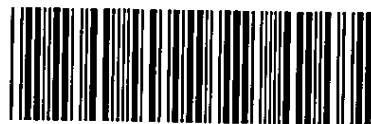




# 3i Asia Pacific plc

Annual report and accounts  
for the year to 31 March 2009

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## Directors' report

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

### Business review

#### Principal activity

The principal activity of 3i Asia Pacific plc (the "Company") is to act as investment adviser to 3i Investments plc for Asia. The investment advice is provided to 3i Investments plc in its role as investment manager to 3i Group plc and as fund manager for 3i Asia Pacific Technology LP.

The Company has its Head Office in London (Great Britain) and has branches in Hong Kong (closed December 2008), Singapore (dormant) and has representative offices in Beijing (China) and Shanghai (China) (closed December 2008).

The Directors do not consider that the Company carries on substantially different classes of business and no segmental information has been presented.

#### Development

The economy of the Asia-Pacific region has been affected by the global economic downturn during the year and investment activity has decreased.

#### Principal risks and uncertainties

The Company's income is derived from an intercompany fee from a fellow subsidiary therefore it has minimal exposure to commercial risk. The Company reports in Sterling but has exposure to four currencies (US Dollars, Hong Kong Dollars, Chinese Renminbi and Singaporean Dollars) from trading in the branches. This exposure is limited by maintaining minimal net assets in the overseas branches.

### Results and dividends

The loss for the year after tax amounted to £1,810,000 (2008: profit £561,000). The Directors do not recommend a dividend for the year (2008: £nil).

### Directors

D B Dench  
J C Murphy

## 3i Asia Pacific plc

### Directors' report

#### Statement of Directors' responsibilities

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

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

#### Going concern

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

#### Policy for paying creditors

It is the policy of the 3i group of companies to pay suppliers in accordance with the terms and conditions of the relevant markets in which it operates. Expenses are paid on a timely basis in the ordinary course of business. At the year end, trade creditors represented 10 days purchases (2008: 22 days).

#### Audit information

Pursuant to s234ZA (2) of the Companies Act 1985, each of the Directors confirms that: (a) so far as they are aware, there is no relevant audit information of which the auditors are unaware; and (b) they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of such information.

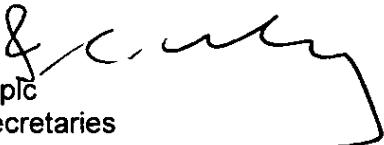
3i Asia Pacific plc

## Directors' report

### Auditors

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

By Order of the Board

  
3i plc  
Secretaries

Registered Office:  
16 Palace Street  
London SW1E 5JD  
17/08/2009

## Independent auditors' report to the members of 3i Asia Pacific plc

We have audited the Company's financial statements for the year to 31 March 2009 which comprise the income statement, statement of recognised income and expense, balance sheet, cash flow statement, accounting policies A to J and the related notes 1 to 17. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Directors and auditors

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

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

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

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

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

### Basis of audit opinion

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

3i Asia Pacific plc

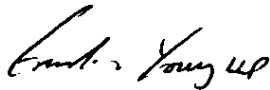
## Independent auditors' report to the members of 3i Asia Pacific plc

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

### Opinion

In our opinion:

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



Ernst & Young LLP  
Registered Auditor  
London

17/8/2009

## 3i Asia Pacific plc

### Income statement

for the year to 31 March 2009

	Notes	2009 £'000	2008 £'000
Revenue	1	6,272	6,355
Administrative expenses		(5,977)	(6,037)
<b>Operating profit</b>	2	295	318
Exchange movements		(2,042)	378
Other income		20	-
Finance costs	5	-	(1)
<b>(Loss)/profit before tax</b>		(1,727)	695
Income taxes	7	(83)	(134)
<b>(Loss)/profit after tax for the year</b>		(1,810)	561

All items in the above statement are derived from continuing operations

### Statement of recognised income and expense

	2009 £'000	2008 £'000
(Loss) / profit for the year	(1,810)	561
Exchange differences on translation of foreign operations	475	(470)
<b>Total recognised income and expense for the year</b>	(1,335)	91

