



3i Investments plc

Annual report and accounts
for the year to 31 March 2009

3i Investments plc is authorised and regulated by the Financial Services Authority

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Directors' report

The Directors submit their report with the financial statements for the year to 31 March 2009.

Business review

The principal activity of 3i Investments plc (the "Company") is to act as investment manager and adviser to 3i Group plc and various of its subsidiaries and to other third parties. The Company has its Head Office in London and operates a branch in Singapore.

The Company is authorised and regulated by the Financial Services Authority ("FSA").

The Company's management fee is set at £38,900,000 for investment management services supplied in accordance with its agreement with 3i plc and 3i Group plc. The Company's costs include the service fee paid to 3i plc for the supply of staff and services, the running costs of the Singapore branch and the Company's own audit, tax and regulatory fees. Its costs continue to be covered by the annual management fee.

The Directors do not consider that the Company carries on substantially different classes of business and no further segmental information has been presented. There have been no changes in activity in the year and the Directors do not foresee any future changes.

Results and dividend

The Profit after tax for the year amounted to £1,795,000 (2008: £1,164,000). The Directors do not recommend a final dividend for the year (2008: £nil).

Directors

M J Queen
B N Carnegie-Brown
K J Dunn
J B C Russell
P Waller
J S Wilson
G A R Zarzavatdjian
S P Ball – resigned 30 November 2008
D R Collis – resigned 6 March 2009
C P Rowlands – resigned 1 April 2009
A J M Taylor – resigned 31 July 2008
P E Yea – resigned 27 January 2009

3i Investments plc

Directors' report

Statement of Directors' responsibilities

The Directors are required by UK company law to prepare financial statements which give a fair view of the state of affairs of the Company as at the end of the year and of the result for the year. The Directors have responsibility for ensuring that proper accounting records are kept which enable them to ensure that with reasonable accuracy the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. Suitable accounting policies, which follow generally accepted accounting practice and are explained in the section entitled accounting policies, have been applied consistently and applicable accounting standards have been followed. In addition, these financial statements comply with International Financial Reporting Standards as adopted by the European Union and reasonable and prudent judgments and estimates have been used in their preparation.

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

Expenses are paid on a timely basis in the ordinary course of business. The Company had no trade creditors at year end.

Audit information

Pursuant to s234ZA (2) of the Companies Act 1985, 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.

3i Investments plc

Directors' report

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution proposing the reappointment of Ernst & Young LLP as auditors of the Company will be put to the forthcoming Annual General Meeting.

By Order of the Board



Company Secretary

Registered Office:
16 Palace Street
London SW1E 5JD
28 MAY 2009

3i Investments plc

Independent auditors' report to the members of 3i Investments plc

We have audited the Company's financial statements for the year to 31 March 2009 which comprise the income statement, statement of recognised income and expense, balance sheet, cash flow statement, accounting policies A to E and the related notes 1 to 13. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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

The Directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' report is consistent with the financial statements.

We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

3i Investments plc

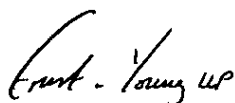
Independent auditors' report to the members of 3i Investments plc

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Company's affairs as at 31 March 2009 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.



Ernst & Young LLP
Registered Auditor
London

28/5/2009

3i Investments plc

Income statement

for the year to 31 March 2009

	Notes	2009 £'000	2008 £'000
Revenue	1	38,900	38,900
Administrative expenses		(37,686)	(38,550)
Operating profit		1,214	350
Unrealised profits on US Treasury Stock		89	35
Interest receivable	5	524	831
Exchange movements		(32)	(34)
Profit before tax		1,795	1,182
Income taxes	6	-	(18)
Profit after tax for the year		1,795	1,164

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

Statement of recognised income and expense

	2009 £'000	2008 £'000
Profit for the year	1,795	1,164
Exchange differences on translation of foreign operations	139	17
Total recognised income and expense for the year	1,934	1,181


