



# 3i Holdings plc

Annual report and accounts for the year to 31 March 2020

Registered number: 02591431



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## Directors' report

The Directors submit their report with the financial statements for the year to 31 March 2020.

## Principal activity

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

## Directors

The Directors of the Company during the year and up to the date of this report were:

K J Dunn

J S Wilson

Mr K J Dunn retires by rotation in accordance with the Articles of Association, and being eligible, offers himself for reappointment.

## Dividends

During the year a dividend of £18,086k was paid to 3i Group plc. The directors do not recommend a final dividend for the year (2019:nil)

## Development

There has been no change in principal activity in the year and the Directors do not foresee any future changes.

## Events since the balance sheet date

There have been no events since the balance sheet date.

## Disclosure of information to the Auditors

Pursuant to s418(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 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 auditors are aware of such information.

As part of the audit tender process conducted by 3i Group plc in 2018, KPMG LLP was selected as the auditor of the Company for the financial year ending 31 March 2021. Ernst & Young LLP will not be reappointed as the auditors. KPMG LLP will be appointed as the auditors of the Company following the Annual General Meeting of 3i Group plc in June 2020. Further details on the change of auditors can be found in the Annual report and financial statements of 3i Group plc.

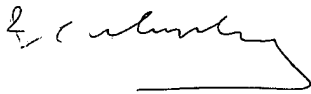
## Directors' report

### Going concern

The Directors have acknowledged their responsibilities in relation to the financial statements for the year to 31 March 2020. After making the assessment on going concern, the Directors considered it appropriate to prepare the financial statements of the Company on a going concern basis, having considered the impact of coronavirus ("COVID-19") on its current operations and future outlook.

3i Group plc is the ultimate parent undertaking of the Company. 3i Group plc has sufficient financial resources and liquidity and is well positioned to manage business risks in the current economic environment. 3i Group plc can support the Company where necessary to continue operations for a period of at least twelve months from the date of this report.

By order of the Board



**Jonathan Murphy**  
Company secretary

Date: 13 May 2020

Registered office:  
16 Palace Street  
London, SW1E 5JD

## Directors' report

### Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual report and accounts in accordance with applicable United Kingdom law and those International Financial Reporting Standards ("IFRSs") that 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 year. In preparing financial statements the Directors are required to:

- (a) select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- (b) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- (c) provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union 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;
- (d) state that the Company has complied with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- (e) 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 responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

## Strategic report

The Directors present their Strategic report for the year to 31 March 2020.

### Results and business review

The main key performance indicators are as follows:

	2020 £'000	2019 £'000
Revenue	31,729	4,755
Total comprehensive income/(loss) for the year	29,783	(1,870)
Net assets	231,101	202,814

The results for the year and financial position of the Company are included in the financial statements.

The comprehensive income for the year was primarily a result of dividend income received from 3i Europe plc a fellow subsidiary. The Directors are satisfied with the performance of the Company during the year.

### 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 11.

The current coronavirus pandemic ("COVID-19") presents a major global risk to several organisations. In light of these circumstances, due to the nature of the Company being the holding company of several group companies, there is expected to be no material impact on the Company's operations and activities. The Directors are satisfied with the performance of the Company for the year.

### Duties under Section 172

The Directors of the Company are required to act in accordance with those requirements set out in section 172 of the UK Companies Act 2006 which is summarised below:

A Director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

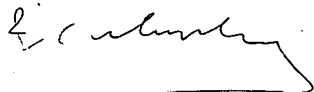
- the likely consequences of any decision in the long-term;
- the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

## Strategic report

### Duties under Section 172 (continued)

The matters set out in section 172 have been taken into account in Board discussions and decision making in the year. During the year, the Directors have made the following key decision: deciding on the interim dividend of £18,086k paid to 3i Group plc.

By order of the Board



**Jonathan Murphy**

Company secretary

Date: 13 May 2020

Registered office:

16 Palace Street

London, SW1E 5JD

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

### Opinion

We have audited the financial statements of 3i Holdings plc, for the year ended 31 March 2020 which comprise the Statement of comprehensive income, Statement of changes in equity, Statement of financial position, Statement of cash flows, Accounting policies A to K and the related notes 1 to 12. 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.

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2020 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

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

- adequate accounting records have not been kept by the parent company, 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.

