currency transactions Transactions in currencies that are different from the functional currency of the Company are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to sterling using exchange rates ruling at the dates the fair value was determined.

(ii) Financial statements of non-sterling operations The assets and liabilities of operations whose functional currency is not sterling, including fair value adjustments arising on consolidation, are translated to sterling at exchange rates ruling at the balance sheet date. The revenues and expenses of these operations are translated to sterling at rates approximating to the exchange rates ruling at the dates of the transactions. Exchange differences arising on retranslation are recognised directly in a separate component of equity, the translation reserve, and are released upon disposal of the non-sterling operation.

D Cash and cash equivalents Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and short-term deposits as defined above and other short-term highly liquid investments that are readily convertible into cash and are subject to insignificant risk of changes in value, net of bank overdrafts.

E Income taxes Income taxes represent the sum of the tax currently payable, withholding taxes suffered and deferred tax. Tax is charged or credited to the statement of comprehensive income, except where it relates to items charged or created directly to equity, in which case the tax is also dealt with in equity.

The tax currently payable is based on the taxable profit for the year. This may differ from the profit included in the statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the Company's statement of financial position date.

Accounting policies

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit ("temporary differences"), and is accounted for using the balance sheet liability method

Deferred tax liabilities are generally recognised for all taxable temporary differences. Where there are taxable differences arising on investments in subsidiaries and associates, and interests in joint ventures, deferred tax liabilities are recognised except where the Group is able to control reversal of the temporary difference and it is probable that the temporary differences will reverse in the foreseeable future.

Deferred tax assets are generally recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. However, where there are deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that both the temporary differences will reverse in the foreseeable future and taxable

F Financial instruments Financial instruments are made up of investments, accounts receivable, accounts payable, loans and cash and cash equivalents.

The Directors consider that the fair value of accounts receivable and accounts payable approximate to their carrying value. There are no other financial instruments.

G Interests in Subsidiaries Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefit from its activities. Investments in subsidiaries are held at fair value. The fair value of investment in subsidiaries is reviewed on an annual basis and movements in the fair value are recorded through the profit and loss.

H Other receivables Assets, other than those specifically accounted for under a separate policy, are stated at their cost less impairment losses. They are reviewed at each statement of financial position date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated based on expected discounted future cash flows. Any change in the level of impairment is recognised directly in the statement of comprehensive income. An impairment loss is reversed at subsequent statement of financial position dates to the extent that the asset's carrying amount does not exceed its original cost.

I Other payables Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which we consider to be payable in respect of goods or services received up to the statement of financial position date.

Accounting policies

J Investment portfolio Investments are recognised and derecognised on a date where the purchase or sale of an investment is under contract where terms require the delivery or settlement of the investments. The Company manages its investments with a view to profiting from the receipt of interest and dividends and changes in fair value of equity investments.

Unquoted equity investments are designated at fair value through profit and loss and subsequently carried in the statement of financial position at fair value. Other investments are classified as loans and receivables and subsequently carried in the statement of financial position at amortised cost less impairment. All investments are initially recognised at the fair value of the consideration given and held at this value until it is appropriate to measure fair value on a different basis, applying 3i's valuation policies.

K Revenue recognition Revenue comprises fee income, dividends and interest and is recognised on an accruals basis. Dividends from equity investments are recognised in the statement of comprehensive income when the shareholders' rights to receive payment have been established except to the extent that dividends, paid out of pre-acquisition reserves, adjust the fair value of the equity instrument.

