3i Investments plc

Annual report and accounts for the year to 31 March 2021

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 2021.

Principal activity

3i Investments plc (the "Company") acts as the 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 the Company during the year and up to the date of this report were:

S A Borrows
K J Dunn
J S Wilson
P J White
P Wirtz
P D Jong

Dividends

During the year a dividend of £10,600k was paid to 3i plc. The Directors do not recommend a final dividend (2020: nil).

Future developments

There have been no changes in principal activity during the year and the Directors do not foresee any future changes. During the year, the Directors agreed on the revision of the management and service fee agreement between the Company and 3i plc.

Events since the balance sheet date

There have been no events since the balance sheet date that may constitute an adjusting event.

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.

KPMG LLP were appointed as the Company's new external auditor for the year ending 31 March 2021, in succession to Ernst and Young LLP. Ernst and Young LLP confirmed no circumstances related to their resignation.

Financial risk management

The financial risk management objectives, policies and processes which are followed by the Company are set out in the 3i Group plc annual report. The Company's exposure to credit risk and liquidity risk are set out in Note 9.

Directors' report

Going concern

The Directors have acknowledged their responsibilities in relation to the financial statements for the year to 31 March 2021. After making the assessment on going concern, the Directors considered it appropriate to prepare the financial statements of the Company on a going concern basis, having considered the impact of coronavirus ("COVID-19") on its current operations and future outlook.

3i Group plc is the ultimate parent undertaking of the Company. 3i Group plc has sufficient financial resources and liquidity and is well positioned to manage business risks in the current economic environment. 3i Group plc can support the Company where necessary to continue its investment management and advisory operations for a period of at least twelve months from the date of this report. Our analysis of the going concern of the Company is presented in more detail within the Basis of preparation section of the accounts.

By order of the Board,

DocuSigned by:

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Jonathan Murphy
Company Secretary
Date: 12/05/2021
Registered office:
16 Palace Street
London, SW1E 5JD

Directors' report

Statement of Directors' Responsibilities in respect of the Annual Report, Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Annual Report the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Strategic report

The Directors present their Strategic report for the year to 31 March 2021.

Results and business review

The Company's management fee for the year decreased to £8,300k (2020: £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. The service fee for the year decreased to £7,500k (2020: £11,600k). The reason for this update was to take into account changes within the Group since the last review in 2014.

The main key performance indicators are as follows:

	2021 £'000	2020 £'000
Revenue	8,300	12,800
Operating expenses	(7,500)	(11,600)
Total comprehensive income for the year	818	1,269
Net assets	14,250	24,032

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 key risks faced by the Company are credit risk and liquidity risk. For details on the financial risks and how they are managed please refer to Note 9. Non-financial risk faced by the Company includes; external risk, operational risk, investment risk and cybersecurity risk. For details on the non-financial risks and how they are managed please refer to the 3i Group plc annual report.

The coronavirus pandemic ("COVID-19") presents a major global risk to several organisations. In light of these circumstances, due to the nature of the Company being an investment advisor with a fixed management and administration fee, there is expected to be no material impact on the Company's operations and activities. During the year, the Company has shown good performance through the COVID-19 pandemic. The Directors are satisfied with the performance of the Company for the year.

Duties under Section 172

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

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

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

Strategic report

Duties under Section 172 (continued)

The matters set out in section 172 have been taken into account in Board discussions and decision making in the year.

During the year, the Directors have made the following key decisions: deciding on the interim dividend paid to 3i plc and agreeing on the revised management and service fee arrangement.

Stakeholder engagement

Who are our stakeholders?	**Why are they important?**	**How do we engage with them and foster business relationships?**
Government and regulatory bodies	The Company works in a regulated environment and can only continue to operate in compliance with relevant regulation.	Our Group Compliance team and local professionals lead our relationships with regulators in the UK.
The ultimate parent company, fellow subsidiaries and third parties	The Company has contracts with companies within and outside the group. These companies are a source of income to the Company or another 3i company.	The Company acts as investment manager and adviser to 3i Group plc and various subsidiaries and to other third parties.

By order of the Board,

DocuSigned by:

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Jonathan Murphy
Company Secretary

Date: 12/05/2021

Registered office:
16 Palace Street
London, SW1E 5JD

Independent auditor's report

Opinion

We have audited the financial statements of 3i Investments plc ("the company") for the year ended 31 March 2021 which comprise Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position, the Statement of cash flows, and related notes, including the accounting policies A to H.

In our opinion the financial statements:

• give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;

• have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and

• have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

• we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

• we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Independent auditor's report

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

• Enquiring of directors, the 3i Group plc audit committee, 3i Group plc internal audit and inspection of 3i Group plc policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud including the 3i Group plc internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

• Reading Board minutes.

• Considering remuneration incentive schemes and performance targets for management and directors.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We also performed procedures including:

• Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all post year-end closing journals.