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

### Responsibilities of directors

As explained more fully in the Statement of 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

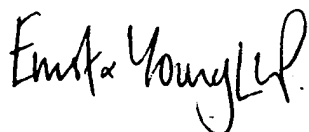
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

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.

### Emphasis of matter

We draw attention to the Accounting policy B – Basis of preparation, of the financial statements, which describes the economic and operational consequences the Company is facing as a result of COVID-19, which is impacting financial markets. Our opinion is not modified in respect of this matter.



**Julian Young (Senior statutory auditor)**  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

Date: 13 May 2020

## Statement of comprehensive income

for the year to 31 March 2020

	Notes	2020 £'000	2019 £'000
Revenue	1	31,729	4,755
Operating expenses		(2,026)	-
<b>Operating profit</b>		<b>29,703</b>	<b>4,755</b>
Impairment of investment in subsidiaries	6	1,991	542
Exchange movements		(1,911)	(7,749)
<b>Profit/(loss) before tax</b>		<b>29,783</b>	<b>(2,452)</b>
Income taxes	4	-	582
<b>Total comprehensive income/(loss) for the year</b>		<b>29,783</b>	<b>(1,870)</b>

All items in the above statement are derived from continuing operations.

## Statement of changes in equity

for the year to 31 March 2020

	Issued share capital £'000	Share based payment reserve £'000	Retained earnings £'000	Total £'000
As at 1 April 2018	1,000	31,647	152,521	185,168
Total comprehensive loss for the year	-	-	(1,870)	(1,870)
Share based payments	-	19,516	-	19,516
Exercise of share awards	-	(14,731)	14,731	-
<b>Total change in equity for the year</b>	<b>-</b>	<b>4,785</b>	<b>12,861</b>	<b>17,646</b>
<b>As at 31 March 2019</b>	<b>1,000</b>	<b>36,432</b>	<b>165,382</b>	<b>202,814</b>
Total comprehensive profit for the year	-	-	29,783	29,783
Dividend paid	-	-	(18,086)	(18,086)
Share based payments	-	16,590	-	16,590
Exercise of share awards	-	(19,876)	19,876	-
<b>Total change in equity for the year</b>	<b>-</b>	<b>(3,286)</b>	<b>31,573</b>	<b>28,287</b>
<b>As at 31 March 2020</b>	<b>1,000</b>	<b>33,146</b>	<b>196,955</b>	<b>231,101</b>

The notes on pages 15 to 20 form an integral part of these financial statements.

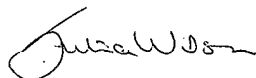
## Statement of financial position

as at 31 March 2020

	Notes	2020 £'000	2019 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in subsidiaries	6	426,914	402,091
Amounts due from group undertakings	7	15,790	10,973
<b>Total non-current assets</b>		<b>442,704</b>	<b>413,064</b>
Cash and cash equivalents		6	3
<b>Total assets</b>		<b>442,710</b>	<b>413,067</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Amounts due to group undertakings	8	(211,574)	(201,655)
<b>Total non-current liabilities</b>		<b>(211,574)</b>	<b>(201,655)</b>
<b>Current liabilities</b>			
Amounts due to group undertakings	8	(35)	(8,598)
<b>Total current liabilities</b>		<b>(35)</b>	<b>(8,598)</b>
<b>Total liabilities</b>		<b>(211,609)</b>	<b>(210,253)</b>
<b>Net Assets</b>		<b>231,101</b>	<b>202,814</b>
<b>Equity</b>			
Issued share capital	5	1,000	1,000
Share based payment reserve		33,146	36,432
Retained earnings		196,955	165,382
<b>Total equity</b>		<b>231,101</b>	<b>202,814</b>

The notes on pages 15 to 20 form an integral part of these financial statements.

