3i Investments plc

Annual report and accounts for the year to 31 March 2017

Registered number : 03975789

3i Investments plc

No. 03975789

Contents

Directors' report

The Directors submit their report with the financial statements for the year to 31 March 2017.

Principal activity

The principal activity of 3i Investments plc (the "Company") is to act as investment manager and adviser to 3i Group plc and its various subsidiaries and to other third parties. The Company carries on all its activities in the UK and has no other branches or subsidiaries. The Company is authorised and regulated by the Financial Conduct Authority ("FCA").

Directors

The Directors of 3i Investments plc (the 'Company') during the year and up to the date of this report were:

M A Antal
S A Borrows
K J Dunn
A C B Giddins
J S Wilson
B R Loomes (resigned on 27 January 2017)
P J White

Dividends

The Directors do not recommend a final dividend for the year (2016: £nil).

Development

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

Events since the balance sheet date

There were 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.
In accordance with section 487(2) of the Companies Act 2006, a resolution proposing the reappointment of Ernst & Young LLP as auditors of the Company will be put to the forthcoming Annual General Meeting.

3i Investments plc No. 03975789

Directors' report

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.

By order of the Board

Jonathan Murphy
Company Secretary
Date: 12 May 2017
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 ended 31 March 2017.

Results and business review

Total comprehensive income after tax for the year amounted to £1,243k (2016: £1,251k).

The Company's management fee is set at £12,800k for investment management services supplied in accordance with its agreement with 3i plc. The Company's costs include the service fee paid to 3i plc for the supply of staff and services and the Company's own tax and regulatory fees.

The main key performance indicators are as follows:

	2017 **£'000**	**2016** **£'000**
Total comprehensive income/(loss) for the year	1,243	1,251
Net assets	20,340	19,097

Principal risks and uncertainties

The Company is a subsidiary of 3i 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 10.

By order of the Board

Jonathan Murphy
Company Secretary

Date: 12 May 2017

Registered office:
16 Palace Street
London SW1E 5JD

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

We have audited the financial statements of 3i Investments plc, for the year ended 31 March 2017 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position, the Statement of cash flows, accounting policies and the related notes 1 to 10. 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 auditor

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

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 Directors' report and Strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2017 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 Investments plc

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;

• the Strategic Report and the 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 identified no material misstatements in the Strategic Report or Directors' Report.

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.

Ernst & Young LLP

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

Date: 15/5/17

Statement of comprehensive income
for the year to 31 March 2017

	Notes	2017 £'000	2016 £'000
Revenue	1	12,800	12,800
Operating expenses	2	(11,600)	(11,600)
Operating profit		1,200	1,200
Finance income		43	51
Profit before tax		1,243	1,251
Income taxes	5	-	-
Total comprehensive income for the year		1,243	1,251

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

Statement of changes in equity
for the year to 31 March 2017

	Issued share capital	Translation reserve	Other distributable reserve	Total
	£'000	£'000	£'000	£'000
As at 1 April 2015	10,000	176	7,670	17,846
Total comprehensive income for the year	-	-	1,251	1,251
Translation reserve transfer	-	(176)	176	-
As at 31 March 2016	10,000	-	9,097	19,097
Total comprehensive income for the year	-	-	1,243	1,243
As at 31 March 2017	10,000	-	10,340	20,340

The notes on pages 12 to 14 form an integral part of these financial statements.

3i Investments plc

No. 03975789

Statement of financial position

as at 31 March 2017

	Notes	2017 £'000	2016 £'000
Assets			
Current assets			
Trade and other receivables	7	9,797	8,598
Cash and cash equivalents		10,543	10,499
Total assets		20,340	19,097
Equity			
Issued capital	6	10,000	10,000
Other distributable reserve		10,340	9,097
Total equity		20,340	19,097

The notes on pages 12 to 14 form an integral part of these financial statements.

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

J Wilson

Julia Wilson
Director

Date: 12 May 2017

Statement of cash flows
for the year to 31 March 2017

	2017 £'000	2016 £'000
Cash flow from operating activities		
Interest income received	44	51
Net cash flow from operating activities	44	51
Change in cash and cash equivalents	44	51
Cash and cash equivalents at the start of the year	10,499	10,448
Cash and cash equivalents at the end of the year	10,543	10,499

The notes on pages 12 to 14 form an integral part of these financial statements.

Accounting policies

A. Statement of compliance

The Company 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 IFRS Interpretations Committee, endorsed by the European Union ("EU"). These financial statements have been prepared in accordance with and in compliance with the Companies Act 2006.

The following standards, amendments and interpretations have been issued with implementation dates, subject to EU endorsement in some cases, which do not impact on these financial statements:

		Effective for periods beginning on or after
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019

The future standards are not expected to have a material impact on the financial statements of the Company.

B. Basis of preparation

The financial statements are presented in sterling, the functional currency of the Company and rounded to the nearest thousand unless otherwise stated. The financial statements are prepared on a 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 plc which in turn is a wholly owned subsidiary undertaking of 3i Group plc, and both companies are 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.

C. Revenue recognition

The Company recognises management fee income when it has the right to receive the income in accordance with the management agreement. Interest income is recognised when the Company has the right to receive interest. Revenue is recognised in accordance with IAS 18.

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. 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. 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.

H. Trade and 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 is reversed at subsequent Statement of financial position dates to the extent that the asset's carrying amount does not exceed its original cost.

Notes to the accounts

1. Revenue	2017	2016
	£'000	£'000
Management fee from parent company, 3i plc	12,800	12,800
	12,800	12,800

2. Operating expenses	2017	2016
	£'000	£'000
Service fee to 3i plc	(11,600)	(11,600)
	(11,600)	(11,600)

The auditor's remuneration for the period of £14,400 (2016: £14,400) was borne by the parent company, 3i plc.

3. Staff costs

The average number of employees during the year was nil (2016: nil).

4. Directors' emoluments

The Directors of the Company are also Directors of fellow subsidiaries and receive remuneration from either 3i plc or 3i Europe plc. Mrs J. S. Wilson and Mr S.A. Borrows are also Directors of the ultimate parent company. The table below shows the total emoluments received by the Directors from these fellow subsidiaries.

	2017	2016
	£'000	£'000
Salaries and benefits	3,483	3,272
Bonuses	1,266	2,860
Compensation for loss of office	558	-
Share-based payments	9,818	5,725
	15,125	11,857

Emoluments, including share based payments, attributable to the highest paid Director were £5,556k (2016: £5,532k).

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.

Notes to the accounts

5. Income taxes

Reconciliation of income taxes in the Statement of comprehensive income

The tax for the year is different to the standard rate of corporation tax in the UK of 20% (31 March 2016: 20%). The differences are explained below:

	2017 £'000	2016 £'000
Profit before tax	1,243	1,251
Profit before tax multiplied by rate of corporation tax in the UK of 20% (31 March 2016: 20%)	249	263
Utilisation of tax losses claimed as group relief for nil consideration	(249)	(263)
Total income taxes in the Statement of comprehensive income	-	-

The main rate of UK corporation tax is to be reduced from 20% to 19% from 1 April 2017, and further to 17% from 1 April 2020. These changes will affect future UK corporate taxes payable.

6. Issued capital

	Number of shares	Amount £'000
Called up, allotted and fully paid ordinary shares of £1 each		
At 31 March 2016 and 31 March 2017	10,000,000	10,000

7. Trade and other receivables

Current assets	2017 £'000	2016 £'000
Amounts due from group undertakings	9,794	8,594
Other receivables	3	4
	9,797	8,598

The Directors consider that the carrying amount of receivables approximates to their fair value. There are no receivables past due or impaired.

8. Related parties

During the period the Company entered into transactions, in the ordinary course of business, with other related parties. There were no transactions with Directors of the Company. The Company's key management personnel are the Directors. Each of these categories of related parties and their impact on the financial statements is detailed in the table on the next page.

Notes to the accounts

8. Related parties continued

Parent company

Investment management arrangements

Total fees received for investment management services are detailed below:

	2017 £'000	2016 £'000
Management fee for the year	12,800	12,800
Of which receivable at the end of the year	9,794	8,594

Administration arrangements

Total fees paid for administration services, including any amounts of accrued fees due at the end of the year, are detailed below:

	2017 £'000	2016 £'000
Administration fee for the year	11,600	11,600

9. 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 and online at www.3i.com.

10. Financial risk management

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.

Financial risk

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

The majority of the Company's cash and deposits are held with AAA rated money market funds. The Directors believe that there is no significant credit risk arising on cash and deposits, and that the Company's other non-Group debtors are immaterial.

Credit risk

The Directors do not believe that there is significant credit risk as amounts owed by the Company's debtors are due from other Group companies and are repayable on demand.

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 low liquidity risk.

3i Buyouts 2010 A LP

Annual report and accounts for the year to 31 March 2017

Registered number: LP 13807

Contents

Strategic report

The Directors of 3i Investments plc (the "Manager") present their strategic report on 3i Buyouts 2010 A LP (the "Partnership") for the year ended 31 March 2017.

Results and business review

The principal activity of the Partnership is to carry on the business of an investor in buyout deals across all regions in which 3i Group plc ("3i") invests worldwide.

The main key performance indicators are as follows:

	2017	2016
	€	€
Profit and Total comprehensive income for the year before carried interest expense	719,165,039	415,787,114
Profit and Total comprehensive income for the year	519,620,422	352,957,721
Net assets attributable to Partners	1,230,195,948	936,626,445
Total attributable to Partners	1,498,094,322	1,083,996,581

The results for the year and financial position of the Partnership are as shown in the annexed financial statements.

The Directors of the Manager are satisfied with the performance of the Partnership for the year, which has been driven by strong asset cash flows derived from proceeds from investments of €311,232,473 and profits on realisation of €23,195,561. The Partnership also distributed €270,447,528 to its Partners including carried interest of €44,297,587. Other contributing factors to performance include the unrealised gains on the value of the remaining investments of €696,146,032.

Future developments

The Manager does not foresee any future changes in the activity of the Partnership in the short term.

Risk management

The Manager evaluates the Partnership's risk appetite on a regular basis. The principal risks and uncertainties facing the Partnership are considered to be the following:

- Market price risk
- Currency risk
- Concentration risk
- Credit risk
- Liquidity risk
- Interest rate risk
- Capital management

Strategic report

The Manager has established a risk and financial management framework whose primary objective is to protect the Partnership from events that hinder the achievement of the Partnership's performance objectives, being to generate attractive risk-adjusted returns to investors.

These objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a Partnership level. Details of the Partnership's associated risk policies are found in note 11.

For and on behalf of 3i Investments plc

Authorised signatory

17th May 2017

Registered office:
16 Palace Street
London
SW1E 5JD

Manager's report

The Directors of the Manager present their Manager's report on the Partnership for the year ended 31 March 2017.

Background and general information

The Partnership was established on 4 March 2010 and is domiciled in England as an English Limited Partnership under the Limited Partnership Act 1907. The registered office of the Partnership is 16 Palace Street, London, SW1E 5JD. The General Partner of the Partnership is 3i GP 2010 Limited.

The Manager submits its report with the financial statements of the Partnership for the year to 31 March 2017.

Activities and future prospects

The Partnership has been reported as a Qualifying Limited Partnership as defined under The Partnerships (Accounts) Regulations 2008.

The principal activity of the Partnership is to carry on the business of an investor in buyout deals across all regions in which 3i invests worldwide.

The Partnership is no longer investing other than in follow-on financing. The Manager continues to realise individual investments in appropriate circumstances.

The Manager does not foresee any future changes in the activity of the Partnership in the short term.

Partners' interests

A summary of movements in Partners' accounts is given in the Statement of changes in Partners' accounts on page 10.

Manager

The Manager has responsibility for managing and operating the Partnership and for managing its investment portfolio. The Manager is authorised and regulated by the Financial Conduct Authority.

Going concern

The Manager is satisfied that the Partnership has sufficient undrawn commitments to draw down from Partners and sufficient cash resources to ensure that the Partnership can continue to operate for the foreseeable future and for at least 12 months. For this reason, it continues to prepare the financial statements on a going concern basis.

Events after the balance sheet date

There were no material events subsequent to the balance sheet date.

Manager's report

Disclosure of information to auditor

The Manager confirms that: (a) so far as it is aware, there is no relevant audit information of which the auditor is unaware; and (b) it has taken all steps it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of such information.

Auditor

During the year, Ernst & Young LLP was reappointed and remains as auditor of the Partnership in accordance with clause 17.9 of the Limited Partnership Agreement ("LPA") and chapter 2, section 485 of the Companies Act 2006.

For and on behalf of 3i Investments plc

Authorised signatory

17th May 2017

Registered office:
16 Palace Street
London
SW1E 5JD

Members' responsibilities statement

The Partnerships (Accounts) Regulations 2008 requires the members to prepare financial statements for each financial year. The members have appointed the Manager to prepare the financial statements.

The Manager is responsible for preparing the Manager's report, Strategic report and financial statements in accordance with applicable law and regulations.

The Manager has elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and applicable law. Under law the Manager must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and the profit or loss of the Partnership for that period.

In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the EU, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The Manager has been appointed by the members to fulfil the below responsibilities of the members.

The Manager is responsible for keeping adequate accounting records which are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership, and which enable the members to ensure that the financial statements comply with the Companies Act 2006 as applicable to Qualifying Limited Partnerships by The Partnerships (Accounts) Regulations 2008. The Manager is also responsible for safeguarding the assets of the Partnerships and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Manager confirms that they have complied with the above requirements in preparing the financial statements.

Auditor's report

Independent auditor's report to the members of 3i Buyouts 2010 A LP

We have audited the financial statements of 3i Buyouts 2010 A LP for the year ended 31 March 2017 which comprise the Statement of comprehensive income, the Statement of changes in Partners' accounts, the Statement of financial position, the Statement of cash flows, the accounting policies A to N, and the related notes 1 to 14. 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 qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership'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 qualifying partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Member's responsibilities statement set out on page 6, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 qualifying partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 qualifying partnership's affairs as at 31 March 2017 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 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Opinion on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships by The Partnership (Accounts) Regulations

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

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

Auditor's report

Matters on which we are required to report by exception

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic report or Manager's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Maximiliano Bark (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

17 May 2017

Statement of comprehensive income

for the year ended 31 March 2017

	Notes	2017 €	2016 €
Portfolio income	1	2,586,521	7,748,507
Unrealised profit on the revaluation of investments	2	696,146,032	390,865,475
Realised profit on the disposal of investments	3	23,195,561	20,328,900
Foreign exchange on investments		-	17,637
Gross investment return		721,928,114	418,960,519
Priority profit share		(2,353,021)	(3,155,645)
Deal related costs		(93,971)	(13,682)
Operating expenses	4	(31,015)	(4,076)
Net interest expense		(75,970)	-
Exchange movements		89	(2)
Withholding tax expense		(209,187)	-
Profit and Total comprehensive income for the year before carried interest expense		719,165,039	415,787,114
Carried interest expense	9	(199,544,617)	(62,829,393)
Profit and Total comprehensive income for the year		519,620,422	352,957,721

All items in the above statement are derived from continuing operations. No operations were acquired or discontinued in the year.

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

Statement of changes in Partners' accounts

	Capital Contributions €	Loan account €	Profit and loss account €	Total €
Opening balance of Partners' accounts	364,311	-	936,262,134	936,626,445
Drawdowns from Partners	-	99,022	-	99,022
Distributions to Partners	-	(99,022)	(226,050,919)	(226,149,941)
	364,311	-	710,211,215	710,575,526
Profit and Total comprehensive income for the year	-	-	519,620,422	519,620,422
Closing balance of Partners' accounts	364,311	-	1,229,831,637	1,230,195,948

for the year ended 31 March 2016

	Capital Contributions €	Loan account €	Profit and loss account €	Total €
Opening balance of Partners' accounts	364,311	147,979,390	677,099,374	825,443,075
Drawdowns from Partners	-	2,875,022	-	2,875,022
Distributions to Partners	-	(150,854,412)	(93,794,961)	(244,649,373)
	364,311	-	583,304,413	583,668,724
Profit and Total comprehensive income for the year	-	-	352,957,721	352,957,721
Closing balance of Partners' accounts	364,311	-	936,262,134	936,626,445

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

Statement of financial position

as at 31 March 2017

	Notes	2017	2016
Assets		€	€
Non-current assets			
Investments	5		
- Unquoted investments		1,491,446,772	1,061,583,019
Total non-current assets		1,491,446,772	1,061,583,019
Current assets			
Cash and cash equivalents	6	41,429,865	1,411,565
Receivables	7	7,618	21,062,948
Total current assets		41,437,483	22,474,513
Total assets		1,532,884,255	1,084,057,532
Liabilities			
Non-current liabilities			
Carried interest payable	9	(259,636,871)	(104,073,339)
Other payables		(34,718,792)	-
Total non-current liabilities		(294,355,663)	(104,073,339)
Current liabilities			
Carried interest payable		(8,261,503)	(43,296,797)
Payables	8	(71,141)	(60,951)
Total current liabilities		(8,332,644)	(43,357,748)
Total liabilities		(302,688,307)	(147,431,087)
Net assets attributable to Partners		1,230,195,948	936,626,445
Represented by:			
Capital contributions		364,311	364,311
Profit and loss accounts		1,229,831,637	936,262,134
Net assets attributable to Partners		1,230,195,948	936,626,445
Carried interest allocation		267,898,374	147,370,136
Total attributable to Partners		1,498,094,322	1,083,996,581

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

The financial statements have been approved and authorised for issue by the Manager.

For and on behalf of 3i Investments plc

Authorised signatory

17th May 2017

Statement of cash flows

for the year ended 31 March 2017

	Notes	2017 €	2016 €
Cash flow from operating activities			
Purchase of investments		(98,907)	(96,442)
Proceeds from investments		311,232,473	241,135,987
Deal related costs		(101,589)	(13,682)
Portfolio income received		1,784,556	5,060,367
Bank interest received		911	-
Bank interest expense		(76,881)	-
Priority profit share	12	(2,353,021)	(3,155,645)
Operating expenses paid		(20,751)	(22,076)
Carried interest paid	9	(44,297,587)	-
Net cash flow from operating activities		266,069,204	242,908,509
Cash flow from financing activities			
Drawdowns		99,022	2,875,023
Distributions		(226,149,941)	(244,649,373)
Net cash flow from financing activities		(226,050,919)	(241,774,350)
Change in cash and cash equivalents		40,018,285	1,134,159
Opening cash and cash equivalents		1,411,565	277,408
Effect of exchange rate fluctuations		15	(2)
Cash and cash equivalents at the end of the year		41,429,865*	1,411,565

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

* Included within this balance is an amount of €34,718,792 (2016: €nil) which is restricted. Refer to note 6.

Accounting policies

A Statement of compliance These financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU and in accordance and compliance with the Partnership (Accounts) Regulation 2008 and the Companies Act 2006.

New standards and interpretations not applied

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 periods beginning on or after
IAS 7	Disclosure initiative (amendments to IAS 7 – Statement of Cash Flows)	1 January 2017
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019

The impact of future standards and amendments on the financial statements is being assessed by the Manager. The Manager does not anticipate that IFRS 9, IFRS 15 and IFRS 16 will have a material impact on its results.

B Basis of preparation The financial statements have been prepared on a going concern basis and are presented in euros, the functional currency of the Partnership, being the currency in which Partners' capital commitments, drawdowns and distributions are denominated.

C Significant accounting estimates and judgements The preparation of financial statements 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 most significant estimates for the Partnership relate to the fair valuation of the investments and carried interest payable. The valuation methodology for investments and carried interest are disclosed in accounting policies E and N.

The Manager has concluded that the Partnership continues to meet the definition of an investment entity as its strategic objectives of investing in portfolio investments and providing investments management services to investors for the purpose of generating returns in the form of investment income and capital appreciation remains unchanged.

D Foreign currency transactions Monetary assets and liabilities denominated in foreign currencies are translated into euros at the closing rates of exchange at the balance sheet date. Foreign currency transactions are translated into euros at the average rates of exchange over the year and exchange differences arising are taken to the Statement of comprehensive income.

E Investments Investments are recognised and de-recognised on a date where the purchase or sale of an investment is under a contract the terms of which require the delivery or settlement of the investment. The Partnership manages its investments with a view to profiting from the receipt of investment income and capital appreciation from changes in the fair value of equity investments.

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 the International Private Equity and Venture Capital ("IPEV") valuation guidelines.

Unquoted investments, including both equity and loans, are designated at fair value through profit and loss and are subsequently carried in the Statement of financial position at fair value. Fair value is measured using IPEV valuation guidelines.

Accounting policies (continued)

E Investments (continued)

Interest-bearing loans accrue interest which is either settled in cash or capitalised on a regular basis and included as part of the principal loan balance. The capitalisation of accrued interest is treated as part of investment additions during the year. If the fair value of an investment is assessed to be below the principal value of the loan, the Partnership recognises a fair value reduction against any interest income accrued from the date of the assessment going forward. "Capitalisation at nil value" is the term used to describe the capitalisation of accrued interest which has been fully provided for. These transactions are disclosed as additions to portfolio cost with an equal reduction in portfolio value.

Realised and unrealised gains and losses on investments are disclosed in the Statement of comprehensive income.

Realised profits or losses over value on the disposal of investments are the difference between the fair value of the consideration received less any directly attributable costs, on the sale of equity and the repayment of loans and receivables, and its carrying value at the start of the accounting period, converted into euros using the exchange rates in force at the date of disposal.

Unrealised profits or losses on the revaluation of investments are the movement in the carrying value of investments between the start and end of the accounting period converted into euros using the exchange rates in force at the reporting date.

Foreign exchange on investments arises on investments made in currencies that are different from the functional currency of the Partnership. Investments are translated at the exchange rate ruling at the date of the transaction. At each subsequent reporting date investments are translated to euros at the exchange rate ruling at that date.

F Revenue recognition The revenue recognised by the Partnership is mostly investment income.

Portfolio income is income from loans that is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable.

G Operating expenses All operating expenses incurred in relation to the management and administration of the Partnership in accordance with the LPA are charged to the Statement of comprehensive income on an accruals basis.

H General Partner's priority profit share The General Partner is entitled to receive a priority profit share, as a first charge on amounts available for allocation among Partners, as determined by the LPA. The priority profit share is treated as an expense in the Statement of comprehensive income and recognised on an accruals basis as it is a contractual obligation with no recourse per the terms of the LPA.

I Cash and cash equivalents Cash and cash equivalents in the Statement of financial position comprise cash at bank and short term deposits held at call with financial institutions, cash and cash equivalents held in escrow with financial institution in the name of the Partnership, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

J Distributions All capital and income receipts are distributed among the Partners based on allocations made in accordance with the LPA and at the discretion of the Manager. Distributions to Partners are accounted for as a deduction to the loan account until the balance is repaid and then as a deduction to the profit and loss accounts. A distribution is recognised in the year when the Manager approves it.

K Capital contributions and loan account Partners have subscribed to the Partnership in commitments represented by capital contributions and loan commitments. These items are recorded as equity as the timing and amount of calls and repayments on these items are at the discretion of the Manager. Capital and loan amounts are recognised when a notice is issued.