Balance sheet

as at 31 March 2009

	Notes	2009 £'000	2008 £'000
Assets			
Current assets			
Trade and other receivables	7	279	23
US Treasury Stock*		736	484
Cash and cash equivalents		15,477	14,836
Total assets		16,492	15,343
Liabilities			
Current liabilities			
Trade and other payables	9	590	1,375
Total liabilities		590	1,375
Net assets		15,902	13,968
Equity			
Issued Capital	11	10,000	10,000
Translation reserve	11	153	14
Retained earnings	11	5,749	3,954
Total equity		15,902	13,968

* A US dollar-denominated government bond with a fixed yield of 5.375% per annum and maturity date of 15 February 2031.

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

DIRECTOR : 

DATE : 28 MAY 2009

3i Investments plc

Cash flow statement

for the year to 31 March 2009

	2009 £000	2008 £000
Cash flow from operating activities		
Profit before tax	1,795	1,182
Adjustments for:		
Unrealised profits on US Treasury Stock	(89)	(35)
Exchange movements	32	34
Cash flow from operating activities	1,738	1,181
Tax expense	-	(8)
Increase in receivables	(256)	(3)
Decrease in payables	(867)	(269)
Net cash flow from operating activities	615	901
Change in cash and cash equivalents	615	901
Cash and cash equivalents at 1 April	14,836	13,928
Effect of exchange rate fluctuations	26	7
Cash and cash equivalents at 31 March	15,477	14,836

3i Investments plc

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 1985.

New standards and interpretations not applied

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

		Effective for period beginning on or after
IFRS 2	Amendment - Share-based payments: Vesting conditions and cancellations	1 January 2009
IFRS 8	Operating Segments	1 January 2009
IAS 1	Presentation of Financial Statements (Revised)	1 January 2009
IAS 23	Borrowing Costs (Revised)	1 January 2009
IAS 27	Amendment - Consolidation and Separate Financial Statements	1 July 2009
IFRIC 12	Service Concession Arrangements	1 January 2008

The directors do not anticipate that the adoption of these standard and its interpretations will have a material impact on the financial statements in the period of initial application and have decided not to adopt.

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 thousand pounds (£000) except where otherwise indicated.

The preparation of financial statements in conformity with IFRS requires management to make judgments, 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 judgments 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 aggregated financial statements.

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Accounting policies

C Cash and cash equivalents Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents comprise cash and short-term deposits as defined above.

Intercompany cash flows resulting from cash transactions executed on behalf of other subsidiaries are not reflected in the cash flow statement as they do not represent the cash flows of the Company.

D Income taxes Income taxes represent the sum of the tax currently payable and deferred tax. Tax is charged or credited in the income statement, except when 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 in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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. 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. Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

E Financial instruments Financial instruments consist of accounts receivable, accounts payable, and US Treasury stock.

The Directors consider that the fair value of accounts receivables and accounts payable approximate their carrying value. US Treasury stocks are held as financial assets at fair value through the profit and loss.

3i Investments plc

Notes to the financial statements

1 Revenue

	2009 £'000	2008 £'000
Management fee from parent company, 3i plc	38,900	38,900
	38,900	38,900

2 Operating profit

	2009 £'000	2008 £'000
Operating profit is stated after charging:		
Auditors' remuneration - audit fee	33	26

3 Staff costs

	2009 £'000	2008 £'000
Wages and salaries	380	1,158
Other pension costs	3	3
	383	1,161

The average monthly number of employees during the year was 2 (2008: 3).

4 Directors' emoluments

The Directors of the Company are also directors of fellow subsidiaries and receive remuneration from 3i plc. The Directors do not believe that it is practicable to apportion this amount between their services as Directors of the Company and their services as Directors of fellow subsidiary companies.

The Company's contribution to pension schemes on behalf of Directors was £nil (2008: £nil). All pension contributions for the year were borne by 3i plc.

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.