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



J S Wilson

Director

Date: 13 May 2020

3i Holdings plc  
**Statement of cash flows**  
for the year to 31 March 2020

No. 02591431

	2020 £'000	2019 £'000
<b>Cash flow from operating activities</b>		
Dividend income	22,089	4,754
Interest income	-	1
<b>Net cash flow from operating activities</b>	<b>22,089</b>	<b>4,755</b>
<b>Cash flows from investing activities</b>		
Purchase of investment in subsidiaries	(21)	(1,545)
Proceeds from investment in subsidiaries	-	51
<b>Net cash flow from investing activities</b>	<b>(21)</b>	<b>(1,494)</b>
<b>Cash flow from financing activities</b>		
Amounts received from group undertakings	14,803	12,709
Amounts paid to group undertakings	(18,782)	(15,969)
Dividend paid	(18,086)	-
<b>Net cash flow from financing activities</b>	<b>(22,065)</b>	<b>(3,260)</b>
<b>Change in cash and cash equivalents</b>	<b>3</b>	<b>1</b>
<b>Cash and cash equivalents at the start of the year</b>	<b>3</b>	<b>1</b>
Effect of exchange rate fluctuations	-	1
<b>Cash and cash equivalents at the end of the year</b>	<b>6</b>	<b>3</b>
	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Reconciliation of financing activities</b>		
Opening amounts due from group undertakings	10,973	119,440
Opening amounts due to group undertakings	(210,253)	(313,912)
	(199,280)	(194,472)
Change from financing cash flows	3,979	3,260
Other non cash changes	1,393	(318)
Effect of exchange rate fluctuations	(1,911)	(7,750)
	(195,819)	(199,280)
Closing amounts due from group undertakings	15,790	10,973
Closing amounts due to group undertakings	(211,609)	(210,253)
	(195,819)	(199,280)

The notes on pages 15 to 20 form an integral part of these financial statements.

## Accounting policies

### A. Statement of compliance

These financial statements have been prepared and approved by the Directors in accordance with all relevant IFRSs as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretation Committee, endorsed by the European Union ("EU").

These financial statements have been prepared in accordance with Companies Act 2006. The Company is a public limited company incorporated and domiciled in England and Wales.

### B. Basis of preparation

The financial statements are presented in sterling, the functional currency of the Company and rounded to the nearest thousand and prepared under the going concern basis.

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, and is incorporated in Great Britain and registered in England and Wales. 3i Group plc prepares consolidated accounts, within which the results of the Company are incorporated. Copies of the 3i Group plc financial statements are publicly available at its registered office: 16 Palace Street, London, 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.

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.

### Going Concern

On 30 January 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. COVID-19 presents the biggest risk to the global economy and to individual companies since the 2008 financial crisis and has had a severe impact on economic growth forecasts worldwide. The impacts of COVID-19 are not all apparent yet, and the position will remain fluid until the length and extent of the crisis become clearer.

The Directors continue to monitor the impact of COVID-19 using information available to the date of issue of these financial statements. As part of this assessment, the Directors have reviewed the assessment of going concern at the Group level, which has modelled a number of adverse scenarios, to assess the potential impact COVID-19 may have on the Group's operations and liquidity. The Group has sufficient financial resources and liquidity and is well placed to manage business risks in the current economic environment and can continue operations to support the Company where necessary. Having reviewed this assessment the Directors considered it appropriate to prepare these financial statements on a going concern basis.

### C. Revenue recognition

Revenue comprises of dividends and is recognised in the Statement of comprehensive income when the shareholders' rights to receive payment has been established.

## Accounting policies

### D. Foreign currency transactions

Transactions in currencies 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 Statement of financial position date are translated to sterling at the exchange rate ruling at that date. 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 date the fair value was determined.

### E. 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.

### F. Issued share capital

Ordinary shares issued by the Company are recognised at the proceeds or fair value received with the excess of the amount received over nominal value being credited to the share premium account. Direct issue costs net of tax are deducted from equity.

### G. 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 credited 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.

To enable the tax charge to be based on the profit for the year, deferred tax is provided in full on temporary timing differences, at the rates of tax expected to apply when these differences crystallise. Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profits will be available against which temporary differences can be set off. All deferred tax liabilities are offset against deferred tax assets in accordance with the provisions of IAS 12.

The carrying amount of deferred tax assets is reviewed at each Statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

IFRIC 23 has been adopted and applied to the recognition and measurement of uncertain tax provisions during the year. However, it is noted that the adoption of IFRIC 23 has had no material impact on the provisions held as at the year end.

### H. Investment in subsidiaries

Subsidiaries of the Company are accounted for at cost less impairment.

### I. Amounts due from group undertakings

Amounts due from group undertakings are recognised initially at fair value and subsequently measured at amortised cost less expected credit loss allowance under IFRS 9. Impairment losses are presented as net impairment losses within Impairment of subsidiary loans. Subsequent recoveries of amounts previously impaired are credited against the same line item. A description of the Company's expected credit loss policy is disclosed within Note 11.