L Receivables Assets, other than those specifically accounted for under a separate policy, are stated at their cost less impairment. They are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated based on expected discounted future cash flows and any changes in the level of impairment is recognised directly in the Statement of comprehensive income.

Accounting policies (continued)

M Payables Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which are considered to be payable in respect of goods or services received up to the Statement of financial position date.

N Carried interest In accordance with the LPA, the Founder Partner is entitled to receive a share of the realised profits of the Partnership. The Founder Partner will receive its share of the profits after the performance conditions described in the LPA have been met and the outstanding participation for all Partners, including the General Partner, has been repaid. Carried interest is accrued at the balance sheet date where the calculation indicates that the performance conditions would have been achieved and distribution arrangements met were the investments realised at their fair values. An accrual is made equal to the Founder Partner's share of profits in excess of the performance conditions, discounted to reflect the likely actual cash payment date, which may be materially later than the time of the accrual.

An increase in the carried interest due to the Founder Partner during the year is included as carried interest expense in the Statement of comprehensive income. A recovery of previously accrued carried interest results from a decrease in carried interest due to the Founder Partner, at the reporting date.

Notes to the financial statements

1 Portfolio income

	2017 €	2016 €
Interest income	2,558,916	7,748,507
Negotiation fees	27,605	-
	2,586,521	7,748,507

2 Unrealised profit on the revaluation of investments

	Unquoted Investments €	2017 Total €
Movement in the fair value of investments	696,146,032	696,146,032
	696,146,032	696,146,032

	Unquoted Investments €	2016 Total €
Movement in the fair value of investments	390,865,475	390,865,475
	390,865,475	390,865,475

3 Realised profit on the disposal of investments

	Unquoted Investments €	2017 Total €
Proceeds from investments	290,378,711	290,378,711
Opening fair value of disposed investments	(267,183,150)	(267,183,150)
	23,195,561	23,195,561

	Unquoted Investments €	2016 Total €
Proceeds from investments	260,382,603	260,382,603
Opening fair value of disposed investments	(240,053,703)	(240,053,703)
	20,328,900	20,328,900

4 Operating expenses

	2017	2016
	€	€
Professional expenses	31,015	1,859
Bank charges	-	2,217
	31,015	4,076

The auditor's remuneration for the year of €7,021 (2016: €7,600) was borne by 3i plc, a fellow subsidiary.

5 Investments

	Unquoted investments	Total
	€	€
Fair value at 1 April 2016	1,061,583,019	1,061,583,019
Additions during the year	11,765,290	11,765,290
Disposals, repayments and write-offs	(267,183,150)	(267,183,150)
Fair value gain	686,739,693	686,739,693
Foreign exchange	(1,458,080)	(1,458,080)
Fair value at 31 March 2017	1,491,446,772	1,491,446,772

The fair value of unquoted investments comprises equity of €1,350,982,747 (2016: €880,244,937) and loans of €140,464,025 (2016: €181,338,083).

Included within additions during the year were €11,666,383 (2016: €18,450,478) of accrued income and capitalised interest of which €10,864,406 (2016:€12,603,900) was capitalised at nil, which is reflected as reduction in fair value gain.

The holding period of the Partnership's investments is on average greater than one year. For this reason the investments are classified as non-current. It is not possible to identify with certainty investments that will be sold within one year.

Fair value hierarchy

The Partnership classifies financial instruments measured at fair value in the investments according to the following hierarchy:

Level	Fair value input description	Financial instruments
Level 1	Quoted prices (unadjusted) from active markets	No quoted equity instruments
Level 2	Inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)	No Level 2 financial instruments
Level 3	Inputs that are not based on observable market data	Unquoted equity instruments and loan instruments

Unquoted equity instruments and loan instruments are measured at fair value in accordance with the IPEV valuation guidelines with reference to the most appropriate information available at the time of measurement. Loans and equity are valued together to derive the fair value of the asset, where loan and equity instruments are in the same investment and are invested and disposed of at the same time, and cannot be traded separately. To arrive at the fair value of the unquoted equity and loan instruments, the entire fair value of the asset is estimated. The value is then distributed amongst the different loan, equity and other financial instruments accordingly.

5 Investments (continued)

The Partnership's investments in equity instruments and loan instruments are classified by the fair value hierarchy as follows:

	2017 Level 1 €	2017 Level 2 €	2017 Level 3 €	2017 Total €
Unquoted investments	-	-	1,491,446,772	1,491,446,772
Total	-	-	1,491,446,772	1,491,446,772

	2016 Level 1 €	2016 Level 2 €	2016 Level 3 €	2016 Total €
Unquoted investments	-	-	1,061,583,019	1,061,583,019
Total	-	-	1,061,583,019	1,061,583,019

As at 2017 and 2016, the Partnership did not hold any Level 1 and Level 2 investments.

Investments are reviewed at each year end to ensure that they are correctly classified between Level 1, 2 and 3, in accordance with the fair value hierarchy authorised above. When an investment's characteristics change during the financial period and investments no longer meet the criteria of a given level, they are transferred into a more appropriate level at the end of the relevant financial reporting period.

Level 3 fair value reconciliation

	2017 €	2016 €
Opening book value	1,061,583,019	909,785,361
Additions	11,765,290	16,730,588
Disposals, repayments and write-offs	(267,183,150)	(240,053,703)
Fair value movement	686,739,693	375,915,112
Foreign exchange	(1,458,080)	(794,339)
Closing fair value	1,491,446,772	1,061,583,019

All net realised and unrealised gains / (losses) in the tables above are reflected in the accompanying Statement of comprehensive income. Net amount of €719,341,593 (2016: €411,194,375) relates to those investments held by the Partnership at 31 March 2017 and is reflected within Unrealised profit on the revaluation of investments and Realised profit on the disposal of investments, in the Statement of comprehensive income.

Level 3 inputs are sensitive to assumptions made when ascertaining fair value as described in accounting policy E. All investments held at 31 March 2017 and classified as Level 3, were valued using a multiple of earnings.

The fair values of all other assets and liabilities approximate their carrying amounts in the Statement of financial position.

5 Investments (continued)

Valuation techniques

Valuation multiple

The valuation multiple is the main assumption applied in a multiple of earnings-based valuation. The multiple is derived, by the Manager, from comparable listed companies or relevant market transaction multiples. Companies in the same industry and, where possible, with a similar business model and profile are selected and then adjusted for factors including liquidity risk, growth potential and relative performance. The value weighted average multiple used when valuing the portfolio was 16.04x (2016: 13.53x). If the multiple used to value each unquoted investment valued on an earnings multiple basis as at 31 March 2017 decreased by 5%, the impact on the investment portfolio would be a decrease of €102 million (2016: €71 million) or 6.85% (2016: 7.17%). If the multiple increased by 5% then the impact on the investment portfolio would be an increase of €102 million (2016: €71 million) or 6.85% (2016: 7.17%).

6 Cash and cash equivalents

	2017	2016
	€	€
Unrestricted cash and cash equivalents	6,711,073	1,411,565
Restricted cash held in escrow	34,718,792	-
	41,429,865	1,411,565

Restricted cash held in escrow is not available for use by the Partnership. Should certain performance conditions be met, this ring-fenced cash will be released to Partners and if not the cash will be released to 3i. It is estimated that these amounts will be held until November 2018.

7 Receivables

	2017	2016
	€	€
Investment debtors	-	21,062,948
Amounts due from group undertakings	7,618	-
	7,618	21,062,948

8 Payables

	2017	2016
	€	€
Accrued expenses	71,141	60,951
	71,141	60,951

9 Carried interest payable

	2017	2016
	€	€
Opening carried interest payable	147,370,136	84,540,743
Carried interest payable recognised in the Statement of comprehensive income during the year	199,544,617	62,829,393
Cash paid in the year	(44,297,587)	-
Other movements	(34,718,792)	-
	267,898,374	147,370,136
Of which: payable is greater than 1 year	259,636,871	104,073,339

Carried interest payable at the balance sheet date is discounted to reflect the likely cash payment date, which may be materially later than the time of the accrual. If the carried interest payable were not discounted, the accrual at the balance sheet date would be higher at €296,654,812.

10 Taxation

No provision for taxation has been made as the Partnership has no liability to taxation. Any taxation arising on the income and gains of the Partnership is payable by the individual Partners. Any withholding tax incurred by the Partnership is charged to the Statement of comprehensive income.

11 Financial instruments and associated risks

The Partnership's investments are subject to market price risk, currency risk, concentration risk, credit risk, liquidity risk and interest rate risk.

Market price risk

Market risk is the potential for changes in value due to the performance of underlying investments.

The Partnership's investments are susceptible to market price risk arising from uncertainties about future market conditions within which the investments operate. The Partnership's market risk is regularly managed by the General Partner.

The Partnership's management of price risk which arises primarily from unquoted equity instruments is through the careful consideration of the investment, asset management and divestment decisions by the General Partner.

A 15% change in the fair value of those investments would have the following direct impact on the Statement of comprehensive income:

	Unquoted investments	Total
	€	€
At 31 March 2017	223,717,016	223,717,016
At 31 March 2016	159,237,453	159,237,453

11 Financial instruments and associated risks (continued)

Currency risk

A significant exposure to currency risk is due to fluctuations in foreign currency translation. At 31 March 2017, the Partnership was exposed to currency risk relating to EUR/USD and EUR/SEK. At 31 March 2017, had EUR strengthened / weakened by 5%, 10% or 15% in relation to these currencies, with all other variables held constant, net assets attributable to Partners would have decreased / increased respectively by the amounts shown in the following table.

	5%	10%	15%
As at 31 March 2017	**€**	**€**	**€**
SEK	2,037,139	3,889,083	5,579,988
USD	(485)	(926)	(1,329)
	2,036,654	3,888,157	5,578,659
As at 31 March 2016	**€**	**€**	**€**
SEK	2,279,592	4,351,949	6,244,101
USD	-	-	-
	2,279,592	4,351,949	6,244,101

In addition to this, the table below sets out the Partnership's exposure to foreign currency exchange rates with regard to the Partnership's assets and liabilities at the year end. The Partnership's total assets were €1,532,884,255 (2016: €1,084,057,532) and the total liabilities (including accrual for carried interest) were €302,688,307 (2016: €147,431,087).

% of total Partnership assets	2017	2016
SEK	2.8%	4.4%
USD	-	-
	2.8%	4.4%

% of total Partnership liabilities	2017	2016
SEK	-	-
USD	14.3%	-
	14.3%	-

86% (2016: 100%) of the Partnership's liabilities were denominated in euros.

Concentration risk

The Manager seeks to diversify risk through significant dispersion of investments by geography, economic sector and size as well as through the maturity profile of its investment portfolio.

The Partnership participates in four portfolio investments and, as a consequence, the aggregate return of the Partnership may be materially and adversely affected by the unfavourable performance of the largest investment. This investment is concentrated in the non-food discount retail industry and thus the Partnership's performance will be closely linked to the performance of this industry and the Partnership could be severely impacted by adverse developments affecting this industry.

11 Financial instruments and associated risks (continued)

Credit risk

Credit risk is the potential that an issuer, counterparty or underlying investment third party will be unable to meet commitments that it has entered into with the Partnership and/or the commitments with underlying investments of the Partnership.

At the Partnership level, the maximum exposure to credit risk, in the event that counterparties fail to perform their obligations as at period end (in relation to each class of recognised financial assets), is the carrying amount of those assets as indicated in the Statement of financial position. Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect the Partnership's counterparties whose aggregate credit exposure is significant in relation to the Partnership's total credit exposure. Credit risk in relation to the debt element of the Partnership's investments is considered and monitored as part of the valuation process described in note 5 and considered to be part of market price.

At the Partnership's underlying investment level, transactions will be entered into with concurrently diverse creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

At the balance sheet date, there are no balances which were past due or impaired.

Liquidity risk

The Partnership's liquidity risk is the risk that the Partnership will encounter difficulties raising liquid funds to meet commitments as they fall due. The Manager is responsible for determining the level of liquid funds to be held by the Partnership. A prudent liquidity risk management approach is adopted to ensure sufficient cash is available for both operational expenses and investments through capital calls from Partners. As at 31 March 2017, the Partnership has undrawn commitments of €153,843,285 (2016: €153,942,308) which is callable by the Manager in accordance with the terms set out in the LPA.

The Partnership's investments are subject to liquidity risk in the normal course of business. As at 31 March 2017, the Partnership held €1,491,446,772 (2016: €1,061,583,019) in investments that it considered to be illiquid. The Manager manages this risk by ensuring that sufficient funds exist to meet outstanding commitments, other liabilities incurred by the operating activities of the Partnership and short term liquidity needs, as they fall due.

11 Financial Instruments and associated risks (continued)

The following table analyses the Partnership's undrawn commitments and assets into relevant maturity groupings based on the remaining period at the Statement of financial position date.

As at 31 March 2017	Undrawn commitments	Assets less than 1 year	Assets between 1-5 years	Assets more than 5 years	Total
	€	€	€	€	€
Undrawn commitments and total assets	153,843,285	41,437,483*	1,491,446,772	-	1,686,727,540
	153,843,285	41,437,483	1,491,446,772	-	1,686,727,540
As at 31 March 2016					
Undrawn commitments and total assets	153,942,308	22,474,513	1,061,583,019	-	1,237,999,840
	153,942,308	22,474,513	1,061,583,019	-	1,237,999,840

* Included within assets less than 1 year include an amount of €34,718,792 which is restricted cash as referred to in note 6.

The following table analyses the Partnership's liabilities into relevant maturity groupings based on the remaining period at the Statement of financial position date. The amounts in the tables are the contractual undiscounted cash flows.

As at 31 March 2017	Liabilities less than 1 year	Liabilities between 1-5 years	Liabilities more than 5 years	Total
	€	€	€	€
Carried interest payable within one year	8,261,503	-	-	8,261,503
Other payables and accrued expenses	71,141	34,718,792	-	34,789,933
	8,332,644	34,718,792	-	43,051,436
As at 31 March 2016				
Carried interest payable within one year	43,296,797	-	-	43,296,797
Other payables and accrued expenses	60,951	-	-	60,951
	43,357,748	-	-	43,357,748

Carried interest payable greater than one year of €259,636,871 (2016: €104,073,339) has no stated maturity as carried interest results from investment related transactions and it is not possible to identify with certainty the timing of when the investments will be sold. The Partnership has no other liabilities to analyse into relevant maturity groupings.

Interest rate risk

The Partnership has no significant direct exposure to interest rate risk as its investments in debt instruments are in fixed rate loans. Indirect exposure to interest rate risk is via portfolio companies and is included in market price risk.

11 Financial Instruments and associated risks (continued)

Capital Management

The capital of the Partnership is considered to be the capital contributions, loan accounts and profit and loss accounts, which totalled €1,230,195,948 (2016: €936,626,445) at the reporting date. There are no externally imposed capital requirements on the Partnership. To maintain or adjust the capital structure, the General Partner may request additional contributions from the Partners in the form of drawdowns for operating expense or investment purposes and distribute capital back to the Partners on the sale of investments and receipt of income yields. No changes were made in the Partnership's objectives, policies or processes for the management of capital during the year ended 31 March 2017.

12 Related parties

During the year the Partnership entered into transactions, in the ordinary course of business, with certain related parties. Each category of related party and its impact on the financial statements is detailed below.

Carried interest

The Partnership pays carried interest to Founder Partners when certain conditions relating to the performance of the Partnership are met. The amounts recognised in the Statement of comprehensive income for the year ended 31 March 2017 and in the Statement of financial position as at 31 March 2017 are set out in note 9 and note 6.

General Partner

The Partnership pays a priority profit share to its General Partner, 3i GP 2010 Limited. During the investment period, the General Partner is entitled to receive a priority profit share equal to 1.63% of the acquisition cost of investments, reduced to the extent that the General Partner or any respective related party is in receipt of any fees related to the Partnership's activities. After the investment period expiry date, the priority profit share is reduced to 1.41% of the aggregate acquisition cost of investments as determined at the investment period expiry date, as reduced by the acquisition cost of investments that have been realised or permanently written off at the beginning of the relevant accounting period.

The General Partner is a related party of the Partnership, being responsible for the financial and operating decisions of the Partnership. The General Partner is a wholly owned subsidiary of 3i Holdings plc, a subsidiary of 3i.

	2017	2016
Statement of comprehensive income	**€**	**€**
Priority profit share	2,353,021	3,155,645
Statement of financial position		
Accrued at the end of the year	-	-

Management, administrative and secretarial arrangements

During the year a number of costs were recharged between the Partnership and 3i plc, a subsidiary of 3i, in accordance with the LPA in relation to operational and investment expenses.

	2017	2016
Statement of comprehensive income	**€**	**€**
Recharged costs	93,971	13,682
Statement of financial position		
Accrued at the end of the year	-	-
Receivable at the end of the year	7,618	-

12 Related parties (continued)

Related undertakings

The Partnership makes investments in the equity of unquoted investments where it does not have control but may be able to participate in the financial and operating policies of that company. It is presumed that it is possible to exert significant influence when the equity holding is greater than 20%. The total amounts included for investments where the Partnership has significant influence but not control are as follows:

	2017	2016
Statement of comprehensive income	**€**	**€**
Portfolio income	1,690,805	3,761,980
Unrealised profit on the revaluation of investments	700,899,162	24,197,872
Realised profit on the disposal of investments	2,152,558	694,700
Statement of financial position		
Unquoted investments	1,445,362,149	249,163,735

13 Related undertakings

The Companies Act 2006 requires disclosure of certain information about the Partnership'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 a shareholding greater than or equal to 20% of the nominal value of any class of shares.

The Partnership's related undertakings at 31 March 2017 are listed below.

Associates

Description	Holding / share class	Address	Country of incorporation or residence	Principal activity
Peer Holding 1 B.V.	29.1% Ordinary shares	Perenmarkt 15,Zwaagdijk East, 1681PG, Netherlands	Netherlands	Investment holding vehicle
Chrysanthes 1 Sarl (TopCo Sarl)	33.5% Classes 1-9 ordinary shares	9 Rue Sainte Zithe, L-2763 Luxembourg, Grand Duchy of Luxembourg	Luxembourg	Investment holding vehicle
Echezeaux Investissement SA	27.1% A-J ordinary shares	9 Rue Sainte Zithe, L-2763 Luxembourg, Grand Duchy of Luxembourg	Luxembourg	Investment holding vehicle

The Partnership has no interest in any subsidiaries and joint ventures.

14 Controlling party

3i is the ultimate parent undertaking and controlling party of the Manager and the General Partner of the Partnership. Copies of the 3i financial statements which include the Partnership are available from 16 Palace Street, London, SW1E 5JD.

3i Buyouts 2010 B LP

Annual report and accounts for the year to 31 March 2017

Registered number: LP 13808

Contents

Strategic report

The Directors of 3i Investments plc (the "Manager") present their strategic report 3i Buyouts 2010 B LP (the "Partnership") for the year ended 31 March 2017.

Results and business review

The principal activity of the Partnership is to carry on the business of an investor in buyout deals across all regions in which 3i Group plc ("3i") invests worldwide.

The main key performance indicators are as follows:

	2017	2016
	€	€
Profit and Total comprehensive income for the year before carried interest expense	122,695,945	70,891,766
Profit and Total comprehensive income for the year	80,417,172	57,592,888
Net assets attributable to Partners	198,911,264	153,708,809
Total attributable to Partners	255,665,088	184,925,707

The results for the year and financial position of the Partnership are as shown in the annexed financial statements.

The Directors of the Manager are satisfied with the performance of the Partnership for the year, which has been driven by strong asset cash flows derived from proceeds from investments of €53,084,103 and profits on realisation of €3,958,063. The Partnership also distributed €44,619,877 to its Partners including carried interest of €9,388,283. Other contributing factors to performance include the unrealised gains on the value of the remaining investments of €118,790,271.

Future developments

The Manager does not foresee any future changes in the activity of the Partnership in the short term.

Risk management

The Manager evaluates the Partnership's risk appetite on a regular basis. The principal risks and uncertainties facing the Partnership are considered to be the following:

- Market price risk
- Currency risk
- Concentration risk
- Credit risk
- Liquidity risk
- Interest rate risk
- Capital management

Strategic report

The Manager has established a risk and financial management framework whose primary objective is to protect the Partnership from events that hinder the achievement of the Partnership's performance objectives, being to generate attractive risk-adjusted returns to investors.

These objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a Partnership level. Details of the Partnership's associated risk policies are found in note 11.

For and on behalf of 3i Investments plc

Authorised signatory
17th May 2017
Registered office:
16 Palace Street
London
SW1E 5JD

Manager's report

The Directors of the Manager present their Manager's report on the Partnership for the year ended 31 March 2017.

Background and general information

The Partnership was established on 4 March 2010 and is domiciled in England as an English Limited Partnership under the Limited Partnership Act 1907. The registered office of the Partnership is 16 Palace Street, London, SW1E 5JD. The General Partner of the Partnership is 3i GP 2010 Limited.

The Manager submits its report with the financial statements of the Partnership for the year to 31 March 2017.

Activities and future prospects

The Partnership has been reported as a Qualifying Limited Partnership as defined under The Partnerships (Accounts) Regulations 2008.

The principal activity of the Partnership is to carry on the business of an investor in buyout deals across all regions in which 3i invests worldwide.

The Partnership is no longer investing other than in follow-on financing. The Manager continues to realise individual investments in appropriate circumstances.

The Manager does not foresee any future changes in the activity of the Partnership in the short term.

Partners' interests

A summary of movements in Partners' accounts is given in the Statement of changes in Partners' accounts on page 10.

Manager

The Manager has responsibility for managing and operating the Partnership and for managing its investment portfolio. The Manager is authorised and regulated by the Financial Conduct Authority.

Going concern

The Manager is satisfied that the Partnership has sufficient undrawn commitments to draw down from Partners and sufficient cash resources to ensure that the Partnership can continue to operate for the foreseeable future and for at least 12 months. For this reason, it continues to prepare the financial statements on a going concern basis.

Events after the balance sheet date

There were no material events subsequent to the balance sheet date.

Manager's report

Disclosure of information to auditor

The Manager confirms that: (a) so far as it is aware, there is no relevant audit information of which the auditor is unaware; and (b) it has taken all steps it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of such information.

Auditor

During the year, Ernst & Young was reappointed and remains as auditor of the Partnership in accordance with clause 17.9 of the Limited Partnership Agreement ("LPA") and chapter 2, section 485 of the Companies Act 2006.

For and on behalf of 3i Investments plc

Authorised signatory

17th May 2017

Registered office:
16 Palace Street
London
SW1E 5JD

Members' responsibilities statement

The Partnerships (Accounts) Regulations 2008 requires the members to prepare financial statements for each financial year. The members have appointed the Manager to prepare the financial statements.

The Manager is responsible for preparing the Manager's report, Strategic report and financial statements in accordance with applicable law and regulations.

The Manager has elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and applicable law. Under law the Manager must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and the profit or loss of the Partnership for that period.

In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the EU, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The Manager has been appointed by the members to fulfil the below responsibilities of the members.

The Manager is responsible for keeping adequate accounting records which are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership, and which enable the members to ensure that the financial statements comply with the Companies Act 2006 as applicable to Qualifying Limited Partnerships by The Partnerships (Accounts) Regulations 2008. The Manager is also responsible for safeguarding the assets of the Partnerships and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Manager confirms that they have complied with the above requirements in preparing the financial statements.