Notes to the accounts

1 Income from subsidiaries

	2013	2012
	£m	£m
Dividends received from subsidiary undertakings	11	3
Interest income	1	3
	12	6

2 Unrealised movements on the fair value of subsidiaries

Fair value adjustments were recorded against the following investments in subsidiaries

	2013	2012
	£m	£m
Equity investment in other subsidiaries	67	(66)
	67	(66)

3 Operating expenses

The auditor's remuneration for the year of £15,000 (2012 £15,000) was borne by 3i plc, a subsidiary

4 Directors' emoluments

None of the Directors received any emoluments in respect of their services to the Company for the year to 31 March 2013 (2012 none) The Directors' services to the Company do not occupy a significant amount of their time

The Company's contribution to pension schemes on behalf of Directors was £nil (2012 £nil) All pension contributions for the year were borne by 3i plc, a subsidiary of the Company

The Directors are granted options in shares of 3i Group plc The fair value for the services provided to the Company by the Directors cannot be reliably estimated and as such no share-based payment charge has been allocated to the Company

Notes to the accounts

5 Income taxes

	2013 £m	2012 £m
Current tax		
UK Corporation tax	-	-
	-	-

Reconciliation of income taxes in the statement of comprehensive income

The tax charge for the period is different to the standard rate of corporation tax in the UK, currently 24% (2012 26%), and the differences are explained below

	2013 £m	2012 £m
Profit/(loss) before tax	61	(74)
Profit/(loss) before tax multiplied by rate of corporation tax in the UK of 24% (2012 26%)	15	(19)
Effects of		
Permanent differences	16	16
Non-taxable profits relating to UK dividend income	(3)	(1)
UK tax losses carried forward	(28)	4
Total income taxes in the statement of comprehensive income	-	-

At 31 March 2013 the Company had unutilised tax losses and deductible temporary differences of £18m (2012 £178m). It is considered too uncertain that the Group will generate sufficient taxable profits in the future against which the associated deferred tax assets can be offset and therefore the assets have not been recognised.

Notes to the accounts

6 Investment

	Equity investments £m
Year to 31 March 2013	
Opening book value - Unquoted	3
Disposals, repayments and write-offs	(3)
Closing book value - Unquoted	-

7 Interests in Group entities

	2013 £m	2012 £m
Opening book value	386	444
Additions	9	21
Disposals	(24)	(13)
Revaluation	69	(66)
Closing book value	440	386

Details of significant Group entities are given in note 12

8 Other current assets

	2013 £m	2012 £m
Amounts due from group undertakings	100	105
	100	105

Notes to the accounts

9 Loans and borrowings

			2013 £m	2012 £m
Loans and borrowings are repayable as follows:				
Within one year			165	-
In the second year			-	-
In the third year			-	50
In the fourth year			-	-
In the fifth year			-	156
After five years			-	-
			165	206
Principal borrowings include				
	Rate	Maturity	2013 £m	2012 £m
Committed multi-currency facilities				
£200m	LIBOR+3.750%	2014	-	50
£450m ¹	LIBOR+1.000%	2016	165	156
			165	206
Total loans and borrowings				
			165	206

¹ Repaid on 18 April 2013

The £200 million multi-currency facility was cancelled in March 2013

All of the Company's borrowings are repayable in one installment on the respective maturity dates
None of the Company's borrowings are secure on the assets of the Group

The Group is subject to a financial covenant on its committed multi-currency facilities, the Asset Cover Ratio, defined as total assets (including cash) divided by loans and borrowings plus derivative financial liabilities. The Asset Cover Ratio at 31 March 2013 is 4 (2012 2.82)

Notes to the accounts

10 Trade and other payables

	2013	2012
	£m	£m
Amounts due to group undertakings	333	357
Other liabilities	-	2
	333	359

11 Share capital

	Number of shares	Amount £m
Called up, allotted and fully paid ordinary shares of £1 each At 31 March 2012 and 31 March 2013	1,000,000	1