## Accounting policies

### **J. Other payables and Amounts due to group undertakings**

Other payables and Amounts due to group undertakings, 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.

### **K. Share based payments**

The Company has subsidiaries either directly or indirectly which have employees. Certain of these employees are granted share awards, which are settled by shares in 3i Group plc, the ultimate parent company. Under IFRS 2, the employing subsidiary recognises an expense in profit and loss and an increase in its share based payment reserve. As the parent, the Company will show a corresponding increase in its investment in subsidiary and an increase in its share based payment reserve.



3i Holdings plc  
Notes to the accounts

No. 02591431

**1. Revenue**

	2020 £'000	2019 £'000
Interest	-	1
Dividends	31,729	4,754
Total	31,729	4,755

Dividends are received from fellow subsidiaries of the Company and are recognised when the Company's right to receive payment is established.

**2. Operating expenses**

The auditor's remuneration for the year of £15,900 (2019: £15,900) was borne by 3i plc, a subsidiary of 3i Holdings plc. There are no non-audit fees.

**3. Directors' emoluments**

The Directors of the Company are also Directors of fellow subsidiaries and receive remuneration from 3i plc. Mrs J S Wilson is also a Director of the ultimate parent company. The table below shows the total emoluments received by the Directors from the fellow subsidiary.

	2020 £'000	2019 £'000
Salaries and benefits	1,089	1,059
Bonuses	369	318
Share based payments	2,614	2,246
Total	4,072	3,623

Emoluments, including share based payments, attributable to the highest paid Director were £2,498k (2019: £2,232k).

The Directors do not receive any emoluments from the Company and do not believe it is practicable to apportion the above amounts to their services as Directors of the Company. The Directors' services to the Company do not occupy a significant amount of their time.

**4. Income taxes**

**Reconciliation of income taxes in the Statement of comprehensive income**

The tax charge for the year is different to the standard rate of corporation tax in the UK, currently 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
Profit/(loss) before tax	29,783	(2,452)
Profit/(loss) before tax multiplied by rate of corporation tax in the UK of 19% (2019: 19%)	5,659	(466)
Adjustment for prior years	-	(582)
Non-taxable profits relating to UK dividend income	(6,029)	(913)
Expenses not deductible	385	-
Tax losses surrendered as group relief for nil consideration	321	1,514
Taxable income not included in the income statement	42	-
Loss/(profit) on disposal of investments	-	(21)
(Non taxable)/non-deductible impairments of investments in subsidiaries	(378)	(114)
Total income taxes in the Statement of comprehensive income	-	(582)

## Notes to the accounts

## 4. Income taxes (continued)

## Deferred tax

At 31 March 2020 3i Holdings plc had tax losses of £116,039k (2019: £116,039k) and capital losses of £57,700k (2019: £59,996k) for which no deferred tax asset has been recognised. It is considered uncertain that there will be sufficient taxable profits in the future against which the associated deferred tax assets can be offset and therefore the assets have not been recognised.

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. This rate has been used to calculate the deferred tax assets and liabilities as at the year end, and will affect the future corporation tax liability of the Group.

## 5. Issued share capital

	Number of shares	Amount £'000
Authorised ordinary shares of £1 each	1,000,000	
Called up, allotted and fully paid ordinary shares of £1 each		
At 31 March 2020 and 31 March 2019	1,000,000	1,000

## 6. Investment in subsidiaries

	2020 £'000	2019 £'000
Opening cost less impairments	402,091	380,639
Additions	32,471	21,061
Disposals	(9,639)	(151)
Impairments	1,991	542
Closing cost less impairments	426,914	402,091

## 7. Amounts due from group undertakings

	2020 £'000	2019 £'000
<b>Non-current assets</b>		
Amounts due from group undertakings	15,790	10,973

Under IFRS 9 an expected credit loss of nil (2019: nil) has been recognised during the year in the Statement of comprehensive income, see Note 11 for details. The carrying amount is a reasonable approximation of fair value.

## 8. Amounts due to group undertakings

	2020 £'000	2019 £'000
<b>Non-current liabilities</b>		
Amounts due to group undertakings	(211,574)	(201,655)
<b>Current liabilities</b>		
Amounts due to group undertakings	(35)	(8,598)

## Notes to the accounts

### 9. Related parties

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Each of these categories of related parties and their impact on the financial statements is detailed below. The Company's key management personnel are the Directors.