Auditor's report

Independent auditor's report to the members of 3i Buyouts 2010 B LP

We have audited the financial statements of 3i Buyouts 2010 B LP for the year ended 31 March 2017 which comprise the Statement of comprehensive income, the Statement of changes in Partners' accounts, the Statement of financial position, the Statement of cash flows, the accounting policies A to N, and the related notes 1 to 13. 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 qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership'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 qualifying partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' responsibilities statement set out on page 6, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 qualifying partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 qualifying partnership's affairs as at 31 March 2017 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 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Opinion on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships by The Partnership (Accounts) Regulations

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

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

Auditor's report

Matters on which we are required to report by exception

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic report or Manager's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Maximiliano Bark (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

17 May 2017

Statement of comprehensive income

for the year ended 31 March 2017

	Notes	2017 €	2016 €
Portfolio income	1	441,364	1,318,334
Unrealised profit on the revaluation of investments	2	118,790,271	66,696,042
Realised profit on the disposal of investments	3	3,958,063	3,415,139
Foreign exchange on investments		-	3,096
Gross investment return		123,189,698	71,432,611
Priority profit share		(401,493)	(537,890)
Deal related costs		(16,035)	(2,335)
Operating expenses	4	-	(620)
Net interest expense		(15,438)	-
Withholding tax expense		(60,787)	-
Profit and Total comprehensive income for the year before carried interest expense		122,695,945	70,891,766
Carried interest expense	9	(42,278,773)	(13,298,878)
Profit and Total comprehensive income for the year		80,417,172	57,592,888

All items in the above statement are derived from continuing operations. No operations were acquired or discontinued in the year.

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

Statement of changes in Partners' accounts

for the year ended 31 March 2017

	Capital Contributions €	Loan account €	Profit and loss account €	Total €
Opening balance of Partners' accounts	67,373	-	153,641,436	153,708,809
Drawdowns from Partners	-	16,877	-	16,877
Distributions to Partners	-	(16,877)	(35,214,717)	(35,231,594)
	67,373	-	118,426,719	118,494,092
Profit and Total comprehensive income for the year	-	-	80,417,172	80,417,172
Closing balance of Partners' accounts	67,373	-	198,843,891	198,911,264

for the year ended 31 March 2016

	Capital Contributions €	Loan account €	Profit and loss account €	Total €
Opening balance of Partners' accounts	67,373	25,246,342	112,120,273	137,433,988
Drawdowns from Partners	-	480,467	-	480,467
Distributions to Partners	-	(25,726,809)	(16,071,725)	(41,798,534)
	67,373	-	96,048,548	96,115,921
Profit and Total comprehensive income for the year	-	-	57,592,888	57,592,888
Closing balance of Partners' accounts	67,373	-	153,641,436	153,708,809

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

Statement of financial position

as at 31 March 2017

	Notes	2017 €	2016 €
Assets			
Non-current assets			
Investments	5		
- Unquoted investments		254,500,424	181,148,546
Total non-current assets		254,500,424	181,148,546
Current assets			
Cash and cash equivalents	6	8,527,329	192,849
Receivables	7	1,300	3,594,713
Total current assets		8,528,629	3,787,562
Total assets		263,029,053	184,936,108
Liabilities			
Non-current liabilities			
Carried interest payable	9	(55,344,091)	(22,045,490)
Other payables		(7,353,564)	-
Total non-current liabilities		(62,697,655)	(22,045,490)
Current liabilities			
Carried interest payable	9	(1,409,733)	(9,171,408)
Payables	8	(10,401)	(10,401)
Total current liabilities		(1,420,134)	(9,181,809)
Total liabilities		(64,117,789)	(31,227,299)
Net assets attributable to Partners		198,911,264	153,708,809
Represented by:			
Capital contributions		67,373	67,373
Profit and loss accounts		198,843,891	153,641,436
Net assets attributable to Partners		198,911,264	153,708,809
Carried interest allocation		56,753,824	31,216,898
Total attributable to Partners		255,665,088	184,925,707

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

The financial statements have been approved and authorised for issue by the Manager.

For and on behalf of 3i Investments plc

Authorised signatory

17th May 2017

Statement of cash flows

for the year ended 31 March 2017

	Notes	2017 €	2016 €
Cash flow from operating activities			
Purchase of investments		(16,877)	(16,457)
Proceeds from investments		53,084,103	41,146,475
Deal related costs		(17,335)	(2,335)
Portfolio income received		304,518	863,477
Bank interest received		156	-
Bank interest expense		(15,592)	-
Priority profit share	12	(401,493)	(537,890)
Operating expenses		-	(620)
Carried interest paid	9	(9,388,283)	-
Net cash flow from operating activities		43,549,197	41,452,650
Cash flow from financing activities			
Drawdowns		16,877	480,467
Distributions		(35,231,594)	(41,798,534)
Net cash flow from financing activities		(35,214,717)	(41,318,067)
Change in cash and cash equivalents		8,334,480	134,583
Opening cash and cash equivalents		192,849	58,266
Cash and cash equivalents at the end of the year		8,527,329*	192,849

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

* Included within this balance is an amount of €7,353,564 (2016: €nil) which is restricted. Refer to note 6.

Accounting policies

A Statement of compliance These financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU and in accordance and compliance with the Partnership (Accounts) Regulation 2008 and the Companies Act 2006.

New standards and interpretations not applied

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 periods beginning on or after
IAS 7	Disclosure initiative (amendments to IAS 7 – Statement of Cash Flows)	1 January 2017
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019

The impact of future standards and amendments on the financial statements is being assessed by the Manager. The Manager does not anticipate that IFRS 9, IFRS 15 and IFRS 16 will have a material impact on its results.

B Basis of preparation The financial statements have been prepared on a going concern basis and are presented in euros, the functional currency of the Partnership, being the currency in which Partners' capital commitments, drawdowns and distributions are denominated.

C Significant accounting estimates and judgements The preparation of financial statements 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 most significant estimates for the Partnership relate to the fair valuation of the investments and carried interest payable. The valuation methodology for investments and carried interest are disclosed in accounting policies E and N.

The Manager has concluded that the Partnership continues to meet the definition of an investment entity as its strategic objectives of investing in portfolio investments and providing investments management services to investors for the purpose of generating returns in the form of investment income and capital appreciation remains unchanged.

D Foreign currency transactions Monetary assets and liabilities denominated in foreign currencies are translated into euros at the closing rates of exchange at the balance sheet date. Foreign currency transactions are translated into euros at the average rates of exchange over the year and exchange differences arising are taken to the Statement of comprehensive income.

E Investments Investments are recognised and de-recognised on a date where the purchase or sale of an investment is under a contract the terms of which require the delivery or settlement of the investment. The Partnership manages its investments with a view to profiting from the receipt of investment income and capital appreciation from changes in the fair value of equity investments.

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 the International Private Equity and Venture Capital ("IPEV") valuation guidelines.

Unquoted investments, including both equity and loans, are designated at fair value through profit and loss and are subsequently carried in the Statement of financial position at fair value. Fair value is measured using IPEV valuation guidelines.

Accounting policies (continued)

E Investments (continued)

Interest-bearing loans accrue interest which is either settled in cash or capitalised on a regular basis and included as part of the principal loan balance. The capitalisation of accrued interest is treated as part of investment additions during the year. If the fair value of an investment is assessed to be below the principal value of the loan, the Partnership recognises a fair value reduction against any interest income accrued from the date of the assessment going forward. "Capitalisation at nil value" is the term used to describe the capitalisation of accrued interest which has been fully provided for. These transactions are disclosed as additions to portfolio cost with an equal reduction in portfolio value.

Realised and unrealised gains and losses on investments are disclosed in the Statement of comprehensive income.

Realised profits or losses over value on the disposal of investments are the difference between the fair value of the consideration received less any directly attributable costs, on the sale of equity and the repayment of loans and receivables, and its carrying value at the start of the accounting period, converted into euros using the exchange rates in force at the date of disposal.

Unrealised profits or losses on the revaluation of investments are the movement in the carrying value of investments between the start and end of the accounting period converted into euros using the exchange rates in force at the reporting date.

Foreign exchange on investments arises on investments made in currencies that are different from the functional currency of the Partnership. Investments are translated at the exchange rate ruling at the date of the transaction. At each subsequent reporting date investments are translated to euros at the exchange rate ruling at that date.

F Revenue recognition The revenue recognised by the Partnership is mostly investment income.

Portfolio income is income from loans that is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable.

G Operating expenses All operating expenses incurred in relation to the management and administration of the Partnership in accordance with the LPA are charged to the Statement of comprehensive income on an accruals basis.

H General Partner's priority profit share The General Partner is entitled to receive a priority profit share, as a first charge on amounts available for allocation among Partners, as determined by the LPA. The priority profit share is treated as an expense in the Statement of comprehensive income and recognised on an accruals basis as it is a contractual obligation with no recourse per the terms of the LPA.

I Cash and cash equivalents Cash and cash equivalents in the Statement of financial position comprise cash at bank and short term deposits held at call with financial institutions, cash and cash equivalents held in escrow with financial institution in the name of the Partnership, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

J Distributions All capital and income receipts are distributed among the Partners based on allocations made in accordance with the LPA and at the discretion of the Manager. Distributions to Partners are accounted for as a deduction to the loan account until the balance is repaid and then as a deduction to the profit and loss accounts. A distribution is recognised in the year when the Manager approves it.

K Capital contributions and loan account Partners have subscribed to the Partnership in commitments represented by capital contributions and loan commitments. These items are recorded as equity as the timing and amount of calls, repayments and returns on these items are at the discretion of the Manager. Capital and loan amounts are recognised when a notice is issued.

L Receivables Assets, other than those specifically accounted for under a separate policy, are stated at their cost less impairment. They are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated based on expected discounted future cash flows and any changes in the level of impairment is recognised directly in the statement of comprehensive income.

Accounting policies (continued)

M Payables Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which are considered to be payable in respect of goods or services received up to the Statement of financial position date.

N Carried interest In accordance with the LPA, the Founder Partner is entitled to receive a share of the realised profits of the Partnership. The Founder Partner will receive its share of the profits after the performance conditions described in the LPA have been met and the outstanding participation for all Partners, including the General Partner, has been repaid. Carried interest is accrued at the balance sheet date where the calculation indicates that the performance conditions would have been achieved and distribution arrangements met were the investments realised at their fair values. An accrual is made equal to the Founder Partner's share of profits in excess of the performance conditions, discounted to reflect the likely actual cash payment date, which may be materially later than the time of the accrual.

An increase in the carried interest due to the Founder Partner during the year is included as carried interest expense in the Statement of comprehensive income. A recovery of previously accrued carried interest results from a decrease in carried interest due to the Founder Partner, at the reporting date.

Notes to the financial statements

1 Portfolio income

	2017 €	2016 €
Interest income	436,654	1,318,334
Negotiation fees	4,710	-
	441,364	1,318,334

2 Unrealised profit on the revaluation of investments

	Unquoted Investments €	2017 Total €
Movement in the fair value of investments	118,790,271	118,790,271
	118,790,271	118,790,271

	Unquoted Investments €	2016 Total €
Movement in the fair value of investments	66,696,042	66,696,042
	66,696,042	66,696,042

3 Realised profit on the disposal of investments

	Unquoted Investments €	2017 Total €
Proceeds from investments	49,550,176	49,550,176
Opening fair value of disposed investments	(45,592,113)	(45,592,113)
	3,958,063	3,958,063

	Unquoted Investments €	2016 Total €
Proceeds from investments	44,431,249	44,431,249
Opening fair value of disposed investments	(41,016,110)	(41,016,110)
	3,415,139	3,415,139

4 Operating expenses

	2017	2016
	€	€
Bank charges	-	620
	-	620

The auditor's remuneration for the year of €7,021 (2016: €7,600) was borne by 3i plc, a fellow subsidiary.

5 Investments

	Unquoted investments	Total
	€	€
Fair value at 1 April 2016	181,148,546	181,148,546
Additions during the year	2,007,642	2,007,642
Disposals, repayments and write-offs	(45,592,113)	(45,592,113)
Fair value gain	117,185,151	117,185,151
Foreign exchange	(248,802)	(248,802)
Fair value at 31 March 2017	254,500,424	254,500,424

The fair value of unquoted investments comprises equity of €230,531,490 (2016: €150,204,861) and loans of €23,968,934 (2016: €30,943,685).

Included within additions during the year were €1,990,764 (2016: €3,144,643) of accrued income and capitalised interest of which €1,853,917 (2016:€2,150,745) was capitalised at nil, which is reflected as a reduction in fair value gain.

The holding period of the Partnership's investments is on average greater than one year. For this reason the investments are classified as non-current. It is not possible to identify with certainty investments that will be sold within one year.

Fair value hierarchy

The Partnership classifies financial instruments measured at fair value in the investments according to the following hierarchy:

Level	Fair value input description	Financial instruments
Level 1	Quoted prices (unadjusted) from active markets	No quoted equity instruments
Level 2	Inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)	No Level 2 financial instruments
Level 3	Inputs that are not based on observable market data	Unquoted equity instruments and loan instruments

Unquoted equity instruments and loan instruments are measured at fair value in accordance with the IPEV valuation guidelines with reference to the most appropriate information available at the time of measurement. Loans and equity are valued together to derive the fair value of the asset, where loan and equity instruments are in the same investment and are invested and disposed of at the same time, and cannot be traded separately. To arrive at the fair value of the unquoted equity and loan instruments, the entire fair value of the asset is estimated. The value is then distributed amongst the different loan, equity and other financial instruments accordingly.

5 Investments (continued)

The Partnership's investments in equity instruments and loan instruments are classified by the fair value hierarchy as follows:

	2017 Level 1 €	2017 Level 2 €	2017 Level 3 €	2017 Total €
Unquoted investments	-	-	254,500,424	254,500,424
Total	-	-	254,500,424	254,500,424

	2016 Level 1 €	2016 Level 2 €	2016 Level 3 €	2016 Total €
Unquoted investments	-	-	181,148,546	181,148,546
Total	-	-	181,148,546	181,148,546

As at 2017 and 2016, the Partnership did not hold any Level 1 and Level 2 investments.

Investments are reviewed at each year end to ensure that they are correctly classified between Level 1, 2 and 3, in accordance with the fair value hierarchy authorised above. When an investment's characteristics change during the financial period and investments no longer meet the criteria of a given level, they are transferred into a more appropriate level at the end of the relevant financial reporting period.

Level 3 fair value reconciliation

	2017 €	2016 €
Opening book value	181,148,546	155,304,143
Additions	2,007,642	2,851,162
Disposals, repayments and write-offs	(45,592,113)	(41,016,110)
Fair value movement	117,185,151	64,146,100
Foreign exchange	(248,802)	(136,749)
Closing fair value	254,500,424	181,148,546

All net realised and unrealised gains / (losses) in the tables above are reflected in the accompanying Statement of comprehensive income. Net amount of €122,748,334 (2016: €70,111,181) relates to those investments held by the Partnership at 31 March 2017 and is reflected within Unrealised profit on the revaluation of investments and Realised profit on the disposal of investments, in the Statement of comprehensive income.

Level 3 inputs are sensitive to assumptions made when ascertaining fair value as described in accounting policy E. All investments held at 31 March 2017 and classified as Level 3 were valued using a multiple of earnings.

The fair values of all other assets and liabilities approximate their carrying amounts in the Statement of financial position.

5 Investments (continued)

Valuation techniques

Valuation multiple

The valuation multiple is the main assumption applied in a multiple of earnings-based valuation. The multiple is derived, by the Manager, from comparable listed companies or relevant market transaction multiples. Companies in the same industry and, where possible, with a similar business model and profile are selected and then adjusted for factors including liquidity risk, growth potential and relative performance. The value weighted average multiple used when valuing the portfolio was 16.04x (2016: 13.53x). If the multiple used to value each unquoted investment valued on an earnings multiple basis as at 31 March 2017 decreased by 5%, the impact on the investment portfolio would be a decrease of €17 million (2016: €12 million) or 6.85% (2016: 7.17%). If the multiple increased by 5% then the impact on the investment portfolio would be an increase of €17 million (2016: €12 million) or 6.85% (2016: 7.17%).

6 Cash and cash equivalents

	2017	2016
	€	€
Unrestricted cash and cash equivalents	1,173,765	192,849
Restricted cash held in escrow	7,353,564	-
	8,527,329	192,849

Restricted cash held in escrow is not available for use by the Partnership. Should certain performance conditions be met, this ring-fenced cash will be released to Partners and if not the cash will be released to 3i. It is estimated that these amounts will be held until November 2018.

7 Receivables

	2017	2016
	€	€
Investment debtors	-	3,594,713
Amounts due from group undertakings	1,300	-
	1,300	3,594,713

8 Payables

	2017	2016
	€	€
Accrued expenses	10,401	10,401
	10,401	10,401

9 Carried interest payable

	2017	2016
	€	€
Opening carried interest payable	31,216,898	17,918,020
Carried interest payable recognised in the Statement of comprehensive income during the year	42,278,773	13,298,878
Cash paid in the year	(9,388,283)	-
Other movements	(7,353,564)	-
	56,753,824	31,216,898
Of which: payable is greater than 1 year	55,344,091	22,045,490

Carried interest payable at the balance sheet date is discounted to reflect the likely cash payment date, which may be materially later than the time of the accrual. If the carried interest payable were not discounted, the accrual at the balance sheet date would be higher at €62,845,831.

10 Taxation

No provision for taxation has been made as the Partnership has no liability to taxation. Any taxation arising on the income and gains of the Partnership is payable by the individual Partners. Any withholding tax incurred by the Partnership is charged to the Statement of comprehensive income.

11 Financial instruments and associated risks

The Partnership's investments are subject to market price risk, currency risk, concentration risk, credit risk, liquidity risk and interest rate risk.

Market price risk

Market risk is the potential for changes in value due to the performance of underlying investments.

The Partnership's investments are susceptible to market price risk arising from uncertainties about future market conditions within which the investments operate. The Partnership's market risk is regularly managed by the General Partner.

The Partnership's management of price risk which arises primarily from unquoted equity instruments, is through the careful consideration of the investment, asset management and divestment decisions by the General Partner.

A 15% change in the fair value of those investments would have the following direct impact on the Statement of comprehensive income:

	Unquoted investments	Total
	€	€
At 31 March 2017	38,175,064	38,175,064
At 31 March 2016	27,172,282	27,172,282

11 Financial instruments and associated risks (continued)

Currency risk

A significant exposure to currency risk is due to fluctuations in foreign currency translation. At 31 March 2017, the Partnership was exposed to currency risk relating to EUR/SEK. At 31 March 2017, had EUR strengthened / weakened by 5%, 10% or 15% in relation to these currencies, with all other variables held constant, net assets attributable to Partners would have decreased / increased respectively by the amounts shown in the following table.

	5%	10%	15%
As at 31 March 2017	**€**	**€**	**€**
SEK	347,617	663,632	952,168
	347,617	663,632	952,168
As at 31 March 2016	**€**	**€**	**€**
SEK	388,989	742,616	1,065,492
	388,989	742,616	1,065,492

In addition to this, the table below sets out the Partnership's exposure to foreign currency exchange rates with regard to the Partnership's assets and liabilities at the year end. The Partnership's total assets were €263,029,053 (2016: €184,936,108) and the total liabilities (including accrual for carried interest) were €64,117,789 (2016: €31,227,299).

% of total Partnership assets	**2017**	**2016**
SEK	2.8%	4.4%
	2.8%	4.4%
% of total Partnership liabilities	**2017**	**2016**
SEK	-	-
	-	-

Concentration risk

The Manager seeks to diversify risk through significant dispersion of investments by geography, economic sector and size as well as through the maturity profile of its investment portfolio.

The Partnership participates in four portfolio investments and, as a consequence, the aggregate return of the Partnership may be materially and adversely affected by the unfavourable performance of the largest investment. This investment is concentrated in the non-food discount retail industry and thus the Partnership's performance will be closely linked to the performance of this industry and the Partnership could be severely impacted by adverse developments affecting this industry.

11 Financial instruments and associated risks (continued)

Credit risk

Credit risk is the potential that an issuer, counterparty or underlying investment third party will be unable to meet commitments that it has entered into with the Partnership and/or the commitments with underlying investments of the Partnership.

At the Partnership level, the maximum exposure to credit risk, in the event that counterparties fail to perform their obligations as at period end (in relation to each class of recognised financial assets), is the carrying amount of those assets as indicated in the Statement of financial position. Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect the Partnership's counterparties whose aggregate credit exposure is significant in relation to the Partnership's total credit exposure. Credit risk in relation to the debt element of the Partnership's investments is considered and monitored as part of the valuation process described in note 5. The credit quality of loans and receivables within the investment portfolio is based on the financial performance of the individual portfolio companies. For those assets that are not past due it is believed that the risk of default is small and that capital repayments and interest payments will be made in accordance with the agreed terms and conditions of the Partnership's investment. Where the portfolio company has failed or is expected to fail in the next 12 months, the increase in credit risk is included within the overall assessment of the fair value of the investment.

At the Partnership's underlying investment level, transactions will be entered into with concurrently diverse creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

At the balance sheet date, there are no balances which were past due or impaired.

Liquidity risk

The Partnership's liquidity risk is the risk that the Partnership will encounter difficulties raising liquid funds to meet commitments as they fall due. The Manager is responsible for determining the level of liquid funds to be held by the Partnership. A prudent liquidity risk management approach is adopted to ensure sufficient cash is available for both operational expenses and investments through capital calls from Partners. As at 31 March 2017, the Partnership has undrawn commitments of €26,266,949 (2016: €26,283,826) which is callable by the Manager in accordance with the terms set out in the LPA.

The Partnership's investments are subject to liquidity risk in the normal course of business. As at 31 March 2017, the Partnership held €254,500,424 (2016: €181,148,546) in investments that it considered to be illiquid. The Manager manages this risk by ensuring that sufficient funds exist to meet outstanding commitments, other liabilities incurred by the operating activities of the Partnership and short term liquidity needs, as they fall due.

11 Financial Instruments and associated risks (continued)

The following table analyses the Partnership's undrawn commitments and assets into relevant maturity groupings based on the remaining period at the Statement of financial position date.

As at 31 March 2017	Undrawn commitments €	Assets less than 1 year €	Assets between 1-5 years €	Assets more than 5 years €	Total €
Undrawn commitments and total assets	26,266,949	8,528,629*	254,500,424	-	289,296,002
	26,266,949	8,528,629	254,500,424	-	289,296,002
As at 31 March 2016					
Undrawn commitments and total assets	26,283,826	3,787,562	181,148,546	-	211,219,934
	26,283,826	3,787,562	181,148,546	-	211,219,934

* Included within assets less than 1 year include an amount of €7,353,564 which is restricted cash as referred to in note 6.

The following table analyses the Partnership's liabilities into relevant maturity groupings based on the remaining period at the Statement of financial position date. The amounts in the tables are the contractual undiscounted cash flows.