• Evaluated the business purpose of significant unusual transactions.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and pension legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Independent auditor's report

Fraud and breaches of laws and regulations – ability to detect (continued)

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: anti-bribery, data protection, anti-money laundering, market abuse regulations financial services regulations including Client Assets, and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

• we have not identified material misstatements in the strategic report and the directors' report;

• in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

• in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

• adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
• the financial statements are not in agreement with the accounting records and returns; or
• certain disclosures of Directors' remuneration specified by law are not made; or
• we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent auditor's report

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

DocuSigned by:

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Fang Fang Zhou (Senior statutory auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL
Date: 12 May 2021

3i Investments plc

No. 03975789

Statement of comprehensive income

for the year to 31 March 2021

	Notes	2021 £'000	2020 £'000
Revenue	1	8,300	12,800
Operating expenses	2	(7,500)	(11,600)
Operating profit		800	1,200
Finance income		9	76
Reversal of impairment/(impairment) of subsidary loan	6	9	(7)
Total comprehensive income for the year		818	1,269

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

Statement of changes in equity

for the year to 31 March 2021

	Issued share capital £'000	Retained earnings £'000	Total £'000
As at 1 April 2019	10,000	12,763	22,763
Total comprehensive income for the year	-	1,269	1,269
As at 31 March 2020	10,000	14,032	24,032
Dividend paid	-	(10,600)	(10,600)
Total comprehensive income for the year	-	818	818
As at 31 March 2021	10,000	4,250	14,250

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

3i Investments plc

No. 03975789

Statement of financial position

as at 31 March 2021

	Notes	2021 £'000	2020 £'000
Assets			
Current assets			
Trade and other receivables	6	14,124	13,318
Cash and cash equivalents		126	10,714
Total assets		14,250	24,032
Equity			
Issued share capital	5	10,000	10,000
Retained earnings		4,250	14,032
Total equity		14,250	24,032

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

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

DocuSigned by:
Julia Wilson
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Julia Wilson
Director

Date: 12/05/2021

Statement of cash flows

for the year to 31 March 2021

	2021	2020
	£'000	£'000
Cash flow from operating activities		
Interest income received	12	77
Net cash flow from operating activities	12	77
Cash flow from financing activities		
Dividend paid	(10,600)	-
Net cash flow from financing activities	(10,600)	-
Change in cash and cash equivalents	(10,588)	77
Cash and cash equivalents at the start of the year	10,714	10,637
Cash and cash equivalents at the end of the year	126	10,714

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

Accounting policies

A. Statement of compliance

These financial statements have been prepared and approved by the Directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The Company did not implement the requirements of any other standards or interpretations that were in issue; these were not required to be adopted by the Company for the year ended 31 March 2021. No other standards or interpretations have been issued that are expected to have a material impact on the Company's financial statements.

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

B. Basis of preparation

The financial statements are presented in sterling, the functional currency of the Company and rounded to the nearest thousand unless otherwise stated. The financial statements are prepared on a going concern basis.

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

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

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

Going Concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Company has a significant relationship with 3i Group plc due to 3i Group plc being the ultimate parent company of the Group. The Company is a significant operational subsidiary of the Group the provider of investment management and advisory services to 3i Group plc and other entities. The Group has historically provided support to subsidiaries where required. In considering the going concern of the Company, the Directors have considered the going concern assessment of 3i Group plc performed by the Directors of the Group.

Accounting policies

B. Basis of preparation (continued)

Going Concern

The Group going concern assessment has modelled a number of adverse scenarios to assess the potential impact on the Group's operations and liquidity, including in relation to the ongoing impact of COVID-19. These adverse scenarios modelled include; a long U-shaped economic recovery, and a shorter recovery but one which sees a more marked difference between the recovery profiles of assets in different sectors. The assumptions modelled in respect of the impact of COVID-19 are based on an expectation of the impact of the pandemic on specific inputs across the Group's business lines. The specific inputs which are stress tested by the adverse scenarios include but are not limited to the Group's portfolio income and operating expenses, portfolio company earnings and valuations, new investment levels, and the price at which the Group can realise investments. There were no scenarios in which the Group would not have sufficient liquidity in order to continue as a going concern. The Group has sufficient financial resources and is well placed to manage business risks in the current economic environment. On the basis of the scenarios considered, the Directors of the Group considered it appropriate for the going concern basis to be adopted at the group level.

The Directors have considered the impact of COVID-19 on the Company. The COVID-19 pandemic has not had a material impact on the financial statements and for the foreseeable future is not expected to have a material impact on the financial statements of the Company. The Company continues to generate its investment management fees from 3i plc, therefore the Company has not had a significant impact from COVID-19. In considering going concern, the Directors have reviewed the capital liquidity and financial position of the Company, including future plans. Having performed this assessment and having reviewed the Group assessment, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have considered it appropriate to prepare these financial statements on a going concern basis.