#### Parent company

##### *Funding arrangements*

Funding arrangements in place with 3i Group plc are detailed below:

	2020 £'000	2019 £'000
Receivable at the end of the year	15,489	10,973
<b>Total</b>	<b>15,489</b>	<b>10,973</b>

During the year a dividend of £18,086k was paid to 3i Group plc.

#### Subsidiaries

##### *Funding arrangements*

Funding arrangements in place with subsidiaries are detailed below:

	2020 £'000	2019 £'000
Receivable at the end of the year	301	-
Payable at the end of the year	(211,609)	(210,253)
<b>Total</b>	<b>(211,308)</b>	<b>(210,253)</b>

### 10. 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 its group financial statements, which include the Company, are available from 16 Palace Street, London, SW1E 5JD and online at [www.3i.com](http://www.3i.com).

### 11. Financial risk management

The Company's ultimate parent company is 3i Group plc. 3i Group plc sets objectives, policies and processes for managing and monitoring risk as set out in the Directors' report in the 3i Group plc Annual report. This note provides further information on the specific risks faced by the Company.

#### Financial risks

The capital structure of the Company consists of equity and intercompany loans. There is sufficient capital in the Company to cover liabilities and the Company is free to transfer capital to the parent company subject to maintaining sufficient reserves to meet statutory obligations.

#### Credit risk

The Company is subject to credit risk on its receivables and cash and deposits. The Company's cash and deposits are held with well-rated counterparties. Credit risk is managed on a Company basis, revenue is required to be settled in cash mitigating the credit risk and there are no significant concentrations of credit risk.

IFRS 9 requires the Company to recognise expected credit losses ("ECLs") on its Amounts due from group undertakings and Cash and cash equivalents. The ECL is calculated based on the probability of the receivable going into default. The Company has adopted the simplified approach and is based on lifetime ECL's.

## Notes to the accounts

## 11. Financial risk management (continued)

The ECL has been calculated based on the probability of the receivable going into default. The Company has adopted the simplified approach and the loss allowance shown is based on lifetime ECLs.

Cash and cash equivalents are also subject to the requirements of IFRS 9, the identified impairment loss is negligible.

**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 amounts owed to group undertakings.

**Market risk**

The Company is not exposed to significant market risk as it does not hold fixed or floating rate loans or liabilities or investments which are exposed to market fluctuations.

**Sensitivity analysis**

31 March 2020	Sterling	US dollar	Euro	Others	Total
	£'000	£'000	£'000	£'000	£'000
Net assets/(liabilities)	211,029	(88,218)	108,235	55	231,101

Assuming a 10% movement in exchange rates against sterling:

Impact on exchange movements in the Statement of comprehensive income:

Total	-	(9,832)	10,186	-	354
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31 March 2019	Sterling	US dollar	Euro	Others	Total
	£'000	£'000	£'000	£'000	£'000
Net assets/(liabilities)	191,062	(83,005)	94,708	49	202,814

Assuming a 10% movement in exchange rates against sterling:

Impact on exchange movements in the Statement of comprehensive income:

Total	-	(9,357)	9,549	-	192
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## Notes to the accounts

## 12. Subsidiaries and related undertakings

The Companies Act 2006 requires disclosure of certain information about the Company's related undertakings and this is set out below. Related undertakings are subsidiaries, joint ventures, associates and other significant holdings. In this context, significant means either a shareholding greater than or equal to 20% of the nominal value of any class of shares or a book value greater than 20% of the Company's assets.

The Company's related undertakings at 31 March 2020 are listed below:

Description	Holding/share class	Footnote
<b>Subsidiaries</b>		
3i 2004 GmbH & Co KG	100% Ordinary shares	3
3i 2016 GmbH & Co KG	100% Ordinary shares	3
3i APTech Nominees Limited	100% Ordinary shares	1
3i Asia Limited	100% Ordinary shares	6
3i BIFM Investments Limited	100% Ordinary shares	1
3i BIIF GP LLP	100% Partnership interest	1
3i Corporation	100% Ordinary shares	2
3i Deutschland Gesellschaft für Industriebeteiligungen mbH	100% Ordinary shares	3
3i EF4 GP Limited	100% Ordinary shares	1
3i EFIV Nominees Limited	100% Ordinary shares	1
3i EFV GP Limited	100% Ordinary shares	1
3i EFV Nominees A Ltd	100% Ordinary shares	1
3i EFV Nominees B Ltd	100% Ordinary shares	1
3i Europe Plc	100% Ordinary shares	1
3i European Operational Projects GP s.a.r.l	100% Ordinary shares	9
3i European Operation Projects GMBH & Co. KG	100% Ordinary shares	3
3i France SAS	100% Ordinary shares	13
3i GC GP Limited	100% Ordinary shares	1
3i GC Nominees A Limited	100% Ordinary shares	1
3i GC Nominees B Limited	100% Ordinary shares	1
3i General Partner 2004 GmbH	100% Ordinary shares	3
3i General Partner No 1 Limited	100% Ordinary shares	1
3i GP 08-10 Limited	100% Ordinary shares	1
3i GP 2004 Limited	100% Ordinary shares	10
3i GP 2006-08 Ltd	100% Ordinary shares	1
3i GP 2010 Limited	100% Ordinary shares	1
3i GP 2013 Ltd	100% Ordinary shares	1
3i GP 2016 Limited	100% Ordinary shares	1
3i GP 2019 SARL	100% Ordinary shares	9
3i GP 2019 Limited	100% Ordinary shares	1
3i GP 2019 (Scots) Limited	100% Ordinary shares	10
3i GP 2020 Limited	100% Ordinary shares	10
3i IIF GP Limited	100% Ordinary shares	4
3i India Private Limited	100% Ordinary shares	5
3i International Holdings	100% Ordinary shares	1
3i International Services plc	100% Ordinary shares	1
3i Investments GP Limited	100% Ordinary shares	1
3i Investments plc	100% Ordinary shares	1

## Notes to the accounts

## 12. Subsidiaries and related undertakings (continued)

Description	Holding/share class	Footnote
<b>Subsidiaries</b>		
3i Investments (Luxembourg) S.A.	100% Ordinary shares	9
3i Managed Infrastructure Acquisitions GP (2017) LLP	100% Partnership interest	1
3i Managed Infrastructure Acquisitions GP Limited	100% Ordinary shares	1
3i Networks Finland Limited	100% Ordinary shares	1
3i North America Infrastructure LLC	80% Ordinary shares	11
3i Nominees Limited	100% Ordinary shares	1
3i Nordic plc	100% Ordinary shares	1
3i Osprey GP Limited	100% Ordinary shares	1
3i plc	100% Ordinary shares	1
3i PVLP Nominees Limited	100% Ordinary shares	1
3i srl	100% Ordinary shares	7
3i US Growth Corporation	100% Ordinary shares	8
3i Venice GP SARL	100% Ordinary shares	9
BAM General Partner Limited	100% Ordinary shares	1
BEIF Management Limited	100% Ordinary shares	1
BIIF GP Limited	100% Ordinary shares	1
Gardens Nominees Limited	100% Ordinary shares	1
Gardens Pension Trustees Limited	100% Ordinary shares	1
GP 2013 Ltd	100% Ordinary shares	10
GP 2016 Limited	100% Ordinary shares	10
GP CCC 08-10 Limited	100% Ordinary shares	10
GP CCC 2010 Limited	100% Ordinary shares	10
IIF SLP GP Limited	100% Ordinary shares	10
Investors in Industry plc	100% Ordinary shares / cumulative preference shares	1
Mayflower GP Limited	100% Ordinary shares	1

**Footnote**

1. 16 Palace Street, London, SW1E 5JD, UK
2. 1 Grand Central Place East, 42nd Street, Suite 4100 New York, NY 10165, USA
3. OpernTurm, Bockenheimer Landstrasse 2-4, 60306 Frankfurt am Main, Germany
4. Lime Grove House, Green Street, St Helier, Jersey, JE1 2ST
5. Level 7, The Capital B-Wing, Bandra Kurla Complex, Bandra East, Mumbai, 400051, India
6. Ebene Esplanade, 24 Cybercity, Ebene, Mauritius
7. Via Orefici 2, 20123 Milan, Italy
8. 2711 Centerville Road, Suite 4000, Wilmington, DE 19808, New Castle, USA
9. 9 Rue Sainte Zithe, L-2763 Luxembourg, Grand Duchy of Luxembourg
10. 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, UK
11. The Corporation Trust Company, 1209 Orange St, Wilmington, Delaware 19801
12. 12 Castle Street, St Helier, JE2 3RT, Jersey
13. 3 Boulevard de Sebastopol 75001 Paris