As at 31 March 2017	Liabilities less than 1 year €	Liabilities between 1-5 years €	Liabilities more than 5 years €	Total €
Carried interest payable within one year	1,409,733	-	-	1,409,733
Other payables and accrued expenses	10,401	7,353,564	-	7,363,965
	1,420,134	7,353,564	-	8,773,698
As at 31 March 2016				
Carried interest payable within one year	9,171,408	-	-	9,171,408
Other payables and accrued expenses	10,401	-	-	10,401
	9,181,809	-	-	9,181,809

Carried interest payable greater than one year of €55,344,091 (2016: €22,045,490) has no stated maturity as carried interest results from investment related transactions and it is not possible to identify with certainty the timing of when the investments will be sold. The Partnership has no other liabilities to analyse into relevant maturity groupings.

Interest rate risk

The Partnership has no significant direct exposure to interest rate risk as its investments in debt instruments are in fixed rate loans. Indirect exposure to interest rate risk is via portfolio companies and is included in market price risk.

11 Financial Instruments and associated risks (continued)

Capital Management

The capital of the Partnership is considered to be the capital contributions, loan accounts and profit and loss accounts, which totalled €198,911,264 (2016: €153,708,809) at the reporting date. There are no externally imposed capital requirements on the partnership. To maintain or adjust the capital structure, the General Partner may request additional contributions from the Partners in the form of drawdowns for operating expense or investment purposes and distribute capital back to the Partners on the sale of investments and receipt of income yields. No changes were made in the Partnership's objectives, policies or processes for the management of capital during the year ended 31 March 2017.

12 Related parties

During the year the Partnership entered into transactions, in the ordinary course of business, with certain related parties. Each category of related party and its impact on the financial statements is detailed below.

Carried interest

The Partnership pays carried interest to the Founder Partner when certain conditions relating to the performance of the Partnership are met. The amounts recognised in the Statement of comprehensive income for the year ended 31 March 2017 and in the Statement of financial position as at 31 March 2017 are set out in note 9 and note 6.

General Partner

The Partnership pays a priority profit share to its General Partner, 3i GP 2010 Limited. During the investment period, the General Partner is entitled to receive a priority profit share equal to 1.63% of the acquisition cost of investments, reduced to the extent that the General Partner or any respective related party is in receipt of any fees related to the Partnership's activities. After the investment period expiry date, the priority profit share is reduced to 1.41% of the aggregate acquisition cost of investments as determined at the investment period expiry date, as reduced by the acquisition cost of investments that have been realised or permanently written off at the beginning of the relevant accounting period.

The General Partner is a related party of the Partnership, being responsible for the financial and operating decisions of the Partnership. The General Partner is a wholly owned subsidiary of 3i Holdings plc, a subsidiary of 3i.

	2017	2016
Statement of comprehensive income	**€**	**€**
Priority profit share	401,493	537,890
Statement of financial position		
Accrued at the end of the year	-	-

Management, administrative and secretarial arrangements

During the year a number of costs were recharged between the Partnership and 3i plc, a subsidiary of 3i, in accordance with the LPA in relation to operational and investment expenses.

	2017	2016
Statement of comprehensive income	**€**	**€**
Recharged deal costs	16,035	2,335
Statement of financial position		
Accrued at the end of the year	-	-
Receivable at the end of the year	1,300	-

The Partnership has no interest in any subsidiaries, associates or joint ventures which would be classified as Related undertakings under the Companies Act 2006.

13 Controlling party

3i is the ultimate parent undertaking and controlling party of the Manager and the General Partner of the Partnership. Copies of the 3i financial statements which include the Partnership are available from 16 Palace Street, London, SW1E 5JD.

3i Buyouts 2010 C LP

Annual report and accounts for the year to 31 March 2017

Registered number: LP 13809

Contents

Strategic report

The Directors of 3i Investments plc (the "Manager") present their strategic report on 3i Buyouts 2010 C LP (the "Partnership") for the year ended 31 March 2017.

Results and business review

The principal activity of the "Partnership is to carry on the business of an investor in buyout deals across all regions in which 3i Group plc ("3i") invests worldwide.

The main key performance indicators are as follows:

	2017	2016
	€	€
Profit and Total comprehensive income for the year before carried interest expense	202,978,852	117,429,034
Profit and Total comprehensive income for the year	64,732,957	73,906,370
Net assets attributable to Partners	237,532,162	203,965,591
Total attributable to Partners	423,171,319	306,064,986

The results for the year and financial position of the Partnership are as shown in the annexed financial statements.

The Directors of the Manager are satisfied with the performance of the Partnership for the year, which has been driven by strong asset cash flows derived from proceeds from investments of €87,788,533 and profits on realisation of €6,550,925. The Partnership also distributed €61,862,946 to its Partners including carried interest of €30,668,626. Other contributing factors to performance include the unrealised gains on the value of the remaining investments of €196,607,257.

Future developments

The Manager does not foresee any future changes in the activity of the Partnership in the short term.

Risk management

The Manager evaluates the Partnership's risk appetite on a regular basis. The principal risks and uncertainties facing the Partnership are considered to be the following:

- Market price risk
- Currency risk
- Concentration risk
- Credit risk
- Liquidity risk
- Interest rate risk
- Capital management

Strategic report

The Manager has established a risk and financial management framework whose primary objective is to protect the Partnership from events that hinder the achievement of the Partnership's performance objectives, being to generate attractive risk-adjusted returns to investors.

These objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a Partnership level. Details of the Partnership's associated risk policies are found in note 11.

For and on behalf of 3i Investments plc

Authorised signatory

17th May 2017

Registered office:
16 Palace Street
London
SW1E 5JD

Manager's report

The Directors of the Manager present their Manager's report on the Partnership for the year ended 31 March 2017.

Background and general information

The Partnership was established on 4 March 2010 and is domiciled in England as an English Limited Partnership under the Limited Partnership Act 1907. The registered office of the Partnership is 16 Palace Street, London, SW1E 5JD. The General Partner of the Partnership is 3i GP 2010 Limited.

The Manager submits its report with the financial statements of the Partnership for the year to 31 March 2017.

Activities and future prospects

The Partnership has been reported as a Qualifying Limited Partnership as defined under The Partnerships (Accounts) Regulations 2008.

The principal activity of the Partnership is to carry on the business of an investor in buyout deals across all regions in which 3i invests worldwide.

The Partnership is no longer investing other than in follow-on financing. The Manager continues to realise individual investments in appropriate circumstances.

The Manager does not foresee any future changes in the activity of the Partnership in the short term.

Partners' interests

A summary of movements in Partners' accounts is given in the Statement of changes in Partners' accounts on page 10.

Manager

The Manager has responsibility for managing and operating the Partnership and for managing its investment portfolio. The Manager is authorised and regulated by the Financial Conduct Authority.

Going concern

The Manager is satisfied that the Partnership has sufficient undrawn commitments to draw down from Partners and sufficient cash resources to ensure that the Partnership can continue to operate for the foreseeable future and for at least 12 months. For this reason, it continues to prepare the financial statements on a going concern basis.

Events after the balance sheet date

There were no material events subsequent to the balance sheet date.

Manager's report

Disclosure of information to auditor

The Manager confirms that: (a) so far as it is aware, there is no relevant audit information of which the auditor is unaware; and (b) it has taken all steps it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of such information.

Auditor

During the year, Ernst & Young was reappointed and remains as auditor of the Partnership in accordance with clause 17.9 of the Limited Partnership Agreement ("LPA") and chapter 2, section 485 of the Companies Act 2006.

For and on behalf of 3i Investments plc

Authorised signatory

17th May 2017

Registered office:
16 Palace Street
London
SW1E 5JD

Members' responsibilities statement

The Partnerships (Accounts) Regulations 2008 requires the members to prepare financial statements for each financial year. The members have appointed the Manager to prepare the financial statements.

The Manager is responsible for preparing the Manager's report, Strategic report and financial statements in accordance with applicable law and regulations.

The Manager has elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and applicable law. Under law the Manager must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and the profit or loss of the Partnership for that period.

In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the EU, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The Manager has been appointed by the members to fulfil the below responsibilities of the members.

The Manager is responsible for keeping adequate accounting records which are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership, and which enable the members to ensure that the financial statements comply with the Companies Act 2006 as applicable to Qualifying Limited Partnerships by The Partnerships (Accounts) Regulations 2008. The Manager is also responsible for safeguarding the assets of the Partnerships and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Manager confirms that they have complied with the above requirements in preparing the financial statements.

Auditor's report

Independent auditor's report to the members of 3i Buyouts 2010 C LP

We have audited the financial statements of 3i Buyouts 2010 C LP for the year ended 31 March 2017 which comprise the Statement of comprehensive income, the Statement of changes in Partners' accounts, the Statement of financial position, the Statement of cash flows, the accounting policies A to N, and the related notes 1 to 13. 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 qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership'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 qualifying partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' responsibilities statement set out on page 6, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 qualifying partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 qualifying partnership's affairs as at 31 March 2017 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 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Opinion on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships by The Partnership (Accounts) Regulations

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

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

Auditor's report

Matters on which we are required to report by exception

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic report or Manager's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Maximiliano Bark (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

17 May 2017

Statement of comprehensive income

for the year ended 31 March 2017

	Notes	2017 €	2016 €
Portfolio income	1	730,484	2,188,684
Unrealised profit on the revaluation of investments	2	196,607,257	110,388,240
Realised profit on the disposal of investments	3	6,550,925	5,743,162
Foreign exchange on investments		-	4,978
Gross investment return		203,888,666	118,325,064
Priority profit share		(664,551)	(891,234)
Deal related costs		(26,536)	(3,866)
Operating expenses	4	-	(930)
Net interest expense		(46,732)	-
Exchange movements		(27)	-
Withholding tax expense		(171,968)	-
Profit and Total comprehensive income for the year before carried interest expense		202,978,852	117,429,034
Carried interest expense	9	(138,245,895)	(43,522,664)
Profit and Total comprehensive income for the year		64,732,957	73,906,370

All items in the above statement are derived from continuing operations. No operations were acquired or discontinued in the year.

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

Statement of changes in Partners' accounts

for the year ended 31 March 2017

	Capital Contributions €	Loan account €	Profit and loss account €	Total €
Opening balance of Partners' accounts	86,824	-	203,878,767	203,965,591
Drawdowns from Partners	-	27,934	-	27,934
Distributions to Partners	-	(27,934)	(31,166,386)	(31,194,320)
	86,824	-	172,712,381	172,799,205
Profit and Total comprehensive income for the year	-	-	64,732,957	64,732,957
Closing balance of Partners' accounts	86,824	-	237,445,338	237,532,162

for the year ended 31 March 2016

	Capital Contributions €	Loan account €	Profit and loss account €	Total €
Opening balance of Partners' accounts	86,824	41,798,239	156,549,494	198,434,557
Drawdowns from Partners	-	804,127	-	804,127
Distributions to Partners	-	(42,602,366)	(26,577,097)	(69,179,463)
	86,824	-	129,972,397	130,059,221
Profit and Total comprehensive income for the year	-	-	73,906,370	73,906,370
Closing balance of Partners' accounts	86,824	-	203,878,767	203,965,591

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

Statement of financial position

as at 31 March 2017

	Notes	2017	2016
Assets		€	€
Non-current assets			
Investments	5		
- Unquoted investments		421,218,412	299,815,252
Total non-current assets		421,218,412	299,815,252
Current assets			
Cash and cash equivalents	6	26,005,477	315,895
Receivables	7	2,151	5,951,053
Total current assets		26,007,628	6,266,948
Total assets		447,226,040	306,082,200
Liabilities			
Non-current liabilities			
Carried interest payable	9	(183,305,929)	(72,102,973)
Other payables		(24,037,507)	-
Total non-current liabilities		(207,343,436)	(72,102,973)
Current liabilities			
Carried interest payable	9	(2,333,228)	(29,996,422)
Payables	8	(17,214)	(17,214)
Total current liabilities		(2,350,442)	(30,013,636)
Total liabilities		(209,693,878)	(102,116,609)
Net assets attributable to Partners		237,532,162	203,965,591
Represented by:			
Capital contributions		86,824	86,824
Profit and loss accounts		237,445,338	203,878,767
Net assets attributable to Partners		237,532,162	203,965,591
Carried interest allocation		185,639,157	102,099,395
Total attributable to Partners		423,171,319	306,064,986

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

The financial statements have been approved and authorised for issue by the Manager.

For and on behalf of 3i Investments plc

Authorised signatory

17th May 2017

Statement of cash flows

for the year ended 31 March 2017

	Notes	2017 €	2016 €
Cash flow from operating activities			
Purchase of investments		(27,934)	(27,237)
Proceeds from investments		87,788,533	68,100,261
Deal related costs		(28,687)	(3,866)
Portfolio income received		503,990	1,429,101
Bank interest received		257	-
Bank interest expense		(47,020)	-
Priority profit share	12	(664,551)	(891,234)
Operating expenses		-	(930)
Carried interest paid	9	(30,668,626)	-
Net cash flow from operating activities		56,855,962	68,606,095
Cash flow from financing activities			
Drawdowns		27,934	804,127
Distributions		(31,194,320)	(69,179,463)
Net cash flow from financing activities		(31,166,386)	(68,375,336)
Change in cash and cash equivalents		25,689,576	230,759
Opening cash and cash equivalents		315,895	85,136
Effect of exchange rate fluctuations		6	-
Cash and cash equivalents at the end of the year*		26,005,477	315,895

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

* Included within this balance is an amount of €24,037,507 (2016: €nil) which is restricted. Refer to note 6.

Accounting policies

A Statement of compliance These financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU and in accordance and compliance with the Partnership (Accounts) Regulation 2008 and the Companies Act 2006.

New standards and interpretations not applied

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 periods beginning on or after
IAS 7	Disclosure initiative (amendments to IAS 7 – Statement of Cash Flows)	1 January 2017
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019

The impact of future standards and amendments on the financial statements is being assessed by the Manager. The Manager does not anticipate that IFRS 9, IFRS 15 and IFRS 16 will have a material impact on its results.

B Basis of preparation The financial statements have been prepared on a going concern basis and are presented in euros, the functional currency of the Partnership, being the currency in which Partners' capital commitments, drawdowns and distributions are denominated.

C Significant accounting estimates and judgements The preparation of financial statements 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 most significant estimates for the Partnership relate to the fair valuation of the investments and carried interest payable. The valuation methodology for investments and carried interest are disclosed in accounting policies E and N.

The Manager has concluded that the Partnership continues to meet the definition of an investment entity as its strategic objectives of investing in portfolio investments and providing investments management services to investors for the purpose of generating returns in the form of investment income and capital appreciation remains unchanged.

D Foreign currency transactions Monetary assets and liabilities denominated in foreign currencies are translated into euros at the closing rates of exchange at the balance sheet date. Foreign currency transactions are translated into euros at the average rates of exchange over the year and exchange differences arising are taken to the Statement of comprehensive income.

E Investments Investments are recognised and de-recognised on a date where the purchase or sale of an investment is under a contract the terms of which require the delivery or settlement of the investment. The Partnership manages its investments with a view to profiting from the receipt of investment income and capital appreciation from changes in the fair value of equity investments.

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 the International Private Equity and Venture Capital ("IPEV") valuation guidelines.

Unquoted investments, including both equity and loans, are designated at fair value through profit and loss and are subsequently carried in the Statement of financial position at fair value. Fair value is measured using IPEV valuation guidelines.

Accounting policies (continued)

E Investments (continued)

Interest-bearing loans accrue interest which is either settled in cash or capitalised on a regular basis and included as part of the principal loan balance. The capitalisation of accrued interest is treated as part of investment additions during the year. If the fair value of an investment is assessed to be below the principal value of the loan, the Partnership recognises a fair value reduction against any interest income accrued from the date of the assessment going forward. "Capitalisation at nil value" is the term used to describe the capitalisation of accrued interest which has been fully provided for. These transactions are disclosed as additions to portfolio cost with an equal reduction in portfolio value.

Realised and unrealised gains and losses on investments are disclosed in the Statement of comprehensive income.

Realised profits or losses over value on the disposal of investments are the difference between the fair value of the consideration received less any directly attributable costs, on the sale of equity and the repayment of loans and receivables, and its carrying value at the start of the accounting period, converted into euros using the exchange rates in force at the date of disposal.

Unrealised profits or losses on the revaluation of investments are the movement in the carrying value of investments between the start and end of the accounting period converted into euros using the exchange rates in force at the reporting date.

Foreign exchange on investments arises on investments made in currencies that are different from the functional currency of the Partnership. Investments are translated at the exchange rate ruling at the date of the transaction. At each subsequent reporting date investments are translated to euros at the exchange rate ruling at that date.

F Revenue recognition The revenue recognised by the Partnership is mostly investment income.

Portfolio income is income from loans that is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable.

G Operating expenses All operating expenses incurred in relation to the management and administration of the Partnership in accordance with the LPA are charged to the Statement of comprehensive income on an accruals basis.

H General Partner's priority profit share The General Partner is entitled to receive a priority profit share, as a first charge on amounts available for allocation among Partners, as determined by the LPA. The priority profit share is treated as an expense in the Statement of comprehensive income and recognised on an accruals basis as it is a contractual obligation with no recourse per the terms of the LPA.

I Cash and cash equivalents Cash and cash equivalents in the Statement of financial position comprise cash at bank and short term deposits held at call with financial institutions, cash and cash equivalents held in escrow with financial institution in the name of the Partnership, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

J Distributions All capital and income receipts are distributed among the Partners based on allocations made in accordance with the LPA and at the discretion of the Manager. Distributions to Partners are accounted for as a deduction to the loan account until the balance is repaid and then as a deduction to the profit and loss accounts. A distribution is recognised in the year when the Manager approves it.

K Capital contributions and loan account Partners have subscribed to the Partnership in commitments represented by capital contributions and loan commitments. These items are recorded as equity as the timing and amount of calls, repayments and returns on these items are at the discretion of the Manager. Capital and loan amounts are recognised when a notice is issued.

L Receivables Assets, other than those specifically accounted for under a separate policy, are stated at their cost less impairment. They are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated based on expected discounted future cash flows and any changes in the level of impairment is recognised directly in the statement of comprehensive income.

Accounting policies (continued)

M Payables Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which are considered to be payable in respect of goods or services received up to the Statement of financial position date.

N Carried interest In accordance with the LPA, the Founder Partner is entitled to receive a share of the realised profits of the Partnership. The Founder Partner will receive its share of the profits after the performance conditions described in the LPA have been met and the outstanding participation for all Partners, including the General Partner, has been repaid. Carried interest is accrued at the balance sheet date where the calculation indicates that the performance conditions would have been achieved and distribution arrangements met were the investments realised at their fair values. An accrual is made equal to the Founder Partner's share of profits in excess of the performance conditions, discounted to reflect the likely actual cash payment date, which may be materially later than the time of the accrual.

An increase in the carried interest due to the Founder Partner during the year is included as carried interest expense in the Statement of comprehensive income. A recovery of previously accrued carried interest results from a decrease in carried interest due to the Founder Partner, at the reporting date.

Notes to the financial statements

1 Portfolio income

	2017 €	2016 €
Interest income	722,696	2,188,684
Negotiation fees	7,788	-
	730,484	2,188,684

2 Unrealised profit on the revaluation of investments

	Unquoted Investments €	2017 Total €
Movement in the fair value of investments	196,607,257	196,607,257
	196,607,257	196,607,257

	Unquoted Investments €	2016 Total €
Movement in the fair value of investments	110,388,240	110,388,240
	110,388,240	110,388,240

3 Realised profit on the disposal of investments

	Unquoted Investments €	2017 Total €
Proceeds from investments	82,009,448	82,009,448
Opening fair value of disposed investments	(75,458,523)	(75,458,523)
	6,550,925	6,550,925

	Unquoted Investments €	2016 Total €
Proceeds from investments	73,538,342	73,538,342
Opening fair value of disposed investments	(67,795,180)	(67,795,180)
	5,743,162	5,743,162

4 Operating expenses

	2017	2016
	€	€
Bank charges	-	930
	-	930

The auditor's remuneration for the year of €7,021 (2016: €7,600) was borne by 3i plc, a fellow subsidiary.

5 Investments

	Unquoted investments	Total
	€	€
Fair value at 1 April 2016	299,815,252	299,815,252
Additions during the year	3,322,818	3,322,818
Disposals, repayments and write-offs	(75,458,523)	(75,458,523)
Fair value gain	193,950,606	193,950,606
Foreign exchange	(411,741)	(411,741)
Fair value at 31 March 2017	421,218,412	421,218,412

The fair value of unquoted investments comprises equity of €381,547,767 (2016: €248,600,872) and loans of €39,670,645 (2016: €51,214,380).

Included within additions during the year were €3,294,885 (2016: €5,211,266) of accrued income and capitalised interest of which €3,068,392 (2016:€3,559,670) was capitalised at nil, which is reflected as a reduction in fair value gain.

The holding period of the Partnership's investments is on average greater than one year. For this reason the investments are classified as non-current. It is not possible to identify with certainty investments that will be sold within one year.

Fair value hierarchy

The Partnership classifies financial instruments measured at fair value in the investments according to the following hierarchy:

Level	Fair value input description	Financial instruments
Level 1	Quoted prices (unadjusted) from active markets	No quoted equity instruments
Level 2	Inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)	No Level 2 financial instruments
Level 3	Inputs that are not based on observable market data	Unquoted equity instruments and loan instruments

Unquoted equity instruments and loan instruments are measured at fair value in accordance with the IPEV valuation guidelines with reference to the most appropriate information available at the time of measurement. Loans and equity are valued together to derive the fair value of the asset, where loan and equity instruments are in the same investment and are invested and disposed of at the same time, and cannot be traded separately. To arrive at the fair value of the unquoted equity and loan instruments, the entire fair value of the asset is estimated. The value is then distributed amongst the different loan, equity and other financial instruments accordingly.

5 Investments (continued)

The Partnership's investments in equity instruments and loan instruments are classified by the fair value hierarchy as follows:

	2017 Level 1 €	2017 Level 2 €	2017 Level 3 €	2017 Total €
Unquoted investments	-	-	421,218,412	421,218,412
Total	-	-	421,218,412	421,218,412

	2016 Level 1 €	2016 Level 2 €	2016 Level 3 €	2016 Total €
Unquoted investments	-	-	299,815,252	299,815,252
Total	-	-	299,815,252	299,815,252

As at 2017 and 2016, the Partnership did not hold any Level 1 and Level 2 investments.

Investments are reviewed at each year end to ensure that they are correctly classified between Level 1, 2 and 3, in accordance with the fair value hierarchy authorised above. When an investment's characteristics change during the financial period and investments no longer meet the criteria of a given level, they are transferred into a more appropriate level at the end of the relevant financial reporting period.

Level 3 fair value reconciliation

	2017 €	2016 €
Opening book value	299,815,252	256,943,366
Additions	3,322,818	4,725,530
Disposals, repayments and write-offs	(75,458,523)	(67,795,180)
Fair value movement	193,950,606	106,166,842
Foreign exchange	(411,741)	(225,306)
Closing fair value	421,218,412	299,815,252

All net realised and unrealised gains / (losses) in the tables above are reflected in the accompanying Statement of comprehensive income. Net amount of €203,158,182 (2016: €116,131,402) relates to those investments held by the Partnership at 31 March 2017 and is reflected within Unrealised profit on the revaluation of investments and Realised profit on the disposal of investments, in the Statement of comprehensive income.