C. Revenue recognition

The Company recognises management fee income when it has the right to receive the income in accordance with the management agreement and it is highly probable a significant reversal will not occur. Interest income is recognised when the Company has the right to receive interest. Revenue is recognised in accordance with IFRS 15.

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.

Accounting policies

F. Issued share capital

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

G. Income taxes

Income taxes represent the sum of the tax currently payable, withholding taxes suffered and deferred taxes. 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

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

3i Investments plc
Notes to the accounts

1. Revenue

	2021 £'000	2020 £'000
Management fee from parent company, 3i plc	8,300	12,800
Total	8,300	12,800

Management fees are earned from providing management services to 3i plc. The revenue is recognised in line with the services provided and is billed quarterly. At 31 March 2021, £14,124k of management fees are outstanding within Trade and other receivables in the Statement of financial position (2020: £13,314k).

2. Operating expenses

	2021 £'000	2020 £'000
Service fee to 3i plc	(7,500)	(11,600)
Total	(7,500)	(11,600)

During the year, the Company received the below services from its Auditor, KPMG LLP (2020: Ernst & Young LLP). KPMG LLP were appointed as the Company's external auditor for the year ended 31 March 2021 and replaced Ernst & Young LLP.

The auditor's remuneration and non-audit fees for the year were £18,281 (2020: £15,300) and £18,000 (2020: £12,000) respectively. These fees were borne by the parent company, 3i plc.

3. Directors' emoluments

The Directors of the Company are also Directors of fellow subsidiaries and receive remuneration from either 3i plc or 3i Investments (Luxembourg) S.A. 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.

	2021 £'000	2020 £'000
Salaries and benefits	3,138	2,754
Bonuses	1,358	1,222
Share based payments	9,058	10,589
Total	13,554	14,565

Emoluments, including share based payments, attributable to the highest paid Director were £4,397k (2020: £5,065k).

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

4. Income taxes

Reconciliation of income taxes in the Statement of comprehensive income

The tax charge for the year is different to the standard rate of corporation tax in the UK, currently 19% (2020: 19%). The differences are explained below:

	2021 £'000	2020 £'000
Profit before tax	818	1,269
Profit before tax multiplied by rate of corporation tax in the UK of 19% (2020: 19%)	155	241
Effects of:		
Non deductible impairment	(2)	1
Utilisation of tax losses claimed as group relief for nil consideration	(153)	(242)
Total income taxes in the Statement of comprehensive income	-	-

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25% for large companies. This new law has not yet been substantively enacted and therefore the deferred tax assets and liabilities will be calculated using a deferred tax rate of 19% as at the year end.

5. Issued share capital	Number of shares	Amount £'000
Authorised ordinary shares of £1 each	10,000,000	
Called up, allotted and fully paid ordinary shares of £1 each		
At 31 March 2021 and 31 March 2020	10,000,000	10,000

6. Trade and other receivables

Current assets	2021 £'000	2020 £'000
Amounts due from group undertakings	14,124	13,314
Other receivables	-	4
Total	14,124	13,318

Under IFRS 9 an expected credit loss of £80k has been recognised as at 1 April 2020. During the year an impairment reversal of £9k has been recognised in Impairment of subsidiary loan within the Statement of comprehensive income, see Note 9 for details. The carrying amount is a reasonable approximation of fair value.

7. Related parties

During the year 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 below:

Parent company

	2021 £'000	2020 £'000
Dividend paid	10,600	-

During the year a dividend of £10,600k was paid to 3i plc.

7. Related parties (continued)

Investment management arrangements

Total fees received for investment management services are detailed below:

	2021 £'000	2020 £'000
Management fee for the year	8,300	12,800
Of which receivable at the end of the year	14,124	13,314

Administration arrangements

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

	2021 £'000	2020 £'000
Administration fee for the year	7,500	11,600

8. 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.

9. Financial risk management

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

Financial risk

The capital structure of the Company consists of equity and intercompany loans. 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.

Credit risk

The Directors do not believe that there is significant credit risk on the Company's cash and receivables. The majority of the Company's cash and deposits are held with AAA rated money market funds.
IFRS 9 requires the Company to recognise expected credit losses ("ECLs") on its Trade receivables and Cash and cash equivalents.

The loss reconcilation for Amounts due from group undertakings is as follows:

	Amounts due from group undertakings £'000
Opening ECLs as at 1 April 2020	**80**
Decrease in ECLs recognised in profit or loss during the year	(9)
ECLs as at 31 March 2021	**71**

9. Financial risk management (continued)

The ECL has been calculated based on the probability of the receivable going into default. The ECL is adjusted to reflect both current and forward looking information as well as credit spreads affecting the ability to settle the receivable. The Company has adopted the simplified approach and the loss allowance shown is based on lifetime ECLs. The decrease in the ECL for the year is due to decrease in the Group's credit spread used to calculate the closing ECL.

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

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.

10. Post balance sheet events

There have been no events subsequent to the balance sheet date identified which would require adjustment to these financial statements.