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Notes to the financial statements

5 Interest receivable

	2009 £'000	2008 £'000
Bank interest receivable	524	831
	524	831

6 Income Taxes

	2009 £'000	2008 £'000
Current taxes		
UK Corporation tax	-	18
Less: relief for foreign tax	-	(18)
Foreign taxes	-	18
Total income taxes in the income statement	-	18

Reconciliation of income taxes in the income statement

The tax for the year is different to the standard rate of corporation tax in the UK (28%) (2008: 30%). The differences are explained below:

	2009 £'000	2008 £'000
Profit before tax	1,795	1,182
Profit before tax multiplied by rate of corporation tax in the UK of 28% (2008: 30%)	503	355
Effects of:		
Expenses not deductible for tax purposes	1	1
Foreign tax	-	18
Foreign tax credits available for double tax relief	-	(18)
Utilisation of tax losses claimed as group relief for nil consideration	(504)	(338)
Total income taxes in the income statement	-	18

3i Investments plc

Notes to the financial statements

7 Trade and other receivables	2009	2008
	£'000	£'000
Prepayments and accrued income	27	21
Amounts due from Group undertakings	252	2
	279	23

8 Financial risk management

Introduction

The Company's ultimate parent company is 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. This note provides further information on the specific risks faced by the Company.

The capital structure of the Company consists of equity and intercompany loans which are due on demand. As an investment firm regulated by the FSA, the Company's regulated capital requirement is reviewed regularly by the Board. The last submission to the FSA demonstrated a capital surplus in excess of the FSA's prudential rules.

Credit risk

The Company's cash and deposits are held with a variety of counterparties with a credit rating of AA or better. The Directors believe that there is not significant credit risk arising on cash and deposits, and that the Company's other debtors are immaterial.

Liquidity risk

The majority of the Company's commitments are governed by a fixed-cost intercompany contract with its parent company which is covered entirely by intercompany fee income. These arrangements lead to relatively low liquidity risk.

Market risk

The Company's only exposure to market risk is its holding of a US dollar-denominated government bond with a fixed yield of 5.375% per annum and maturity date of 15 February 2031, which is held at fair value; and a currency exposure to the Singapore dollar due to its branch in Singapore, and to the US dollar due to the government bond. A +/- 5% movement on both the US dollar and the Singapore dollar against sterling would lead to a +/-£56,000 change to income.

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Notes to the financial statements

9 Trade and other payables	2009	2008
	£'000	£'000
Amounts owed to group undertakings	234	647
Other taxes and social security costs	8	20
Accruals and deferred income	348	708
	590	1,375

10 Share capital

	Number of shares	Amount of shares £'000
Authorised, allotted, called-up and fully paid ordinary shares of £1 each		
At 1 April 2008 and 31 March 2009	10,000,000	10,000

11 Reconciliation of movement in equity

	Issued capital £'000	Translatio n reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2007	10,000	(3)	2,790	12,787
Total recognised income and expense	-	17	1,164	1,181
At 31 March 2008	10,000	14	3,954	13,968
At 1 April 2008	10,000	14	3,954	13,968
Total recognised income and expense	-	139	1,795	1,934
At 31 March 2009	10,000	153	5,749	15,902

Translation reserve

The Translation reserve is used to record exchange differences arising from the translation of the financial statements of the Singapore branch.

3i Investments plc

Notes to the financial statements

12 Parent undertaking and controlling party

The Company's immediate parent undertaking is 3i plc.

The Company's 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.

13 Related parties

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Those transactions with Directors of the Company are disclosed in 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

Investment management arrangements

Total fees received for investment management services, including the amount of accrued fees due at the end of the year, are detailed below:

	2009 £'000	2008 £'000
Management charge for the year	38,900	38,900

Administration arrangements

Total fees paid for administration services, including the amount of accrued fees due at the end of the period, are detailed below:

	2009 £'000	2008 £'000
Management charge for the year	37,000	37,000
Of which accrued at end of year	235	402