Level 3 inputs are sensitive to assumptions made when ascertaining fair value as described in accounting policy E. Of investments held at 31 March 2017 and classified as Level 3, 100% were valued using a multiple of earnings.

The fair values of all other assets and liabilities approximate their carrying amounts in the Statement of financial position.

5 Investments (continued)

Valuation techniques

Valuation multiple

The valuation multiple is the main assumption applied in a multiple of earnings-based valuation. The multiple is derived, by the Manager, from comparable listed companies or relevant market transaction multiples. Companies in the same industry and, where possible, with a similar business model and profile are selected and then adjusted for factors including liquidity risk, growth potential and relative performance. The value weighted average multiple used when valuing the portfolio was 16.04x (2016: 13.53x). If the multiple used to value each unquoted investment valued on an earnings multiple basis as at 31 March 2017 decreased by 5%, the impact on the investment portfolio would be a decrease of €29 million (2016: €20 million) or 6.85% (2016: 7.17%). If the multiple increased by 5% then the impact on the investment portfolio would be an increase of €29 million (2016: €20 million) or 6.85% (2016: 7.17%).

6 Cash and cash equivalents

	2017	2016
	€	€
Unrestricted cash and cash equivalents	1,967,970	315,895
Restricted cash held in escrow	24,037,507	-
	26,005,477	315,895-

Restricted cash held in escrow is not available for use by the Partnership. Should certain performance conditions be met, this ring-fenced cash will be released to Partners and if not the cash will be released to 3i. It is estimated that these amounts will be held until November 2018.

7 Receivables

	2017	2016
	€	€
Investment debtors	-	5,951,053
Amounts due from group undertakings	2,151	-
	2,151	5,951,053

8 Payables

	2017	2016
	€	€
Accrued expenses	17,214	17,214
	17,214	17,214

9 Carried interest payable

	2017	2016
	€	€
Opening carried interest payable	102,099,395	58,576,731
Carried interest payable recognised in the Statement of comprehensive income during the year	138,245,895	43,522,664
Cash paid in the year	(30,668,626)	-
Other movements	(24,037,507)	-
	185,639,157	102,099,395
Of which: payable is greater than 1 year	183,305,929	72,102,973

Carried interest payable at the balance sheet date is discounted to reflect the likely cash payment date, which may be materially later than the time of the accrual. If the carried interest payable were not discounted, the accrual at the balance sheet date would be higher at €205,565,875.

10 Taxation

No provision for taxation has been made as the Partnership has no liability to taxation. Any taxation arising on the income and gains of the Partnership is payable by the individual Partners. Any withholding tax incurred by the Partnership is charged to the Statement of comprehensive income.

11 Financial instruments and associated risks

The Partnership's investments are subject to market price risk, currency risk, concentration risk, credit risk, liquidity risk and interest rate risk.

Market price risk

Market risk is the potential for changes in value due to the performance of underlying investments.

The Partnership's investments are susceptible to market price risk arising from uncertainties about future market conditions within which the investments operate. The Partnership's market risk is regularly managed by the General Partner.

The Partnership's management of price risk which arises primarily from unquoted equity instruments is through the careful consideration of the investment, asset management and divestment decisions by the General Partner.

A 15% change in the fair value of those investments would have the following direct impact on the Statement of comprehensive income:

	Unquoted investments	Total
	€	€
At 31 March 2017	63,182,762	63,182,762
At 31 March 2016	44,972,288	44,972,288

11 Financial instruments and associated risks (continued)

Currency risk

A significant exposure to currency risk is due to fluctuations in foreign currency translation. At 31 March 2017, the Partnership was exposed to currency risk relating to EUR/SEK. At 31 March 2017, had EUR strengthened / weakened by 5%, 10% or 15% in relation to these currencies, with all other variables held constant, net assets attributable to Partners would have decreased / increased respectively by the amounts shown in the following table.

	5%	10%	15%
As at 31 March 2017	**€**	**€**	**€**
SEK	575,333	1,098,364	1,575,913
	575,333	1,098,364	1,575,913
As at 31 March 2016	**€**	**€**	**€**
SEK	643,808	1,229,088	1,763,474
	643,808	1,229,088	1,763,474

In addition to this, the table below sets out the Partnership's exposure to foreign currency exchange rates with regard to the Partnership's assets and liabilities at the year end. The Partnership's total assets were €447,226,040 (2016: €306,082,200) and the total liabilities (including accrual for carried interest) were €209,693,878 (2016: €102,116,609).

% of total Partnership assets	2017	2016
SEK	5.1%	4.4%
	5.1%	4.4%

Concentration risk

The Manager seeks to diversify risk through significant dispersion of investments by geography, economic sector and size as well as through the maturity profile of its investment portfolio.

The Partnership participates in four portfolio investments and, as a consequence, the aggregate return of the Partnership may be materially and adversely affected by the unfavourable performance of the largest investment. This investment is concentrated in the non-food discount retail industry and thus the Partnership's performance will be closely linked to the performance of this industry and the Partnership could be severely impacted by adverse developments affecting this industry.

11 Financial instruments and associated risks (continued)

Credit risk

Credit risk is the potential that an issuer, counterparty or underlying investment third party will be unable to meet commitments that it has entered into with the Partnership and/or the commitments with underlying investments of the Partnership.

At the Partnership level, the maximum exposure to credit risk, in the event that counterparties fail to perform their obligations as at period end (in relation to each class of recognised financial assets), is the carrying amount of those assets as indicated in the Statement of financial position. Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect the Partnership's counterparties whose aggregate credit exposure is significant in relation to the Partnership's total credit exposure. Credit risk in relation to the debt element of the Partnership's investments is considered and monitored as part of the valuation process described in note 5. The credit quality of loans and receivables within the investment portfolio is based on the financial performance of the individual portfolio companies. For those assets that are not past due it is believed that the risk of default is small and that capital repayments and interest payments will be made in accordance with the agreed terms and conditions of the Partnership's investment. Where the portfolio company has failed or is expected to fail in the next 12 months, the increase in credit risk is included within the overall assessment of the fair value of the investment.

At the Partnership's underlying investment level, transactions will be entered into with concurrently diverse creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

At the balance sheet date, there are no balances which were past due or impaired.

Liquidity risk

The Partnership's liquidity risk is the risk that the Partnership will encounter difficulties raising liquid funds to meet commitments as they fall due. The Manager is responsible for determining the level of liquid funds to be held by the Partnership. A prudent liquidity risk management approach is adopted to ensure sufficient cash is available for both operational expenses and investments through capital calls from Partners. As at 31 March 2017, the Partnership has undrawn commitments of €43,452,475 (2016: €43,480,409) which is callable by the Manager in accordance with the terms set out in the LPA.

The Partnership's investments are subject to liquidity risk in the normal course of business. As at 31 March 2017, the Partnership held €421,218,412 (2016: €299,815,252) in investments that it considered to be illiquid. The Manager manages this risk by ensuring that sufficient funds exist to meet outstanding commitments, other liabilities incurred by the operating activities of the Partnership and short term liquidity needs, as they fall due.

11 Financial instruments and associated risks (continued)

The following table analyses the Partnership's undrawn commitments and assets into relevant maturity groupings based on the remaining period at the Statement of financial position date.

As at 31 March 2017	Undrawn commitments	Assets less than 1 year	Assets between 1-5 years	Assets more than 5 years	Total
	€	€	€	€	€
Undrawn commitments and total assets	43,452,475	26,007,628*	421,218,412	-	490,678,515
	43,452,475	26,007,628	421,218,412	-	490,678,515
As at 31 March 2016					
Undrawn commitments and total assets	43,480,409	6,266,948	299,815,252	-	349,562,609
	43,480,409	6,266,948	299,815,252	-	349,562,609

* Included within assets less than 1 year include an amount of €24,037,507 which is restricted cash as referred to in note 6.

The following table analyses the Partnership's liabilities into relevant maturity groupings based on the remaining period at the Statement of financial position date. The amounts in the tables are the contractual undiscounted cash flows.

As at 31 March 2017	Liabilities less than 1 year	Liabilities between 1-5 years	Liabilities more than 5 years	Total
	€	€	€	€
Carried interest payable within one year	2,333,228	-	-	2,333,228
Other payables and accrued expenses	17,214	24,037,507	-	24,054,721
	2,350,442	24,037,507	-	26,387,949
As at 31 March 2016				
Carried interest payable within one year	29,996,422	-	-	29,996,422
Other payables and accrued expenses	17,214	-	-	17,214
	30,013,636	-	-	30,013,636

Carried interest payable greater than one year of €183,305,929 (2016: €72,102,973) has no stated maturity as carried interest results from investment related transactions and it is not possible to identify with certainty the timing of when the investments will be sold. The Partnership has no other liabilities to analyse into relevant maturity groupings.

Interest rate risk

The Partnership has no significant direct exposure to interest rate risk as its investments in debt instruments are in fixed rate loans. Indirect exposure to interest rate risk is via portfolio companies and is included in market price risk.

11 Financial instruments and associated risks (continued)

Capital Management

The capital of the Partnership is considered to be the capital contributions, loan accounts and profit and loss accounts, which totalled €237,532,162 (2016: €203,965,591) at the reporting date. There are no externally imposed capital requirements on the partnership. To maintain or adjust the capital structure, the General Partner may request additional contributions from the Partners in the form of drawdowns for operating expense or investment purposes and distribute capital back to the Partners on the sale of investments and receipt of income yields. No changes were made in the Partnership's objectives, policies or processes for the management of capital during the year ended 31 March 2017.

12 Related parties

During the year the Partnership entered into transactions, in the ordinary course of business, with certain related parties. Each category of related party and its impact on the financial statements is detailed below.

Carried interest

The Partnership pays carried interest to Founder Partners when certain conditions relating to the performance of the Partnership are met. The amounts recognised in the Statement of comprehensive income for the year ended 31 March 2017 and in the Statement of financial position as at 31 March 2017 are set out in note 9 and note 6.

General Partner

The Partnership pays a priority profit share to its General Partner, 3i GP 2010 Limited. During the investment period, the General Partner is entitled to receive a priority profit share equal to 1.63% of the acquisition cost of investments, reduced to the extent that the General Partner or any respective related party is in receipt of any fees related to the Partnership's activities. After the investment period expiry date, the priority profit share is reduced to 1.41% of the aggregate acquisition cost of investments as determined at the investment period expiry date, as reduced by the acquisition cost of investments that have been realised or permanently written off at the beginning of the relevant accounting period.

The General Partner is a related party of the Partnership, being responsible for the financial and operating decisions of the Partnership. The General Partner is a wholly owned subsidiary of 3i Holdings plc, a subsidiary of 3i.

	2017	2016
Statement of comprehensive income	**€**	**€**
Priority profit share	664,551	891,234
Statement of financial position		
Accrued at the end of the year	-	-

Management, administrative and secretarial arrangements

During the year a number of costs were recharged between the Partnership and 3i plc, a subsidiary of 3i, in accordance with the LPA in relation to operational and investment expenses.

	2017	2016
Statement of comprehensive income	**€**	**€**
Recharged costs	26,536	3,866
Statement of financial position		
Accrued at the end of the year	-	-
Receivable at the end of the year	2,151	-

The Partnership has no interest in any subsidiaries, associates or joint ventures which would be classified as Related undertakings under the Companies Act 2006.

13 Controlling party

3i is the ultimate parent undertaking and controlling party of the Manager and the General Partner of the Partnership. Copies of the 3i financial statements which include the Partnership are available from 16 Palace Street, London, SW1E 5JD.

Mayflower LP

Annual report and accounts for the year to 31 March 2017

Registered number: LP 282

Contents

Strategic report

The Directors of 3i Investments plc (the "Manager") present their strategic report on Mayflower LP (the "Partnership") for the year ended 31 March 2017.

Results and business review

The principal activity of the Partnership is to carry on the business of an investor in Private Equity deals across all regions in which 3i Group plc ("3i") invests in North America.

The main key performance indicators are as follows:

	2017	2016
	£	£
Profit and Total comprehensive income for the year	42,819	519,326
Net assets attributable to Partners	5,347	10,125

The results for the year and financial position of the Partnership are as shown in the annexed financial statements.

The Directors of the Manager are satisfied with the performance of the Partnership for the year, which has been driven by asset cash flows derived from proceeds from investments of £47,597. The Partnership also made a deemed distribution of £47,597 to its Limited Partner.

Future developments

The Manager does not foresee any future changes in the activity of the Partnership in the short term.

Risk management

The Manager evaluates the Partnership's risk appetite on a regular basis. The principal risks and uncertainties facing the Partnership are considered to be the following:

- Currency risk
- Liquidity risk
- Capital management

Strategic report

The Manager has established a risk and financial management framework whose primary objective is to protect the Partnership from events that hinder the achievement of the Partnership's performance objectives, being to generate attractive risk-adjusted returns to investors.

These objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a Partnership level. Details of the Partnership's associated risk policies are found in note 7.

For and on behalf of 3i Investments plc

Authorised signatory
30th June 2017

Registered office:
16 Palace Street
London
SW1E 5JD

Manager's report

The Directors of the Manager present their Manager's report on the Partnership for the year ended 31 March 2017.

Background and general information

The Partnership was established on 5 February 2001 and is registered as a Limited Partnership in Jersey under the Limited Partnership (Jersey) Law 1994. The registered office of the Partnership is 22 Grenville Street, St. Helier, Jersey. The General Partner of the Partnership is Mayflower GP Limited.

The Manager submits its report with the financial statements of the Partnership for the year to 31 March 2017.

Activities and future prospects

The principal activity of the Partnership is to carry on the business of an investor in Private Equity deals across all regions in which 3i invests in North America.

The Partnership can continue to invest until 4 February 2021. At the year-end the Partnership no longer holds any investments.

The Manager does not foresee any future changes in the activity of the Partnership in the short term.

Partners' interests

A summary of movements in Partners' accounts is given in the Statement of changes in Partners' accounts on page 10.

Manager

The Manager has responsibility for managing and operating the Partnership and for managing its investment portfolio. The Manager is authorised and regulated by the Financial Conduct Authority.

Going concern

The Manager is satisfied that the Partnership has sufficient undrawn commitments to draw down from Partners and sufficient cash resources to ensure that the Partnership can continue to operate for the foreseeable future and for at least 12 months. For this reason, it continues to prepare the financial statements on a going concern basis.

Events after the balance sheet date

There were no material events subsequent to the balance sheet date.

Manager's report

Disclosure of information to auditor

The Manager confirms that: (a) so far as it is aware, there is no relevant audit information of which the auditor is unaware; and (b) it has taken all steps it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of such information.

Auditor

During the year, Ernst & Young LLP was reappointed and remains as auditor of the Partnership in accordance with clause 4.2 of the Limited Partnership Agreement ("LPA").

For and on behalf of 3i Investments plc

Authorised signatory

30th June 2017

Registered office:
16 Palace Street
London
SW1E 5JD

Statement of General Partner's responsibilities

The Limited Partnerships Agreement dated 5 February 2001 (the 'Partnership Agreement') requires the General Partner to prepare financial statements for each financial year. The General Partner has appointed the Manager to prepare the financial statements.

The Manager is responsible for preparing the Manager's report, Strategic report and financial statements in accordance with the Partnership Agreement and the accounting policies A to K on pages 13 to 14.

In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with the Partnership Agreement, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The Manager has been appointed by the General Partner to fulfil the below responsibilities of the General Partner.

The Manager is responsible for keeping adequate accounting records which are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership, and which enable the Manager to ensure that the financial statements comply with the Partnership Agreement. The Manager is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Manager confirms that they have complied with the above requirements in preparing the financial statements.

Auditor's report

Independent auditor's report to the partners of Mayflower L.P.

We have audited the financial statements of Mayflower L.P. (the Partnership) which comprise the Statement of comprehensive income, Statement of changes in Partners' accounts, Statement of financial position, Statement of cash flows, Accounting policies A to K and Notes to the financial statements.

In our opinion, the accompanying financial statements of the Partnership for the year ended 31 March 2017 are prepared, in all material respects, in accordance with the Partnership Agreement and accounting policies A to K.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Partnership in accordance with the ethical requirements of the International Ethics Standards Board for Accountants (IESBA) that are relevant to our audit of the financial statements and we have fulfilled our other ethical requirements 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.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to accounting policies A to K, which describes the basis of accounting. The financial statements are prepared to assist the Partnership in complying with the financial reporting provisions of the Partnership Agreement referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Partnership, in accordance with our engagement letter dated 29 June 2017, and should not be distributed to or used by parties other than the Partnership. Our opinion is not modified in respect of this matter.

Responsibilities of the General Partner for the Financial Statements

The General Partner is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of the Partnership Agreement and the accounting policies A to K, and for such internal control as the General Partner determines 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 General Partner is responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the General Partner either intends to liquidate the Partnership or to cease operations, or has no realistic alternative but to do so.

The General Partner is responsible for overseeing the Partnership's financial reporting process.

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 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the General Partner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.

We communicate with the General Partner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Ernst & Young LLP

London

30 June 2017

Statement of comprehensive income

for the year ended 31 March 2017

	Notes	2017 £	2016 £
Portfolio income	1	47,597	52,731
Unrealised loss on the revaluation of investments	2	-	(16,951)
Realised profit on the disposal of investments	3	-	537,515
Foreign exchange on investments		-	5,020
Gross investment return		47,597	578,315
Priority profit share		(4,000)	(4,000)
Operating expenses	4	(854)	(1,875)
Net interest income		34	9
Exchange movements		42	13,931
Withholding tax expense		-	(67,054)
Profit and Total comprehensive income for the year		42,819	519,326

All items in the above statement are derived from continuing operations. No operations were acquired or discontinued in the year.

The accounting policies on pages 13 to 14 and the notes on pages 15 to 19 form an integral part of these financial statements.

Statement of changes in Partners' accounts

for the year ended 31 March 2017

	Capital Contributions £	Loan account £	Profit and loss account £	Total £
Opening balance of Partners' accounts	21,519,752	-	(21,509,627)	10,125
Deemed distribution to Partners	-	-	(47,597)	(47,597)
	21,519,752	-	(21,557,224)	(37,472)
Total comprehensive income for the year	-	-	42,819	42,819
Closing balance of Partners' accounts	21,519,752	-	(21,514,405)	5,347

for the year ended 31 March 2016

	Capital Contributions £	Loan account £	Profit and loss account £	Total £
Opening balance of Partners' accounts	21,519,752	-	(20,905,823)	613,929
Drawdowns from Partners	-	577,748	-	577,748
Distributions to Partners	-	(577,748)	(1,123,130)	(17,00,878)
	21,519,752	-	(22,028,953)	(509,201)
Total comprehensive income for the year	-	-	519,326	519,326
Closing balance of Partners' accounts	21,519,752	-	(21,509,627)	10,125

The accounting policies on pages 13 to 14 and the notes on pages 15 to 19 form an integral part of these financial statements.

Statement of financial position

as at 31 March 2017

	Notes	2017 £	2016
Assets			
Current assets			
Cash and cash equivalents		5,347	10,625
Total current assets		5,347	10,625
Total assets		5,347	10,625
Liabilities			
Current liabilities			
Payables	5	-	(500)
Total current liabilities		-	(500)
Total liabilities		-	(500)
Net assets attributable to Partners		5,347	10,125
Represented by:			
Capital contributions		21,519,752	21,519,752
Profit and loss accounts		(21,514,405)	(21,509,627)
Total attributable to Partners		5,347	10,125

The accounting policies on pages 13 to 14 and the notes on pages 15 to 19 form an integral part of these financial statements.

The financial statements have been approved and authorised for issue by the Manager.

For and on behalf of 3i Investments plc

Authorised signatory

30th June 2017

Statement of cash flows

for the year ended 31 March 2017

	2017 £	2016 £
Cash flow from operating activities		
Proceeds from investments	-	1,629,603
Portfolio income received	-	71,726
Bank interest received	34	9
Priority profit share	(4,000)	(580,376)
Operating expenses	(1,354)	(1,376)
Net cash flow from operating activities	(5,320)	1,119,586
Cash flow from financing activities		
Drawdowns	-	577,748
Distributions	-	(1,700,878)
Net cash flow from financing activities	-	(1,123,130)
Change in cash and cash equivalents	(5,320)	(3,544)
Opening cash and cash equivalents	10,625	238
Effect of exchange rate fluctuations	42	13,931
Cash and cash equivalents at the end of the year	5,347	10,625

The accounting policies on pages 13 to 14 and the notes on pages 15 to 19 form an integral part of these financial statements.

Accounting policies

A Statement of compliance These financial statements have been prepared in accordance with the Limited Partnership Agreement dated 5 February 2001 and the Manager has elected to prepared the financial statements using the International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") as adopted for use in the European Union.

New standards and interpretations not applied

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 periods beginning on or after
IAS 7	Disclosure initiative (amendments to IAS 7 – Statement of Cash Flows)	1 January 2017
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019

The impact of future standards and amendments on the financial statements is being assessed by the Manager. The Manager does not anticipate that IFRS 9, IFRS 15 and IFRS 16 will have a material impact on its results.

B Basis of preparation The financial statements have been prepared on a going concern basis and are presented in sterling, the functional currency of the Partnership, being the currency in which Partners' capital commitments, drawdowns and distributions are denominated.

C Significant accounting estimates and judgements The preparation of financial statements 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 Manager has concluded that the Partnership continues to meet the definition of an investment entity as its strategic objectives of investing in portfolio investments and providing investment management services to investors for the purpose of generating returns in the form of investment income and capital appreciation remain unchanged.

D Foreign currency transactions Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates of exchange at the balance sheet date. Foreign currency transactions are translated into sterling at the average rates of exchange over the year and exchange differences arising are taken to the Statement of comprehensive income.

E Revenue recognition The revenue recognised by the Partnership is mostly investment income.

Portfolio income is income from loans that is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable.

Dividends from equity investments are recognised in the Statement of comprehensive income when the shareholders' rights to receive payment have been established

F Operating expenses All operating expenses incurred in relation to the management and administration of the Partnership in accordance with the LPA are charged to the Statement of comprehensive income on an accruals basis.

G General Partner's priority profit share The General Partner is entitled to receive a priority profit share, as a first charge on amounts available for allocation among Partners, as determined by the LPA. The priority profit share is treated as an expense in the Statement of comprehensive income and recognised on an accruals basis as it is a contractual obligation with no recourse per the terms of the LPA.

Accounting policies (continued)

H Cash and cash equivalents Cash and cash equivalents in the Statement of financial position comprise cash at bank.

I Distributions All capital and income receipts are distributed among the Partners based on allocations made in accordance with the LPA and at the discretion of the Manager. Distributions to Partners are accounted for as a deduction to the loan account until the balance is repaid and then as a deduction to the profit and loss accounts. A distribution is recognised in the year when the Manager approves it.

J Capital contributions and loan account Partners have subscribed to the Partnership in commitments represented by capital contributions and loan commitments. These items are recorded as equity as the timing and amount of calls and repayments on these items are at the discretion of the Manager. Capital and loan amounts are recognised when a notice is issued.

K Payables Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which are considered to be payable in respect of goods or services received up to the Statement of financial position date.