Notes to the accounts

12 Group entities

Significant subsidiaries

Name	Country of incorporation	Issued and fully paid share capital	Principal activity	Registered office
3i International Holdings	England and Wales	2,715,973 ordinary shares of £10	Holding Company	16 Palace Street London SW1E 5JD
3i plc	England and Wales	110,000,000 ordinary shares of £1	Services	
3i Investments plc	England and Wales	10,000,000 ordinary shares of £1	Investment manager	
3i Europe plc	England and Wales	500,000 ordinary shares of £1	Investment adviser	
3i Nordic plc	England and Wales	500,000 ordinary shares of £1	Investment adviser	
Gardens Pension Trustees Limited	England and Wales	100 ordinary shares of £1	Pension fund trustee	
3i Corporation	USA	15,000 shares of common stock (no par value)	Investment manager	375 Park Avenue Suite 3001 New York NY 10152, USA
3i Deutschland Gesellschaft für Industriebeteiligungen mbH	Germany	€ 25,564,594	Investment manager	Bockenheimer Landstrasse 2-4 60306 Frankfurt am Main, Germany

The significant subsidiaries noted above are all wholly owned by the Company

The Directors are of the opinion that the number of undertakings in respect of which the Company is required to disclose information under Schedule 4 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 is such that compliance would result in information of excessive length being given. Full information will be annexed to the Company's next annual return.

Notes to the accounts

13 Parent undertaking and controlling party

The Company's immediate and ultimate parent undertaking and controlling party is 3i Group plc which is incorporated in Great Britain and registered in England and Wales. Copies of the Group financial statements, which include the Company, are available from 16 Palace Street, London, SW1E 5JD.

14 Related parties

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Those transactions impacting the statement of comprehensive income are disclosed in note 1 and note 2.

Those transactions with Directors of the Company are disclosed in the Directors' Report and note 4. The Company has no other key management personnel. Each of these categories of related parties and their impact on the financial statements is detailed below.

Parent company

The Company has an outstanding balance payable with its parent company.

	2013 £m	2012 £m
Payable at year end	(2)	(26)

Subsidiaries

The Company has outstanding balances payable to its subsidiary companies.

	2013 £m	2012 £m
Payable at year end	(331)	(331)

Notes to the accounts

15 Financial risk management

The company is a subsidiary of 3i Group plc. The Group sets objectives, policies and processes for managing and monitoring risk as set out in the Directors' report in the 3i Group plc annual report.

The capital structure of the Company consists of equity, external loans and intercompany loans which are due on demand. The Company is free to transfer capital to the parent company subject to maintaining sufficient reserves to meet statutory obligations.

Credit risk

The Company's principal credit risk arises on an inter-company balance payable by 3i plc, the Board of which include all of the Company's Directors.

Liquidity risk

Liquidity risk is managed at the Group level as discussed in the Directors' report in the 3i Group plc annual report. The Company's current liabilities are principally intercompany loans due on demand.

Market risk

(i) Interest rate risk

The Company is exposed to interest rate risk on a \$250m draw down against its multi currency facility, as well on cash and deposits. An increase in 100 basis points in the rate of interest would lead to an approximate decrease in net assets of £2m.

(ii) Currency risk

The Company has currency exposure to Euros, US Dollars, Swedish Kronor and other sundry currencies combined is shown in the table on the following page.

Notes to the financial statements

15 Financial risk management (continued)

At 31 March 2013	2013 Sterling £m	2013 Euro £m	2013 US Dollar £m	2013 SEK £m	2013 Other £m	2013 Total £m
Net assets/(liabilities)	(21)	111	(102)	55	(1)	42

Sensitivity analysis

Impact on exchange movements in the statement of comprehensive income assuming a 10% movement in exchange rates against sterling

	-	12	(11)	6	-	7
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At 31 March 2012	2012 Sterling £m	2012 Euro £m	2012 US Dollar £m	2012 SEK £m	2012 Other £m	2012 Total £m
Net assets/(liabilities)	(71)	92	(100)	51	-	(28)

Sensitivity analysis

Impact on exchange movements in the statement of comprehensive income assuming a 10% movement in exchange rates against sterling

	-	9	(11)	6	-	4
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The figures presented as at 31 March 2012 have been updated to reflect a change in the sensitivity assumption from 5% to 10%, which provides a more appropriate assessment of the sensitivity given the market fluctuations in the year