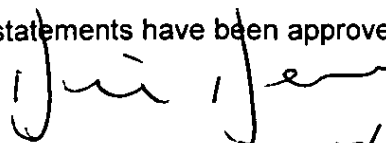
# 3i Asia Pacific plc

## Balance sheet

as at 31 March 2009

	Notes	2009 £'000	2008 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Equipment	8	53	401
		53	401
<b>Current assets</b>			
Other receivables	9	1,334	2,047
Cash and cash equivalents		428	908
		1,762	2,955
<b>Total assets</b>		<b>1,815</b>	<b>3,356</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables	10	1,261	1,467
<b>Total liabilities</b>		<b>1,261</b>	<b>1,467</b>
<b>Net assets</b>		<b>554</b>	<b>1,889</b>
<b>Equity</b>			
Issued Capital	12	140	140
Share premium	12	360	360
Translation reserve	12	19	(456)
Retained earnings	12	35	1,845
<b>Total equity</b>		<b>554</b>	<b>1,889</b>

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

  
 Director  
 17/08/2009



# 3i Asia Pacific plc

## Cash flow statement

for the year to 31 March 2009

	2009 £'000	2008 £'000
Profit before taxation	(1,727)	695
Adjustments for:		
Depreciation	212	195
Interest payable	-	1
Loss on disposal of assets	133	28
Share based payment charge	3	70
<b>Cash flow from operating activities</b>	<b>(1,379)</b>	<b>989</b>
Taxes paid	(122)	(79)
Interest paid	-	(1)
Decrease in receivables	713	438
(Decrease) / increase in payables	(167)	118
<b>Net cash flow from operating activities</b>	<b>(955)</b>	<b>1,465</b>
<b>Cash flow from investing activities</b>		
Purchase of equipment	-	(304)
<b>Net cash flow from investing activities</b>	<b>-</b>	<b>(304)</b>
<b>Change in cash and cash equivalents</b>	<b>(955)</b>	<b>1,161</b>
<b>Cash and cash equivalents at 1 April</b>	<b>908</b>	<b>217</b>
<b>Effect of exchange rate fluctuations</b>	<b>475</b>	<b>(470)</b>
<b>Cash and cash equivalents at 31 March</b>	<b>428</b>	<b>908</b>

## Accounting policies

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

These financial statements have been prepared in accordance with and in compliance with the Companies Act 1985.

**New standards and interpretations not applied** The IASB has issued the following standards and interpretations to be applied to financial statements with periods commencing on or after the following dates:

International Accounting Standards (IAS/IFRS's)	Effective for periods beginning on or after
IFRS 2 Amendment - Share-based payments: Vesting conditions and cancellations	1 January 2009
IFRS 8 Operating Segments	1 January 2009
IAS 1 Presentation of Financial Statements (Revised)	1 January 2009
IAS 23 Borrowing Costs (Revised)	1 January 2009
IAS 27 Amendment - Consolidation and Separate Financial Statements	1 July 2009
IFRS 3 Business Combinations (Revised)	1 July 2009
IAS 32/IAS 1 Amendment - Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
IAS 39 - Eligible Hedged Items	1 July 2008
IFRIC 15 Agreements for the construction of Real Estates	1 January 2009
IFRIC 16 Hedges of a Net Investment in a Foreign Operation	1 October 2008

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application.

**B Basis of preparation** The financial statements are presented in Sterling, the functional currency of the Company, and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

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

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

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

## Accounting policies

### C Exchange differences

**(i) 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 balance sheet date are translated to Sterling at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. 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.

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

**D Equipment** Equipment is depreciated by equal annual instalments over the estimated useful life of five years.

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

**F Income taxes** Income taxes represent the sum of the tax currently payable and deferred tax.

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit ("temporary differences"), and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

## Accounting policies

**G Financial instruments** Financial instruments are made up of accounts receivable, accounts payable and cash and cash equivalents. The Directors consider that the fair value of accounts receivables and accounts payable approximate their carrying value. There are no other financial instruments.

**H Revenue recognition** Revenue comprises advisory fees and investment related fees and is recognised on an accruals basis.

**I Operating leases** Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

**J Share-based payments** In accordance with the transitional provisions of IFRS 1, the requirements of IFRS 2 have been applied to all grants of equity instruments after 7 November 2002, that were not vested at 1 January 2005.

The Company enters into arrangements that are equity-settled share-based payments with certain employees (including Directors). These are measured at fair value at the date of grant, which is then recognised in profit and loss on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. Fair value is measured by use of an appropriate model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares. The charge is adjusted at each balance sheet date to reflect the actual number of forfeitures, cancellations and leavers during the period. The movement in cumulative changes since the previous balance sheet is recognised in the income statement, with a corresponding entry in equity.

## 3i Asia Pacific plc

### Notes to the financial statements

#### 1 Revenue

	2009 £'000	2008 £'000
Advisory fees	6,272	6,043
Other fees	-	312
	6,272	6,355

#### 2 Operating profit

	2009 £'000	2008 £'000
Operating profit is stated after charging:		
Depreciation on owned assets	212	195
Auditors' remuneration - audit fees	6	4
Loss on disposal of property, plant and equipment	151	28

Audit fees have now been allocated to the individual subsidiaries, where previously they were borne by the Group Company.