Notes to the financial statements

1 Portfolio income

	2017 £	2016 £
Interest income	-	52,731
Dividend income	47,597	-
	47,597	52,731

Dividend income relates to two dividends due to 3i Technology Partners III L.P. which were declared 10 December 2011 and 13 March 2012. During the year to 31 March 2017 the Partnership noted that cheques relating to these dividends had not been received so requested them to be reissued and paid during the year ended 31 March 2017. The right to receive this income was established when the cheque relating to these dividends was received by the Partnership.

The Partnership acquired the shares on which the dividends were paid from 3i Technology Partners III L.P. on 16 November 2011 and as such is entitled to those dividends.

2 Unrealised loss on the revaluation of investments

	Unquoted Investments £	2017 Total £
Movement in the fair value of investments	-	-
	-	-

	Unquoted Investments £	2016 Total £
Movement in the fair value of investments	(16,951)	(16,951)
	(16,951)	(16,951)

3 Realised profit on the disposal of investments

	Unquoted Investments £	2017 Total £
Proceeds from investments	-	-
	-	-

	Unquoted Investments £	2016 Total £
Proceeds from investments	1,629,603	1,629,603
Opening fair value of disposed investments	(1,092,088)	(1,092,088)
	537,515	537,515

4 Operating expenses

	2017	2016
	£	£
Professional Fees	850	1,870
Bank Charges	4	5
	854	1,875

The auditor's remuneration for the year of £9,000 (2016: £8,400) was borne by 3i plc, a fellow subsidiary.

5 Payables

	2017	2016
	£	£
Accrued expenses	-	500
	-	500

6 Taxation

No provision for taxation has been made as the Partnership has no liability to taxation. Any taxation arising on the income and gains of the Partnership is payable by the individual Partners. Any withholding tax incurred by the Partnership is charged to the Statement of comprehensive income.

7 Financial instruments and associated risks

The Partnership is subject to currency risk and liquidity risk.

Currency risk

A significant exposure to currency risk is due to fluctuations in foreign currency translation. At 31 March 2017, the Partnership was exposed to currency risk relating to GBP/USD. At 31 March 2017, had GBP strengthened / weakened by 5%, 10% or 15% in relation to these currencies, with all other variables held constant, net assets attributable to Partners would have decreased / increased respectively by the amounts shown in the following table.

	5%	10%	15%
As at 31 March 2017	£	£	£
USD	15	28	40
	15	28	40
As at 31 March 2016	£	£	£
USD	12	23	33
	12	23	33

7 Financial instruments and associated risks (continued)

In addition to this, the table below sets out the Partnership's exposure to foreign currency exchange rates with regard to the Partnership's assets and liabilities at the year end. The Partnership's total assets were £5,347 (2016: £10,625) and the total liabilities were £nil (2016: £500).

% of total Partnership assets	2017	2016
USD	5.7%	2.4%
	5.7%	2.4%

At 31 March 2017 the Partnership had no liabilities outstanding. All liabilities at 31 March 2016 were denominated in GBP.

Liquidity risk

The Partnership's liquidity risk is the risk that the Partnership will encounter difficulties raising liquid funds to meet commitments as they fall due. The Manager is responsible for determining the level of liquid funds to be held by the Partnership. A prudent liquidity risk management approach is adopted to ensure sufficient cash is available for both operational expenses and investments through capital calls from Partners. As at 31 March 2017, the Partnership has undrawn commitments of £241,169,710 (2016: £241,169,710) which is callable by the Manager in accordance with the LPA.

The following table analyses the Partnership's undrawn commitments and assets into relevant maturity groupings based on the remaining period at the Statement of financial position date.

As at 31 March 2017	Undrawn commitments	Assets less than 1 year	Assets between 1-5 years	Assets more than 5 years	Total
	£	£	£	£	£
Undrawn commitments and total assets	241,169,710	5,347	-	-	241,175,057
	241,169,710	5,347	-	-	241,175,057
As at 31 March 2016					
Undrawn commitments and total assets	241,169,710	10,625	-	-	241,180,335
	241,169,710	10,625	-	-	241,180,335

7 Financial instruments and associated risks (continued)

The following table analyses the Partnership's liabilities into relevant maturity groupings based on the remaining period at the Statement of financial position date. The amounts in the tables are the contractual undiscounted cash flows.

As at 31 March 2017	Liabilities less than 1 year £	Liabilities between 1-5 years £	Liabilities more than 5 years £	Total £
Other payables and accrued expenses	-	-	-	-
	-	-	-	-
As at 31 March 2016				
Other payables and accrued expenses	500	-	-	500
	500	-	-	500

The Partnership has no other liabilities to analyse into relevant maturity groupings.

Capital Management

The capital of the Partnership is considered to be the capital contributions, loan accounts and profit and loss accounts, which totalled £5,347 (2016: £10,125) at the reporting date. There are no externally imposed capital requirements on the Partnership. To maintain or adjust the capital structure, the General Partner may request additional contributions from the Partners in the form of drawdowns for operating expense or investment purposes and distribute capital back to the Partners on the sale of investments and receipt of income yield. No changes were made in the Partnership's objectives, policies or processes for the management of capital during the year ended 31 March 2017.

8 Related parties

During the year the Partnership entered into transactions, in the ordinary course of business, with certain related parties. Each category of related party and its impact on the financial statements is detailed below.

General Partner

The Partnership pays a priority profit share to the General Partner, Mayflower GP Limited. From 1 April 2015 onwards, the General Partner is entitled to receive a fixed priority profit share of £4,000 each year.

Prior to this, the General Partner was entitled to receive a priority profit share equal to 1.00% of the aggregate acquisition cost of investments as determined at the investment period expiry date, as reduced by the acquisition cost of investments that have been realised or permanently written off at the beginning of the relevant accounting period.

The General Partner is a related party of the Partnership, being responsible for the financial and operating decisions of the Partnership. The General Partner is a wholly owned subsidiary of 3i Holdings plc, a subsidiary of 3i.

	2017 £	2016 £
Statement of comprehensive income		
Priority profit share	4,000	4,000
Statement of financial position		
Accrued at the end of the year	-	-

8 Related parties (continued)

Deemed distribution

Dividend income of £47,597 (2016: nil) which was due to the Partnership, as explained in note 1, was paid directly to 3i Group plc ("3i"), the Partnership's sole investor. The Partnership made a deemed distribution to 3i for the same amount.

Related undertakings

The Partnership has no interest in any subsidiaries, associates or joint ventures.

9 Controlling party

3i is the ultimate parent undertaking and controlling party of the Manager and the General Partner of the Partnership. Copies of the 3i financial statements which include the Partnership are available from 16 Palace Street, London, SW1E 5JD.

3i Europartners Vb LP

Annual report and accounts for the year to 31 March 2017

Registered number: LP11420

Contents

Strategic report

The Directors of 3i Investments plc (the "Manager") present their strategic report on 3i Europartners Vb LP (the "Partnership") for the year ended 31 March 2017.

Results and business review

The principal activity of the Partnership is to carry on the business of an investor in Buyout deals across all regions in which 3i Group plc ("3i") invests worldwide.

The main key performance indicators are as follows:

	2017	2016
	€	€
Profit and Total comprehensive income for the year before carried interest expense	496,582,369	310,923,526
Profit and Total comprehensive income for the year	325,255,344	268,275,351
Net assets attributable to Partners	1,006,853,623	876,612,718
Total attributable to Partners	1,220,828,823	919,260,893

The results for the year and financial position of the Partnership are as shown in the annexed financial statements.

The Directors of the Manager are satisfied with the performance of the Partnership for the year, which has been driven by unrealised gain on the value of the remaining investments of €495,861,917, strong asset cash flows derived from portfolio income of €1,625,954 and proceeds on realisation of €216,445,306. The Partnership also distributed €199,699,060 to its Partners.

Future developments

The Manager does not foresee any future changes in the activity of the Partnership in the short term.

Risk management

The Manager evaluates the Partnership's risk appetite on a regular basis. The principal risks and uncertainties facing the Partnership are considered to be the following:

- Market price risk
- Currency risk
- Concentration risk
- Credit risk
- Liquidity risk
- Interest rate risk
- Capital management

Strategic report

The Manager has established a risk and financial management framework whose primary objective is to protect the Partnership from events that hinder the achievement of the Partnership's performance objectives, being to generate attractive risk-adjusted returns to investors.

These objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a Partnership level. Details of the Partnership's associated risk policies are found in note 10.

For and on behalf of 3i Investments plc

Authorised signatory
27th June 2017

Registered office:
16 Palace Street
London
SW1E 5JD

Manager's report

The Directors of the Manager present their Manager's report on the Partnership for the year ended 31 March 2017.

Background and general information

The Partnership was established on 29 June 2006 and is domiciled in England as an English Limited Partnership under the Limited Partnership Act 1907. The registered office of the Partnership is 16 Palace Street, London, SW1E 5JD. The General Partner of the Partnership is 3i EFV GP Limited.

The Manager submits its report with the financial statements of the Partnership for the year to 31 March 2017.

Activities and future prospects

The Partnership has been reported as a Qualifying Limited Partnership as defined under The Partnerships (Accounts) Regulations 2008.

The principal activity of the Partnership is to carry on the business of an investor in Buyout deals across all regions in which 3i invests worldwide.

The Partnership is no longer investing other than in follow-on financing. The Manager continues to realise individual investments in appropriate circumstances.

The Manager does not foresee any future changes in the activity of the Partnership in the short term.

Partners' interests

A summary of movements in Partners' accounts is given in the Statement of changes in Partners' accounts on page 10.

Manager

The Manager has responsibility for managing and operating the Partnership and for managing its investment portfolio. The Manager is authorised and regulated by the Financial Conduct Authority.

Going concern

The Manager is satisfied that the Partnership has sufficient undrawn commitments to draw down from Partners and sufficient cash resources to ensure that the Partnership can continue to operate for the foreseeable future and for at least 12 months. For this reason, it continues to prepare the financial statements on a going concern basis.

Events after the balance sheet date

There were no material events subsequent to the balance sheet date.

Manager's report

Disclosure of information to auditor

The Manager confirms that: (a) so far as it is aware, there is no relevant audit information of which the auditor is unaware; and (b) it has taken all steps it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of such information.

Auditor

During the year, Ernst & Young LLP was reappointed and remains as auditor of the Partnership in accordance with clause 12.4 of the Limited Partnership Agreement ("LPA") and chapter 2, section 485 of the Companies Act 2006.

For and on behalf of 3i Investments plc

Authorised signatory

27th June 2017

Registered office:
16 Palace Street
London
SW1E 5JD

Members' responsibilities statement

The Partnerships (Accounts) Regulations 2008 requires the members to prepare financial statements for each financial year. The members have appointed the Manager to prepare the financial statements.

The Manager is responsible for preparing the Manager's report, Strategic report and financial statements in accordance with applicable law and regulations.

The Manager has elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and applicable law. Under law the Manager must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and the profit or loss of the Partnership for that period.

In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the EU, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The Manager has been appointed by the members to fulfil the below responsibilities of the members.

The Manager is responsible for keeping adequate accounting records which are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership, and which enable the members to ensure that the financial statements comply with the Companies Act 2006 as applicable to Qualifying Limited Partnerships by The Partnerships (Accounts) Regulations 2008. The Manager is also responsible for safeguarding the assets of the Partnerships and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Manager confirms that they have complied with the above requirements in preparing the financial statements.

Auditor's report

Independent Auditor's report to the members of 3i Europartners Vb LP

We have audited the financial statements of 3i Europartners Vb LP for the year ended 31 March 2017 which comprise the Statement of comprehensive income, the Statement of changes in Partners' accounts, the Statement of financial position, the Statement of cash flows, the accounting policies A to N and the related notes 1 to 13. 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 qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership'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 qualifying partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' responsibilities statement set out on page 6, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 qualifying partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 qualifying partnership's affairs as at 31 March 2017 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 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Opinion on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships by The Partnership (Accounts) Regulations

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

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

Auditor's report

Matters on which we are required to report by exception

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, *we have identified no material misstatements in the Strategic report or Manager's report.*

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

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

28 June 2017

Statement of comprehensive income

for the year ended 31 March 2017

	Notes	2017 €	2016 €
Portfolio income	1	2,111,411	10,992,261
Unrealised profit on the revaluation of investments	2	495,861,917	293,967,671
Realised profit on the disposal of investments	3	4,059,024	24,540,678
Foreign exchange on investments		291	18,157
Gross investment return		502,032,643	329,518,767
Priority profit share		(4,263,967)	(4,651,732)
Operating expenses	4	(620,356)	(794,937)
Net interest expense		(41,243)	(12,238)
Exchange movements		(138,289)	(81,157)
Withholding tax expense		(386,419)	(13,055,177)
Profit and Total comprehensive income for the year before carried interest expense		496,582,369	310,923,526
Carried interest expense	8	(171,327,025)	(42,648,175)
Profit and Total comprehensive income for the year		325,255,344	268,275,351

All items in the above statement are derived from continuing operations. No operations were acquired or discontinued in the year.

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

Statement of changes in Partners' accounts

for the year ended 31 March 2017

	Capital Contributions €	Loan account €	Profit and loss account €	Total €
Opening balance of Partners' accounts	1,459	244,589,800	632,021,459	876,612,718
Drawdowns from Partners	-	4,684,621	-	4,684,621
Distributions to Partners	-	(199,699,060)	-	(199,699,060)
	1,459	49,575,361	632,021,459	681,598,279
Profit and Total comprehensive income for the year	-	-	325,255,344	325,255,344
Closing balance of Partners' accounts	1,459	49,575,361	957,276,803	1,006,853,623

for the year ended 31 March 2016

	Capital Contributions €	Loan account €	Profit and loss account €	Total €
Opening balance of Partners' accounts	1,459	508,989,670	363,746,108	872,737,237
Drawdowns from Partners	-	1,619,091	-	1,619,091
Distributions to Partners	-	(266,018,961)	-	(266,018,961)
	1,459	244,589,800	363,746,108	608,337,367
Profit and Total comprehensive income for the year	-	-	268,275,351	268,275,351
Closing balance of Partners' accounts	1,459	244,589,800	632,021,459	876,612,718

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

Statement of financial position

as at 31 March 2017

	Notes	2017	2016
Assets		€	€
Non-current assets			
Investments	5		
- Quoted investments		-	10,529,470
- Unquoted investments		1,203,701,162	905,899,632
Total non-current assets		1,203,701,162	916,429,102
Current assets			
Cash and cash equivalents		17,476,065	2,698,735
Receivables	6	-	422,566
Total current assets		17,476,065	3,121,301
Total assets		1,221,177,227	919,550,403
Liabilities			
Non-current liabilities			
Carried interest payable	8	(213,975,200)	(42,648,175)
Total non-current liabilities		(213,975,200)	(42,648,175)
Current liabilities			
Payables	7	(348,404)	(289,510)
Total current liabilities		(348,404)	(289,510)
Total liabilities		(214,323,604)	(42,937,685)
Net assets attributable to Partners		1,006,853,623	876,612,718
Represented by:			
Capital contributions		1,459	1,459
Loan account		49,575,361	244,589,800
Profit and loss accounts		957,276,803	632,021,459
Net assets attributable to Partners		1,006,853,623	876,612,718
Carried interest allocation		213,975,200	42,648,175
Total attributable to Partners		1,220,828,823	919,260,893

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

The financial statements have been approved and authorised for issue by the Manager.

For and on behalf of 3i Investments plc

Authorised signatory

27th June 2017

Statement of cash flows

for the year ended 31 March 2017

	2017 €	2016 €
Cash flow from operating activities		
Purchase of investments	(3,173,232)	(75,710)
Proceeds from investments	216,445,306	262,406,542
Portfolio income received	1,625,954	9,770,726
Bank interest received	12,968	14,238
Bank interest charged	(54,211)	(27,125)
Priority profit share	(4,263,967)	(4,651,732)
Operating expenses	(695,976)	(548,594)
Net cash flow from operating activities	209,896,842	266,888,345
Cash flow from financing activities		
Capital contribution from Partners	-	292
Drawdowns	4,684,621	1,619,091
Distributions	(199,699,060)	(266,018,961)
Net cash flow from financing activities	(195,014,439)	(264,399,578)
Change in cash and cash equivalents	14,882,403	2,488,767
Opening cash and cash equivalents	2,698,735	263,688
Effect of exchange rate fluctuations	(105,073)	(53,720)
Cash and cash equivalents at the end of the year	17,476,065	2,698,735

The accounting policies on pages 13 to 15 and the notes on pages 16 to 25 form an integral part of these financial statements.

Accounting policies

A Statement of compliance These financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU and in accordance and compliance with the Partnership (Accounts) Regulation 2008 and the Companies Act 2006.

New standards and interpretations not applied

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 periods beginning on or after
IAS 7	Disclosure initiative (amendments to IAS 7 – Statement of Cash Flows)	1 January 2017
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019

The impact of future standards and amendments on the financial statements is being assessed by the Manager. The Manager does not anticipate that IFRS 9, IFRS 15 and IFRS 16 will have a material impact on its results.

B Basis of preparation The financial statements have been prepared on a going concern basis and are presented in euros, the functional currency of the Partnership, being the currency in which Partners' capital commitments, drawdowns and distributions are denominated.

C Significant accounting estimates and judgements The preparation of financial statements 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 most significant estimates for the Partnership relate to the fair valuation of the investments and carried interest payable. The valuation methodology for investments and carried interest are disclosed in accounting policies E and N.

The Manager has concluded that the Partnership continues to meet the definition of an investment entity as its strategic objectives of investing in portfolio investments and providing investment management services to investors for the purpose of generating returns in the form of investment income and capital appreciation remain unchanged.

D Foreign currency transactions Monetary assets and liabilities denominated in foreign currencies are translated into euros at the closing rates of exchange at the balance sheet date. Foreign currency transactions are translated into euros at the average rates of exchange over the year and exchange differences arising are taken to the Statement of comprehensive income.

E Investments Investments are recognised and de-recognised on a date where the purchase or sale of an investment is under a contract the terms of which require the delivery or settlement of the investment. The Partnership manages its investments with a view to profiting from the receipt of investment income and capital appreciation from changes in the fair value of equity investments.

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 the International Private Equity and Venture Capital ("IPEV") valuation guidelines.

Quoted investments are designated at fair value through profit and loss and subsequently carried in the Statement of financial position at fair value. Fair value is measured using the closing bid price at the reporting date where the investment is quoted on an active stock market.

Accounting policies (continued)

E Investments (continued)

Unquoted investments, including both equity and loans, are designated at fair value through profit and loss and are subsequently carried in the Statement of financial position at fair value. Fair value is measured using IPEV valuation guidelines.

Interest-bearing loans accrue interest which is either settled in cash or capitalised on a regular basis and included as part of the principal loan balance. The capitalisation of accrued interest is treated as part of investment additions during the year. If the fair value of an investment is assessed to be below the principal value of the loan, the Partnership recognises a fair value reduction against any interest income accrued from the date of the assessment going forward. "Capitalisation at nil value" is the term used to describe the capitalisation of accrued interest which has been fully provided for. These transactions are disclosed as additions to portfolio cost with an equal reduction in portfolio value.

Realised and unrealised gains and losses on investments are disclosed in the Statement of comprehensive income.

Realised profits or losses over value on the disposal of investments are the difference between the fair value of the consideration received less any directly attributable costs, on the sale of equity and the repayment of loans and receivables, and its carrying value at the start of the accounting period, converted into euros using the exchange rates in force at the date of disposal.

Unrealised profits or losses on the revaluation of investments are the movement in the carrying value of investments between the start and end of the accounting period converted into euros using the exchange rates in force at the reporting date.

Foreign exchange on investments arises on investments made in currencies that are different from the functional currency of the Partnership. Investments are translated at the exchange rate ruling at the date of the transaction. At each subsequent reporting date investments are translated to euros at the exchange rate ruling at that date.

F Revenue recognition The revenue recognised by the Partnership is mostly investment income

Portfolio income is income from loans that is recognised as it accrues by reference to principal outstanding and effective interest applicable and dividends from equity investments are recognised in the Statement of comprehensive income when the shareholders' rights to receive payment have been established.

G Operating expenses All operating expenses incurred in relation to the management and administration of the Partnership in accordance with the LPA are charged to the Statement of comprehensive income on an accruals basis.

H General Partner's priority profit share The General Partner is entitled to receive a priority profit share, as a first charge on amounts available for allocation among Partners, as determined by the LPA. The priority profit share is treated as an expense in the Statement of comprehensive income and recognised on an accruals basis as it is a contractual obligation with no recourse per the terms of the LPA.

I Cash and cash equivalents Cash and cash equivalents in the Statement of financial position comprise cash at bank and short term deposits held at call with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Accounting policies (continued)

J Distributions All capital and income receipts are distributed among the Partners based on allocations made in accordance with the LPA and at the discretion of the Manager. Distributions to Partners are accounted for as a deduction to the loan account until the balance is repaid and then as a deduction to the profit and loss accounts. A distribution is recognised in the year when the Manager approves it.

K Capital contributions and loan account Partners have subscribed to the Partnership in commitments represented by capital contributions and loan commitments. These items are recorded as equity as the timing and amount of calls and repayments on these items are at the discretion of the Manager. Capital and loan amounts are recognised when a notice is issued.

L Receivables Assets, other than those specifically accounted for under a separate policy, are stated at their cost less impairment losses based on the amounts which the Manager considers to be receivable in respect of goods or services rendered up to the Statement of financial position date.

M Payables Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which the Manager considers to be payable in respect of goods or services received up to the Statement of financial position date.

N Carried interest In accordance with the LPA, the Founder Partner is entitled to receive a share of the realised profits of the Partnership. The Founder Partner will receive its share of the profits after the performance conditions described in the LPA have been met and the outstanding participation for all Partners, including the General Partner, has been repaid. Carried interest is accrued at the balance sheet date where the calculation indicates that the performance conditions would have been achieved and distribution arrangements met were the investments realised at their fair values. An accrual is made equal to the Founder Partner's share of profits in excess of the performance conditions, discounted to reflect the likely actual cash payment date, which may be materially later than the time of the accrual.

An increase in the carried interest due to the Founder Partner during the year is included as carried interest expense in the Statement of comprehensive income. A recovery of previously accrued carried interest results from a decrease in carried interest due to the Founder Partner, at the reporting date.

Notes to the financial statements

1 Portfolio income

	2017	2016
	€	€
Interest income	1,923,666	6,249,689
Dividend income	187,745	4,742,572
	2,111,411	10,992,261

2 Unrealised profit on the revaluation of investments

	Quoted Investments	Unquoted Investments	2017 Total
	€	€	€
Movement in the fair value of investments	(65,005)	495,926,922	495,861,917
	(65,005)	495,926,922	495,861,917

	Quoted Investments	Unquoted Investments	2016 Total
	€	€	€
Movement in the fair value of investments	254,622	293,713,049	293,967,671
	254,622	293,713,049	293,967,671

3 Realised profit on the disposal of investments

	Quoted Investments	Unquoted Investments	2017 Total
	€	€	€
Proceeds from investments	10,825,576	205,485,177	216,310,752
Opening fair value of disposed investments	(10,464,465)	(201,787,263)	(212,251,728)
	361,110	3,697,914	4,059,024

	Quoted Investments	Unquoted Investments	2016 Total
	€	€	€
Proceeds from investments	15,425,413	260,135,513	275,560,926
Opening fair value of disposed investments	(16,331,348)	(234,688,900)	(251,020,248)
	(905,935)	25,446,613	24,540,678

4 Operating expenses

	2017	2016
	€	€
Audit fee	10,543	11,487
Tax compliance	172,254	411,345
Bank charges	1,441	6,085
Annual investor meeting and Advisory Board expenses	17,986	110,773
Portfolio company related costs	262,858	110,268
Fund administration	45,188	37,856
AIFMD depository	98,202	86,159
Fund reporting	11,884	20,964
	620,356	794,937

5 Investments

	Quoted investments	Unquoted investments	Total
	€	€	€
Fair value at 1 April 2016	10,529,470	905,899,632	916,429,102
Additions during the year	-	12,723,399	12,723,399
Disposals, repayments and write-offs	(10,464,465)	(201,782,412)	(212,246,877)
Fair value gain	-	489,901,997	489,901,997
Foreign exchange movements	(65,005)	(3,041,454)	(3,106,459)
Fair value at 31 March 2017	-	1,203,701,162	1,203,701,162

The fair value of unquoted investments comprises equity of €1,008,256,571 (2016: €645,119,490) and loans of €195,444,591 (2016: €260,780,142).

5 Investments (continued)

Included within additions during the year were €9,550,167 (2016: €16,770,713) of capitalised interest and accrued interest, of which €7,098,675 (2016: €6,424,926) was valued at nil, which is reflected as a reduction in the fair value gain.

The holding period of the Partnership's investments is on average greater than one year. For this reason the investments are classified as non-current. It is not possible to identify with certainty investments that will be sold within one year.

Fair value hierarchy

The Partnership classifies financial instruments measured at fair value in the investments according to the following hierarchy:

Level	Fair value input description	Financial instruments
Level 1	Quoted prices (unadjusted) from active markets	No Level 1 financial instruments
Level 2	Inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)	No Level 2 financial instruments
Level 3	Inputs that are not based on observable market data	Unquoted equity instruments and loan instruments

Unquoted equity instruments and loan instruments are measured at fair value in accordance with the IPEV valuation guidelines with reference to the most appropriate information available at the time of measurement. Loans and equity are valued together to derive the fair value of the asset, where loan and equity instruments are in the same investment and are invested and disposed of at the same time, and cannot be traded separately. To arrive at the fair value of the unquoted equity and loan instruments, the entire fair value of the asset is estimated. The value is then distributed amongst the different loan, equity and other financial instruments accordingly.

The Partnership's investments in equity instruments and loan instruments are classified by the fair value hierarchy as follows:

	2017 Level 1 €	2017 Level 2 €	2017 Level 3 €	2017 Total €
Quoted investments	-	-	-	-
Unquoted investments	-	-	1,203,701,162	1,203,701,162
	-	-	1,203,701,162	1,203,701,162

	2016 Level 1 €	2016 Level 2 €	2016 Level 3 €	2016 Total €
Quoted investments	10,529,470	-	-	10,529,470
Unquoted investments	-	-	905,899,632	905,899,632
Total	10,529,470	-	905,899,632	916,429,102

As at 2017, the Partnership did not hold any Level 1 or Level 2 investments. As at 2016, the Partnership did not hold any Level 2 investments.

5 Investments (continued)

Investments are reviewed at each year end to ensure that they are correctly classified between Level 1, 2 and 3, in accordance with the fair value hierarchy authorised above. When an investment's characteristics change during the financial period and investments no longer meet the criteria of a given level, they are transferred into a more appropriate level at the beginning of the relevant financial reporting period.

Level 3 fair value reconciliation

	2017 €	2016 €
Opening book value	905,899,632	845,562,082
Additions	12,723,399	16,846,423
Disposals, repayments and write-offs	(201,782,412)	(237,946,087)
Fair value movement	489,901,997	283,855,459
Foreign exchange	(3,041,454)	(2,418,246)
Closing fair value	1,203,701,162	905,899,632

All net realised and unrealised gains in the tables above are reflected in the accompanying Statement of comprehensive income. Net amount of €500,944,405 (2016: €319,159,662) relates to those investments held by the Partnership during the year and at 31 March 2017 and is reflected within unrealised profit on the revaluation of investments and realised profit on the disposal of investments, in the Statement of comprehensive income.

Level 3 inputs are sensitive to assumptions made when ascertaining fair value as described in accounting policy E. Of investments held at 31 March 2017 and classified as Level 3, 78.56% were valued using a multiple of earnings and the remaining 21.44% were valued using an alternative methodology.

The fair values of all other assets and liabilities approximate their carrying amounts in the Statement of financial position.

Valuation techniques

Valuation multiple

The valuation multiple is the main assumption applied in a multiple of earnings-based valuation. The multiple is derived, by the Manager, from comparable listed companies or relevant market transaction multiples. Companies in the same industry and, where possible, with a similar business model and profile are selected and then adjusted for factors including liquidity risk, growth potential and relative performance. The value weighted average multiple used when valuing the portfolio was 15.78x (2016: 13.03x). If the multiple used to value each unquoted investment valued on an earnings multiple basis as at 31 March 2017 decreased by 5%, the impact on the investment portfolio would be a decrease of €66.30 million (2016: €50.01 million) or 7.01% (2016:7.34%). If the multiple increased by 5% then the impact on the investment portfolio would be an increase of €66.31 million (2016: €49.94 million) or 7.01% (2016: 7.33%).

Alternative valuation methodologies

There are a number of alternative investment valuation methodologies used by the Partnership, for reasons specific to individual assets. By value and at year end the following techniques were used: 99.83% DCF and 0.17% other. If the value of all of the investments under this methodology moved by 5%, this would have an impact on the investment portfolio of €12.90 million (2016: €11.2 million) or 5% (2016: 4.01%).

6 Receivables

	2017	2016
	€	€
Tax credits awaiting distributions	-	417,722
Other receivables	-	4,843
	-	422,565

7 Payables

	2017	2016
	€	€
Accrued expenses	213,850	289,510
Other liability	134,554	-
	348,404	289,510

8 Carried interest payable

	2017	2016
	€	€
Opening carried interest payable	42,648,175	-
Carried interest expense recognised in the Statement of comprehensive income during the year	171,327,025	42,648,175
	213,975,200	42,648,175
Of which: payable is greater than 1 year	213,975,200	42,648,175

Carried interest payable at the balance sheet date is discounted to reflect the likely cash payment date, which may be materially later than the time of the accrual. If the carried interest payable were not discounted, the accrual at the balance sheet date would be higher at €236,945,631 (2016: €50,794,659).

9 Taxation

No provision for taxation has been made as the Partnership has no liability to taxation. Any taxation arising on the income and gains of the Partnership is payable by the individual Partners. Any withholding tax incurred by the Partnership is charged to the Statement of comprehensive income.

10 Financial instruments and associated risks

The Partnership is subject to market price risk, currency risk, concentration risk, credit risk, liquidity risk and interest rate risk.

Market price risk

Market risk is the potential for changes in value due to the performance of underlying investments.

The Partnership's investments are susceptible to market price risk arising from uncertainties about future market conditions within which the investments operate. The Partnership's market risk is regularly managed by the General Partner.

10 Financial instruments and associated risks (continued)

The Partnership's management of price risk, which arises primarily from quoted and unquoted equity instruments, is through the careful consideration of the investment, asset management and divestment decisions by the General Partner.

A 15% change in the fair value of those investments would have the following direct impact on the Statement of comprehensive income:

	Quoted investments	Unquoted investments	Total
	€	€	€
At 31 March 2017	-	180,555,174	180,555,174
At 31 March 2016	1,579,421	135,884,945	137,464,366

Currency risk

A significant exposure to currency risk is due to fluctuations in foreign currency translation. At 31 March 2017, the Partnership was exposed to currency risk relating to EUR/SEK, EUR/GBP and EUR/USD. At 31 March 2017, had EUR strengthened / weakened by 5%, 10% or 15% in relation to these currencies, with all other variables held constant, net assets attributable to Partners would have decreased / increased respectively by the amounts shown in the following table.

	5%	10%	15%
As at 31 March 2017	€	€	€
USD	14,764	28,186	40,441
SEK	1,331,521	2,541,996	3,647,211
GBP	1,743	3,328	4,774
	1,348,029	2,573,509	3,692,427
As at 31 March 2016	€	€	€
USD	1,116	2,131	3,057
SEK	2,579,337	4,924,189	7,065,141
GBP	1,184,063	2,260,484	3,243,303
	3,764,516	7,186,804	10,311,501

In addition to this, the table below sets out the Partnership's exposure to foreign currency exchange rates with regard to the Partnership's assets and liabilities at the year end. The Partnership's total assets were €1,221,177,277 (2016: €919,550,403) and the total liabilities (including accrual for carried interest) were €214,323,604 (2016: €42,937,685).

% of total Partnership assets	**2017**	**2016**
SEK	2.3%	5.9%
GBP	-	2.7%
	2.3%	8.6%
% of total Partnership liabilities	**2017**	**2016**
GBP	3.0%	0.2%
USD	38.0%	0.3%
	41.0%	0.5%

59.0% (2016: 99.5%) of the Partnership's liabilities were denominated in euros.

10 Financial instruments and associated risks (continued)

Concentration risk

The Manager seeks to diversify risk through significant dispersion of investments by geography, economic sector and size as well as through the maturity profile of its investment portfolio.

The Partnership participates in six portfolio investments and, as a consequence, the aggregate return of the Partnership may be materially and adversely affected by the unfavourable performance of the largest investment. This investment is concentrated in the non-food discount retail industry and thus the Partnership's performance will be closely linked to the performance of this industry and the Partnership could be severely impacted by adverse developments affecting this industry.

Credit risk

Credit risk is the potential that an issuer, counterparty or underlying investment third party will be unable to meet commitments that it has entered into with the Partnership and/or the commitments with underlying investments of the Partnership.

At the Partnership level, the maximum exposure to credit risk, in the event that counterparties fail to perform their obligations as at period end (in relation to each class of recognised financial assets), is the carrying amount of those assets as indicated in the Statement of financial position. Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect the Partnership's counterparties whose aggregate credit exposure is significant in relation to the Partnership's total credit exposure. Credit risk in relation to the debt element of the Partnership's investments is considered and monitored as part of the valuation process described in note 5. The credit quality of loans and receivables within the investment portfolio is based on the financial performance of the individual portfolio companies. For those assets that are not past due it is believed that the risk of default is small and that capital repayments and interest payments will be made in accordance with the agreed terms and conditions of the Partnership's investment. Where the portfolio company has failed or is expected to fail in the next 12 months, the increase in credit risk is included within the overall assessment of the fair value of the investment.

At the Partnership's underlying investment level, transactions will be entered into concurrently with diverse creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

At the balance sheet date, there are no balances which were past due or impaired.

Liquidity risk

The Partnership's liquidity risk is the risk that the Partnership will encounter difficulties raising liquid funds to meet commitments as they fall due. The Manager is responsible for determining the level of liquid funds to be held by the Partnership. A prudent liquidity risk management approach is adopted to ensure sufficient cash is available for both operational expenses and investments through capital calls from Partners. As at 31 March 2017, the Partnership has undrawn commitments of €43,259,300 (2016: €47,943,921) which is callable by the Manager in accordance with the LPA.

The Partnership's investments are subject to liquidity risk in the normal course of business. As at 31 March 2017, the Partnership held €1,203,701,162 (2016: €905,899,632) in investments that it considered to be illiquid. The Manager manages this risk by ensuring that sufficient funds exist to meet outstanding commitments, other liabilities incurred by the operating activities of the Partnership and short term liquidity needs, as they fall due.

The following table analyses the Partnership's undrawn commitments and assets into relevant maturity groupings based on the remaining period at the Statement of financial position date.

10 Financial instruments and associated risks (continued)

As at 31 March 2017	Undrawn commitments	Assets less than 1 year	Assets between 1-5 years	Assets more than 5 years	Total
	€	€	€	€	€
Undrawn commitments and total assets	43,259,300	17,476,065	1,203,701,162	-	1,264,436,527
	43,259,300	17,476,065	1,203,701,162	-	1,264,436,527
As at 31 March 2016					
Undrawn commitments and total assets	47,943,921	13,650,771	905,899,632	-	967,494,324
	47,943,921	13,650,771	905,899,632	-	967,494,324

The following table analyses the Partnership's liabilities into relevant maturity groupings based on the remaining period at the Statement of financial position date

As at 31 March 2017	Liabilities less than 1 year	Liabilities between 1-5 years	Liabilities more than 5 years	Total
	€	€	€	€
Other payables and accrued expenses	348,404	-	-	348,404
	348,404	-	-	348,404
As at 31 March 2016				
Other payables and accrued expenses	-	289,510	-	289,510
	-	289,510	-	289,510

Carried interest payable greater than one year of €213,975,200 (2016: €42,648,175) has no stated maturity as carried interest results from investment related transactions and it is not possible to identify with certainty the timing of when the investments will be sold. The Partnership has no other liabilities to analyse into relevant maturity groupings.

Interest rate risk

The Partnership has no significant direct exposure to interest rate risk as its investments in debt instruments are in fixed rate loans. Indirect exposure to interest rate risk is via portfolio companies and is included in market price risk.

Capital Management

The capital of the Partnership is considered to be the capital contributions, loan accounts and profit and loss accounts, which totalled €1,006,853,623 (2016: €876,612,718) at the reporting date. There are no externally imposed capital requirements on the Partnership. To maintain or adjust the capital structure, the General Partner may request additional contributions from the Partners in the form of drawdowns for operating expense or investment purposes and distribute capital back to the Partners on the sale of investments and receipt of income yield. No changes were made in the Partnership's objectives, policies or processes for the management of capital during the year ended 31 March 2017.

11 Related parties

During the year the Partnership entered into transactions, in the ordinary course of business, with certain related parties. Each category of related party and its impact on the financial statements is detailed below.

Carried interest

The Partnership pays carried interest to the Founder Partner when certain conditions relating to the performance of the Partnership are met. The amounts recognised in the Statement of comprehensive income for the year ended 31 March 2017 and in the Statement of financial position as at 31 March 2017 are set out in note 8.

General Partner

The Partnership pays a priority profit share to the General Partner. During the investment period, the General Partner is entitled to receive a priority profit share equal to 1.75% of the acquisition cost of investments, reduced to the extent that the General Partner or any respective related party is in receipt of any fees related to the Partnership's activities. After the investment period expiry date, the priority profit share is reduced to 1.25% of the aggregate acquisition cost of investments as determined at the investment period expiry date, reduced by the acquisition cost of investments that have been realised or permanently written off at the beginning of the relevant accounting period.

The General Partner is a related party of the Partnership, being responsible for the financial and operating decisions of the Partnership. The General Partner is a wholly owned subsidiary of 3i Holdings plc, a subsidiary of 3i.

	2017	2016
Statement of comprehensive income	**€**	**€**
Priority profit share	4,263,967	4,651,732
Statement of financial position		
Accrued at the end of the year	-	-

Management, administrative and secretarial arrangements

During the year a number of costs were recharged between the Partnership and 3i plc, a subsidiary of 3i, in accordance with the LPA.

	2017	2016
Statement of comprehensive income	**€**	**€**
Recharged costs	332,151	375,450
Statement of financial position		
Accrued at the end of the year	-	-

Related undertakings

The Partnership makes investments in the equity of unquoted and quoted investments where it does not have control but may be able to participate in the financial and operating policies of that company. It is presumed that it is possible to exert significant influence when the equity holding is greater than or equal to 20%. The total amounts included for investments where the Partnership has significant influence but not control are as follows:

	2017	2016
Statement of comprehensive income	**€**	**€**
Portfolio income	1,380,199	5,964,471
Unrealised profit on the revaluation of investments	496,438,710	300,389,577
Realised profit/(loss) on the disposal of investments	6,715,921	(76,563)
Statement of financial position		
Unquoted investments	1,203,268,204	844,820,802

12 Related undertakings

The Companies Act 2006 requires disclosure of certain information about the Partnership'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 a shareholding greater than or equal to 20% of the nominal value of any class of shares.

The Partnership's related undertakings at 31 March 2017 are listed below.

Associates

Description	Holding / share class	Address	Country of incorporation or residence	Principal activity
Chrysanthes 1 Sarl	*26.69% of Ordinary shares*	*9 Rue Ste Zithe Luxembourg*	*Luxembourg*	Investment Holding Vehicle
Memora SA	30.33% of Ordinary shares	Rue Sainte Zithe 9 Luxembourg, Luxembourg	Luxembourg	Investment Holding Vehicle
OneMed AB	32.33% of Ordinary shares	Svardvagen 3B, Danderyd, 182 33 Sweden	Sweden	Investment Holding Vehicle
Peer Holding 1 B.V.	22.12% of Ordinary shares	Perenmarkt 15 Zwaagdijk East, 1681PG Netherlands	Netherlands	Investment Holding Vehicle
Scandferries Holding UK Ltd	26.11% of Ordinary shares	35 Great St Helen's, London, United Kingdom, EC3A 6AP	UK	Investment Holding Vehicle
Echezeaux Investissements SA	25.76% of Ordinary shares	Parc des Érables - Bât 1, 66 Rte de Sartrouville, Le Pecq Cedex	France	Investment Holding Vehicle

The Partnership has no interests in any subsidiaries or joint ventures.

13 Controlling party

The Partnership has no ultimate controlling party.

3i Parallel Ventures LP

Annual report and accounts for the year to 31 March 2017

Registered number: LP 5580

Contents

Strategic report

The Directors of 3i Investments plc (the "Manager") present their strategic report on 3i Parallel Ventures LP (the "Partnership") for the year ended 31 March 2017.

Results and business review

The principal activity of the Partnership is to carry on the business of an investor in buyout deals across all regions in which 3i Group plc ("3i") invests in worldwide.

The main key performance indicators are as follows:

	2017	2016
	£	£
Profit/(loss) and Total comprehensive income for the year before carried interest expense	(12,231,865)	72,148
Loss and Total comprehensive income for the year	(12,460,566)	(370,608)
Net assets attributable to Partners	15,085,632	26,356,398

The results for the year and financial position of the Partnership are as shown in the annexed financial statements.

The Directors of the Manager recognise that the performance of the Partnership for the year is unfavourable due to the realised losses of £11,132,963 incurred by the Partnership and the fall in the value of the investment portfolio resulting in an unrealised loss of £1,008,052. The Partnership made no distributions to its Partners.

Future developments

The Manager does not foresee any future changes in the activity of the Partnership in the short term.

Risk management

The Manager evaluates the Partnership's risk appetite on a regular basis. The principal risks and uncertainties facing the Partnership are considered to be the following:

- Market price risk
- Currency risk
- Concentration risk
- Credit risk
- Liquidity risk
- Interest rate risk
- Capital management

Strategic report

The Manager has established a risk and financial management framework whose primary objective is to protect the Partnership from events that hinder the achievement of the Partnership's performance objectives, being to generate attractive risk-adjusted returns to investors.

These objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a Partnership level. Details of the Partnership's associated risk policies are found in note 10.

For and on behalf of 3i Investments plc

Authorised signatory
28th June 2017

Registered office:
16 Palace Street
London
SW1E 5JD

Manager's report

The Directors of the Manager present their Manager's report on the Partnership for the year ended 31 March 2017.

Background and general information

The Partnership was established on 24 October 1997 and is domiciled in England as an English Limited Partnership under the Limited Partnership Act 1907. The registered office of the Partnership is 16 Palace Street, London, SW1E 5JD. The General Partner of the Partnership is 3i General Partner No. 1 Limited.

The Manager submits its report with the financial statements of the Partnership for the year to 31 March 2017.

Activities and future prospects

The Partnership has been reported as a Qualifying Limited Partnership as defined under The Partnerships (Accounts) Regulations 2008.

The principal activity of the Partnership is to carry on the business of an investor in buyout deals across all regions in which 3i invests worldwide.

The Partnership is no longer investing other than in follow-on financing. The Manager continues to realise individual investments in appropriate circumstances.

The Manager does not foresee any future changes in the activity of the Partnership in the short term.

Partners' interests

A summary of movements in Partners' accounts is given in the Statement of changes in Partners' accounts on page 10.

Manager

The Manager has responsibility for managing and operating the Partnership and for managing its investment portfolio. The Manager is authorised and regulated by the Financial Conduct Authority.

Going concern

The Manager is satisfied that the Partnership has sufficient undrawn commitments to draw down from Partners and sufficient cash resources to ensure that the Partnership can continue to operate for the foreseeable future and for at least 12 months. For this reason, it continues to prepare the financial statements on a going concern basis.

Events after the balance sheet date

There were no material events subsequent to the balance sheet date.

Manager's report

Disclosure of information to auditor

The Manager confirms that: (a) so far as it is aware, there is no relevant audit information of which the auditor is unaware; and (b) it has taken all steps it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of such information.

Auditor

During the year, Ernst & Young LLP was reappointed and remains as auditor of the Partnership in accordance with clause 12.4 of the Limited Partnership Agreement ("LPA") and chapter 2, section 485 of the Companies Act 2006.

For and on behalf of 3i Investments plc

Authorised signatory

28th June 2017

Registered office:
16 Palace Street
London
SW1E 5JD

Members' responsibilities statement

The Partnerships (Accounts) Regulations 2008 requires the members to prepare financial statements for each financial year. The members have appointed the Manager to prepare the financial statements.

The Manager is responsible for preparing the Strategic report, Manager's report and financial statements in accordance with applicable law and regulations.

The Manager has elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and applicable law. Under law the Manager must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and the profit or loss of the Partnership for that period.

In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the EU, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The Manager has been appointed by the members to fulfil the below responsibilities of the members.

The Manager is responsible for keeping adequate accounting records which are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership, and which enable the members to ensure that the financial statements comply with the Companies Act 2006 as applicable to Qualifying Limited Partnerships by The Partnerships (Accounts) Regulations 2008. The Manager is also responsible for safeguarding the assets of the Partnerships and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Manager confirms that they have complied with the above requirements in preparing the financial statements.

Auditor's report

Independent Auditor's report to the members of 3i Parallel Ventures LP

We have audited the financial statements of 3i Parallel Ventures LP for the year ended 31 March 2017 which comprise the Statement of comprehensive income, the Statement of changes in Partners' accounts, the Statement of financial position, the Statement of cash flows, the accounting policies A to N and the related notes 1 to 13. 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 qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership'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 qualifying partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' responsibilities statement set out on page 6, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 qualifying partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 qualifying partnership's affairs as at 31 March 2017 and of its loss 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 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Opinion on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships by The Partnership (Accounts) Regulations

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

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

Auditor's report

Matters on which we are required to report by exception

In light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic report or Manager's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Maximiliano Bark (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
29 June 2017

Statement of comprehensive income

for the year ended 31 March 2017

	Notes	2017 £	2016 £
Portfolio income	1	373,439	683,063
Unrealised loss on the revaluation of investments	2	(1,008,052)	(126,717)
Realised loss on the disposal of investments	3	(11,132,963)	-
Gross investment return		(11,767,576)	556,346
Priority profit share		(318,703)	(406,623)
Operating expenses	4	(111,531)	(55,674)
Other interest		803	1,149
Withholding tax expense		(34,858)	(23,050)
(Loss)/Profit and Total comprehensive income for the year before carried interest		(12,231,865)	72,148
Carried interest expense	8	(228,701)	(442,756)
Loss and Total comprehensive income for the year		(12,460,566)	(370,608)

All items in the above statement are derived from continuing operations. No operations were acquired or discontinued in the year.

The accounting policies on pages 13 to 15 and the notes on pages 16 to 23 form an integral part of these financial statements.

Statement of changes in Partners' accounts

for the year ended 31 March 2017

	Capital Contributions £	Loan account £	Profit and loss account £	Total £
Opening balance of Partners' accounts	5,090	28,778,529	(2,427,221)	26,356,398
Drawdown from Partners	-	1,189,800	-	1,189,800
	5,090	29,968,329	(2,427,221)	27,546,198
Loss and Total comprehensive income for the year	-	-	(12,460,566)	(12,460,566)
Closing balance of Partners' accounts	5,090	29,968,329	(14,887,787)	15,085,632

for the year ended 31 March 2016

	Capital Contributions £	Loan account £	Profit and loss account £	Total £
Opening balance of Partners' accounts	5,090	28,934,009	(2,056,613)	26,882,486
Drawdown from Partners	-	227,839	-	227,839
Distributions to Partners	-	(383,319)	-	(383,319)
	5,090	28,778,529	(2,056,613)	26,727,006
Loss and Total comprehensive profit for the year	-	-	(370,608)	(370,608)
Closing balance of Partners' accounts	5,090	28,778,529	(2,427,221)	26,356,398

The accounting policies on pages 13 to 15 and the notes on pages 16 to 23 form an integral part of these financial statements.

Statement of financial position

as at 31 March 2017

	Notes	2017 £	2016 £
Assets			
Non-current assets			
Investments	5		
- Unquoted investments		10,739,762	24,960,650
Carried interest clawback	8	-	1,169,703
Total non-current assets		10,739,762	26,130,353
Current assets			
Carried interest clawback	8	941,002	-
Cash and cash equivalents		3,458,218	219,365
Receivables	6	-	25,655
Total current assets		4,399,220	245,020
Total assets		15,138,982	26,375,373
Liabilities			
Current liabilities			
Payables	7	(53,350)	(18,975)
Total current liabilities		(53,350)	(18,975)
Total liabilities		(53,350)	(18,975)
Net assets attributable to Partners		15,085,632	26,356,398
Represented by:			
Capital contributions		5,090	5,090
Loan account		29,968,329	28,778,529
Profit and loss accounts		(14,887,787)	(2,427,221)
Net assets attributable to Partners		15,085,632	26,356,398

The accounting policies on pages 13 to 15 and the notes on pages 16 to 23 form an integral part of these financial statements.

The financial statements have been approved and authorised for issue by the Manager.

For and on behalf of 3i Investments plc

Authorised signatory

28th June 2017

Statement of cash flows

for the year ended 31 March 2017

	2017 £	2016 £
Cash flow from operating activities		
Purchase of investments	(975,000)	(4,263)
Proceeds from investments	3,204,425	-
Interest income received	74,872	74,669
Dividend income received	135,776	452,585
Bank interest received	804	1,149
Priority profit share	(280,505)	(386,852)
Operating expenses	(111,319)	(45,700)
Net cash flow from operating activities	2,049,053	91,588
Cash flow from financing activities		
Drawdown from Partners	1,189,800	227,839
Distributions to Partners	-	(383,319)
Net cash flow from financing activities	1,189,800	(155,480)
Change in cash and cash equivalents	3,238,853	(63,892)
Opening cash and cash equivalents	219,365	283,257
Cash and cash equivalents at the end of the year	3,458,218	219,365

The accounting policies on pages 13 to 15 and the notes on pages 16 to 23 form an integral part of these financial statements.

Accounting policies

A Statement of compliance These financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU and in accordance and compliance with the Partnership (Accounts) Regulation 2008 and the Companies Act 2006.

New standards and interpretations not applied

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 periods beginning on or after
IAS 7	Disclosure initiative (amendments to IAS 7 – Statement of Cash Flows)	1 January 2017
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019

The impact of future standards and amendments on the financial statements is being assessed by the Manager. The Manager does not anticipate that IFRS 9, IFRS 15 and IFRS 16 will have a material impact on its results.

B Basis of preparation The financial statements have been prepared on a going concern basis and are presented in pounds, the functional currency of the Partnership, being the currency in which Partners' capital commitments, drawdowns and distributions are denominated.

C Significant accounting estimates and judgements The preparation of financial statements 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 most significant estimates for the Partnership relate to the fair valuation of the investments and carried interest. The valuation methodology for investments and carried interest are disclosed in accounting policies E and N.

The Manager has concluded that the Partnership continues to meet the definition of an investment entity as its strategic objectives of investing in portfolio investments and providing investment management services to investors for the purpose of generating returns in the form of investment income and capital appreciation remain unchanged.

D Foreign currency transactions Monetary assets and liabilities denominated in foreign currencies are translated into pounds at the closing rates of exchange at the balance sheet date. Foreign currency transactions are translated into pounds at the average rates of exchange over the year and exchange differences arising are taken to the Statement of comprehensive income.

E Investments Investments are recognised and de-recognised on a date where the purchase or sale of an investment is under a contract the terms of which require the delivery or settlement of the investment. The Partnership manages its investments with a view to profiting from the receipt of investment income and capital appreciation from changes in the fair value of equity investments.

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 the International Private Equity and Venture Capital ("IPEV") valuation guidelines.

Accounting policies (continued)

E Investments (continued)

Unquoted investments, including both equity and loans, are designated at fair value through profit and loss and are subsequently carried in the Statement of financial position at fair value. Fair value is measured using IPEV valuation guidelines.

Interest-bearing loans accrue interest which is either settled in cash or capitalised on a regular basis and included as part of the principal loan balance. The capitalisation of accrued interest is treated as part of investment additions during the year. If the fair value of an investment is assessed to be below the principal value of the loan, the Partnership recognises a fair value reduction against any interest income accrued from the date of the assessment going forward. "Capitalisation at nil value" is the term used to describe the capitalisation of accrued interest which has been fully provided for. These transactions are disclosed as additions to portfolio cost with an equal reduction in portfolio value.

Realised and unrealised gains and losses on investments are disclosed in the Statement of comprehensive income.

Realised profits or losses over value on the disposal of investments are the difference between the fair value of the consideration received less any directly attributable costs, on the sale of equity and the repayment of loans and receivables, and its carrying value at the start of the accounting period, converted into pounds using the exchange rates in force at the date of disposal.

Unrealised profits or losses on the revaluation of investments are the movement in the carrying value of investments between the start and end of the accounting period converted into pounds using the exchange rates in force at the reporting date.

Foreign exchange on investments arises on investments made in currencies that are different from the functional currency of the Partnership. Investments are translated at the exchange rate ruling at the date of the transaction. At each subsequent reporting date investments are translated to euros at the exchange rate ruling at that date.

F Revenue recognition The revenue recognised by the Partnership is mostly investment income.

Portfolio income is that portion of income that is directly related to the return from individual investments. It is recognised to the extent that it is probable that there will be economic benefit and the income can be reliably measured. The following specific recognition criteria must be met before the income is recognised:

a) Income from loans is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable.
b) Dividends from equity investments are recognised in the Statement of comprehensive income when the shareholders' rights to receive payment have been established.

G Operating expenses All operating expenses incurred in relation to the management and administration of the Partnership in accordance with the LPA are charged to the Statement of comprehensive income on an accruals basis.

H General Partner's priority profit share The General Partner is entitled to receive a priority profit share, as a first charge on amounts available for allocation among Partners, as determined by the LPA. The priority profit share is treated as an expense in the Statement of comprehensive income and recognised on an accruals basis as it is a contractual obligation with no recourse per the terms of the LPA.

I Cash and cash equivalents Cash and cash equivalents in the Statement of financial position comprise cash at bank and short term deposits held at call with financial institutions. .

Accounting policies (continued)

J Distributions All capital and income receipts are distributed among the Partners based on allocations made in accordance with the LPA and at the discretion of the Manager. Distributions to Partners are accounted for as a deduction to the loan account until the balance is repaid and then as a deduction to the profit and loss accounts. A distribution is recognised in the year when the Manager approves it.

K Capital contributions and loan account Partners have subscribed to the Partnership in commitments represented by capital contributions and loan commitments. These items are recorded as equity as the timing and amount of calls and repayments on these items are at the discretion of the Manager. Capital and loan amounts are recognised when a notice is issued.

L Receivables Assets, other than those specifically accounted for under a separate policy, are stated at their cost less impairment. They are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indications exist, the asset's recoverable amount is estimated based on expected discounted future cash flows and any changes in the level of impairment is recognised directly in the Statement of comprehensive income.

M Payables Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which the Manager considers to be payable in respect of goods or services received up to the Statement of financial position date.

N Carried interest In accordance with the LPA, the Founder Partner is entitled to receive a share of the realised profits of the Partnership. The Founder Partner will receive its share of the profits after the performance conditions described in the LPA have been met and the outstanding participation for all Partners, including the General Partner, has been repaid. Carried interest is accrued at the balance sheet date where the calculation indicates that the performance conditions would have been achieved and distribution arrangements met were the investments realised at their fair values. An accrual is made equal to the Founder Partner's share of profits in excess of the performance conditions, discounted to reflect the likely actual cash payment date, which may be materially later than the time of the accrual.

An increase in the carried interest due to the Founder Partner during the year is included as carried interest expense in the Statement of comprehensive income. Carried interest clawback represents the amount of carried interest already paid to the Founder Partner that would be due back to the Partnership from the Founder Partner should the investments be realised at their fair values as presented at the reporting date. The clawback receivable is measured at amortised cost and is calculated as the (i) the cumulative amount of carried interest that would be due to the Founder Partner, applying the Partnership's capital calls and distributions to date and the fair value of investments at the reporting date (as described above) as the theoretical total carried interest distribution at that date, less (ii) cumulative amount of carried interest previously distributed to the Founder Partner, only to the extent of the amount by which (ii) is greater than (i). This clawback amount may be recovered by the Partnership by (i) offsetting this amount against future realised gains attributed to the Founder Partner as additional carried interest, or by (ii) repayment of any distributed carried interest from the Founder Partner back to the Partnership, in accordance with the terms of the LPA.

Notes to the financial statements

1 Portfolio income

	2017 £	2016 £
Interest income	237,663	230,478
Dividend income	135,776	452,585
	373,439	683,063

2 Unrealised loss on the revaluation of investments

	Unquoted Investments £	2017 Total £
Movement in the fair value of investments	(1,008,052)	(1,008,052)
	(1,008,052)	(1,008,052)

	Unquoted Investments £	2016 Total £
Movement in the fair value of investments	(126,717)	(126,717)
	(126,717)	(126,717)

3 Realised loss on the disposal of investments

	Unquoted Investments £	2017 Total £
Proceeds from investments	3,170,264	3,170,264
Opening fair value of disposed investments	(14,303,227)	(14,303,227)
	(11,132,963)	(11,132,963)

	Unquoted Investments £	2016 Total £
Proceeds from investments	-	-
Opening fair value of disposed investments	-	-
	-	-

4 Operating expenses

	2017 £	2016 £
Other portfolio cost	(66,662)	-
Tax compliance fees	(10,740)	(36,429)
Audit fees	(7,000)	(9,000)
Legal costs	(27,129)	(10,245)
	(111,531)	(55,674)

5 Investments

	Unquoted investments £	Total £
Fair value at 1 April 2016	24,960,650	24,960,650
Additions during the year	1,618,336	1,618,336
Fair value movement	(15,839,224)	(15,839,224)
Fair value at 31 March 2017	10,739,762	10,739,762

The fair value of unquoted investments comprises equity of £5,824,242 (2016: £3,922,305) and loans of £4,915,520 (2016: £21,038,345).

Included within additions during the year were £643,336 (2016: £1,585,542) of capitalised interest and accrued interest, of which £527,945 (2016: £617,742) was valued at nil, which is reflected as a part of the fair value movement.

The holding period of the Partnership's investments is on average greater than one year. For this reason the investments are classified as non-current. It is not possible to identify with certainty investments that will be sold within one year.

Fair value hierarchy

The Partnership classifies financial instruments measured at fair value in the investments according to the following hierarchy:

Level	Fair value input description	Financial instruments
Level 1	Quoted prices (unadjusted) from active markets	No Level 1 financial instruments
Level 2	Inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)	No Level 2 financial instruments
Level 3	Inputs that are not based on observable market data	Unquoted equity instruments and loan instruments

Unquoted equity instruments and loan instruments are measured at fair value in accordance with the IPEV valuation guidelines with reference to the most appropriate information available at the time of measurement. Loans and equity are valued together to derive the fair value of the asset, where loan and equity instruments are in the same investment and are invested and disposed of at the same time, and cannot be traded separately. To arrive at the fair value of the unquoted equity and loan instruments, the entire fair value of the asset is estimated. The value is then distributed amongst the different loan, equity and other financial instruments accordingly.

5 Investments (continued)

The Partnership's investments in equity instruments and loan instruments are classified by the fair value hierarchy as follows:

	2017 Level 1 £	2017 Level 2 £	2017 Level 3 £	2017 Total £
Unquoted investments	-	-	10,739,762	10,739,762
	-	-	10,739,762	10,739,762

	2016 Level 1 £	2016 Level 2 £	2016 Level 3 £	2016 Total £
Unquoted investments	-	-	24,960,650	24,960,650
Total	-	-	24,960,650	24,960,650

As at 2017 and 2016, the Partnership did not hold any Level 1 or Level 2 investments.

Investments are reviewed at each year end to ensure that they are correctly classified between Level 1, 2 and 3, in accordance with the fair value hierarchy outlined above. When an investment's characteristics change during the financial period and investments no longer meet the criteria of a given level, they are transferred into a more appropriate level at the beginning of the relevant financial reporting period.

Level 3 fair value reconciliation

	2017 £	2016 £
Opening book value	24,960,650	24,973,017
Additions	1,618,336	1,585,652
Disposals, repayments and write-offs	(14,303,227)	-
Fair value movement	(1,535,997)	(1,598,019)
Closing fair value	10,739,762	24,960,650

All net realised and unrealised losses in the tables above are reflected in the accompanying Statement of comprehensive income. Net amount of €12,141,015 (2016: €126,717) relates to those investments held by the Partnership during the year and at 31 March 2017 and is reflected within Unrealised loss on the revaluation of investments and Realised loss on the disposal of investments, in the Statement of comprehensive income.

Level 3 inputs are sensitive to assumptions made when ascertaining fair value as described in accounting policy E. Of investments held at 31 March 2017 and classified as Level 3, 13.3% were valued using a multiple of earnings approach and 86.7% valued using an imminent sale approach.

The fair values of all other assets and liabilities approximate their carrying amounts in the Statement of financial position.

5 Investments (continued)

Valuation techniques

Valuation multiple

The valuation multiple is the main assumption applied in a multiple of earnings-based valuation. The multiple is derived, by the Manager, from comparable listed companies or relevant market transaction multiples. Companies in the same industry and, where possible, with a similar business model and profile are selected and then adjusted for factors including liquidity risk, growth potential and relative performance. The value weighted average multiple used when valuing the portfolio was 6.00x (2016: 9.87x). If the multiple used to value each unquoted investment valued on an earnings multiple basis as at 31 March 2017 decreased by 5%, the impact on the investment portfolio would be a decrease of £0.16 million (2016: £1.49 million) or 11.56% (2016: 5.96%). If the multiple increased by 5% then the impact on the investment portfolio would be an increase of £0.16 million (2016: £1.49 million) or 11.56% (2016: 5.96%).

6 Receivables

	2017	2016
	£	£
Tax credits awaiting distributions	-	25,655
	-	25,655

7 Payables

	2017	2016
	£	£
Other liability	34,161	-
Accrued expenses	19,189	18,975
	53,350	18,975

8 Carried interest clawback

	2017	2016
	£	£
Opening carried interest clawback	1,169,703	1,612,459
Carried interest recovery recognised in the Statement of comprehensive income during the year	(228,701)	(442,756)
	941,002	1,169,703
Of which: receivable is greater than 1 year	-	1,169,703

Carried interest clawback at the balance sheet date is discounted to reflect the likely cash receivable date, which may be materially later than the time of the accrual.

9 Taxation

No provision for taxation has been made as the Partnership has no liability to taxation. Any taxation arising on the income and gains of the Partnership is payable by the individual Partners. Any withholding tax incurred by the Partnership is charged to the Statement of comprehensive income.

10 Financial instruments and associated risks

The Partnership is subject to market price risk, concentration risk, credit risk, liquidity risk and interest rate risk.

Market price risk

Market risk is the potential for changes in value due to the performance of underlying investments.

The Partnership's investments are susceptible to market price risk arising from uncertainties about future market conditions within which the investments operate. The Partnership's market risk is regularly managed by the General Partner.

The Partnership's management of price risk, which arises primarily from quoted and unquoted equity instruments, is through the careful consideration of the investment, asset management and divestment decisions by the General Partner.

A 15% change in the fair value of those investments would have the following direct impact on the Statement of comprehensive income:

	Unquoted investments	**Total**
	£	**£**
At 31 March 2017	1,610,964	1,160,964
At 31 March 2016	3,744,097	3,744,097

Currency risk

The Partnership has no exposure to currency risk as all assets and liabilities are denominated in the Partnership's reporting currency.

Concentration risk

The Manager seeks to diversify risk through significant dispersion of investments by geography, economic sector and size as well as through the maturity profile of its investment portfolio.

The Partnership participates in two portfolio investments and, as a consequence, the aggregate return of the Partnership may be materially and adversely affected by the unfavourable performance of the largest investment. This investment is concentrated in the garment industry and thus the Partnership's performance will be closely linked to the performance of this industry and the Partnership could be severally impacted by adverse developments affecting this industry.

10 Financial instruments and associated risks (continued)

Credit risk

Credit risk is the potential that an issuer, counterparty or underlying investment third party will be unable to meet commitments that it has entered into with the Partnership and/or the commitments with underlying investments of the Partnership.

At the Partnership level, the maximum exposure to credit risk, in the event that counterparties fail to perform their obligations as at period end (in relation to each class of recognised financial assets), is the carrying amount of those assets as indicated in the Statement of financial position. Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect the Partnership's counterparties whose aggregate credit exposure is significant in relation to the Partnership's total credit exposure. Credit risk in relation to the debt element of the Partnership's investments is considered and monitored as part of the valuation process described in note 5. The credit quality of loans and receivables within the investment portfolio is based on the financial performance of the individual portfolio companies. For those assets that are not past due it is believed that the risk of default is small and that capital repayments and interest payments will be made in accordance with the agreed terms and conditions of the Partnership's investment. Where the portfolio company has failed or is expected to fail in the next 12 months, the increase in credit risk is included within the overall assessment of the fair value of the investment.

At the Partnership's underlying investment level, transactions will be entered into concurrently with diverse creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

At the balance sheet date, there are no balances which were past due or impaired.

Liquidity risk

The Partnership's liquidity risk is the risk that the Partnership will encounter difficulties raising liquid funds to meet commitments as they fall due. The Manager is responsible for determining the level of liquid funds to be held by the Partnership. A prudent liquidity risk management approach is adopted to ensure sufficient cash is available for both operational expenses and investments through capital calls from Partners. As at 31 March 2017, the Partnership has undrawn commitments of £150,177,897 (2016: £151,367,697) which is callable by the Manager in accordance with the LPA.

The Partnership's investments are subject to liquidity risk in the normal course of business. As at 31 March 2017, the Partnership held £10,739,762 (2016: £24,960,650) in investments that it considered to be illiquid. The Manager manages this risk by ensuring that sufficient funds exist to meet outstanding commitments, other liabilities incurred by the operating activities of the Partnership and short term liquidity needs, as they fall due.

The following table analyses the Partnership's undrawn commitments and assets into relevant maturity groupings based on the remaining period at the Statement of financial position date.

As at 31 March 2017	**Undrawn commitments**	**Assets less than 1 year**	**Assets between 1-5 years**	**Assets more than 5 years**	**Total**
	£	**£**	**£**	**£**	**£**
Undrawn commitments and total assets	150,177,897	4,399,220	10,739,762	-	165,316,879
	150,177,897	4,399,220	10,739,762	-	165,316,879
As at 31 March 2016					
Undrawn commitments and total assets	151,367,697	245,020	24,960,650	-	176,573,367
	151,367,697	245,020	24,960,650	-	176,573,367

10 Financial instruments and associated risks (continued)

The following table analyses the Partnership's liabilities into relevant maturity groupings based on the remaining period at the Statement of financial position date. The amounts in the tables are the contractual undiscounted cash flows.

As at 31 March 2017	Liabilities less than 1 year	Liabilities between 1-5 years	Liabilities more than 5 years	Total
	£	£	£	£
Other payables and accrued expenses	53,350	-	-	53,350
	53,350	-	-	53,350
As at 31 March 2016				
Other payables and accrued expenses	18,975	-	-	18,975
	18,975	-	-	18,975

Interest rate risk

The Partnership has no significant direct exposure to interest rate risk as its investments in debt instruments are in fixed rate loans. Indirect exposure to interest rate risk is via portfolio companies and is included in market price risk.

Capital Management

The capital of the Partnership is considered to be the capital contributions, loan accounts and profit and loss accounts, which totalled £15,085,632 (2016: £26,356,398) at the reporting date. There are no externally imposed capital requirements on the Partnership. To maintain or adjust the capital structure, the General Partner may request additional contributions from the Partners in the form of drawdowns for operating expense or investment purposes and distribute capital back to the Partners on the sale of investments and receipt of income yield. No changes were made in the Partnership's objectives, policies or processes for the management of capital during the year ended 31 March 2017.

11 Related parties

During the year the Partnership entered into transactions, in the ordinary course of business, with certain related parties. Each category of related party and its impact on the financial statements is detailed below.

General Partner

The Partnership pays a priority profit share to its General Partner. The General Partner is entitled to receive a priority profit share equal to 0.75% of the value of investments, reduced to the extent that the General Partner or any respective related party is in receipt of any fees related to the Partnership's activities.

The General Partner is a related party of the Partnership, being responsible for the financial and operating decisions of the Partnership. The General Partner is a wholly owned subsidiary of 3i Holdings plc, a subsidiary of 3i.

	2017	2016
Statement of comprehensive income	**£**	**£**
Priority profit share	318,703	406,623
Statement of financial position		
Accrued at the end of the year	-	-

Management, administrative and secretarial arrangements

During the year a number of recharged costs were made between the Partnership and 3i plc, a subsidiary of 3i, in accordance with the LPA in relation to operational and investment expenses.

	2017	2016
Statement of comprehensive income	**£**	**£**
Recharged costs	81,588	34,049
Statement of financial position		
Accrued at the end of the year	-	-

12 Related undertakings

The Partnership has no interest in any subsidiaries, associates or joint ventures which would be classified as Related undertakings under the Companies Act 2006.

13 Controlling party

The Partnership has no ultimate controlling party.