#### 3 Staff costs

	2009 £'000	2008 £'000
Wages and salaries	2,749	3,451
Other pension costs	48	16
Share based payment	3	70
	2,800	3,537

The average number of employees during the year was 18 (2008: 25).

## Notes to the financial statements

### 4 Directors' emoluments

The aggregate emoluments of the Directors were:

	2009 £'000	2008 £'000
Salary and benefits	-	284
Performance related payments	-	462
	-	746

One Director (2008: 2) exercised share options in the ordinary shares of 3i Group plc during the year. Retirement benefits are accruing to all Directors under the 3i Group Pension Plan (note 6).

### Highest paid Director

Emoluments of the highest paid Director were:

	2009 £'000	2008 £'000
Salary and benefits	-	284
Performance related payments	-	462
	-	746

### 5 Finance costs

	2009 £'000	2008 £'000
Bank loans and overdrafts	-	1

## Notes to the financial statements

### 6 Retirement benefit obligation

Certain employees of the Company participate in a funded defined benefit scheme, the 3i Group Pension Plan (the Plan). The assets of the Plan are independent of 3i Group plc's finances and are administered by Trustees.

The total pension cost in respect of the Plan recognised in the income statement of the Company for the year to 31 March 2009 was £nil (2008: £nil).

The cost recognised in the income statement of the Company in respect of defined contribution schemes was £48,000 (2008: £16,000). There were no outstanding contributions at the balance sheet date.

The last actuarial valuation as at 30 June 2007 was updated on an IAS 19 basis by an independent qualified actuary at 31 March 2009.

As at 31 March 2009, the net pension liability of the Plan was £18m (2008: £38m). Full details of the IAS 19 disclosure are included in the accounts of 3i Group plc.

### 7 Income Taxes

	2009 £'000	2008 £'000
<b>Current tax</b>		
UK Corporation tax	-	32
Less: relief for foreign tax	-	(32)
Foreign taxes	83	134
<b>Total income taxes in the income statement</b>	<b>83</b>	<b>134</b>

## Notes to the financial statements

### 7 Income Taxes (continued)

#### Reconciliation of income tax expense in the income statement

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

	2009 £'000	2008 £'000
(Loss)/profit before tax	(1,727)	695
(Loss/profit before tax multiplied by rate of corporation tax in the UK of 28% (2008: 30%))	(484)	209
Effects of:		
Expenses not deductible for tax purposes	32	49
Timing differences in respect of capital allowances for the period differing from the depreciation	35	36
Utilisation of tax losses (surrendered)/claimed as group relief for nil consideration	417	(262)
Foreign tax suffered	83	134
Foreign tax credits available for double tax relief	-	(32)
Total income taxes in the income statement	83	134

#### Deferred tax

At 31 March 2009 the Company had deductible temporary differences of £216,000 (2008: £213,000) relating to capital allowances and other timing differences and excess unutilised foreign tax credits of £166,000 (2008: £83,000). It is considered uncertain that there will be sufficient taxable profits in the future against which these deferred tax assets can be offset and therefore the assets have not been recognised.



## Notes to the financial statements

### 8 Equipment

	Equipment £'000
Cost	
At 1 April 2007	705
Additions	304
Disposals	(275)
At 31 March 2008	734
Disposals	(426)
At 31 March 2009	308
Accumulated depreciation:	
At 1 April 2007	385
Charge for the year	195
Disposals	(247)
At 31 March 2008	333
Charge for year	212
Disposals	(290)
At 31 March 2009	255
Net book value at 31 March 2009	53
Net book value at 31 March 2008	401

3i Asia Pacific plc

Notes to the financial statements

<b>9 Other receivables</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by group undertakings	975	1,748
Prepayments and accrued income	359	299
	<b>1,334</b>	<b>2,047</b>

<b>10 Other payables</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings	-	-
Other taxes and social security costs	8	-
Tax payable	69	108
Other payables	1,184	1,359
	<b>1,261</b>	<b>1,467</b>

## Notes to the financial statements

**11 Share capital**

	<b>Number of shares</b>	<b>Amount £'000</b>
Authorised ordinary shares of £1 each		
At 1 April 2008 and 31 March 2009	500,000	500
Called up, allotted and fully paid ordinary shares of £1 each		
At 1 April 2008 and 31 March 2009	140,000	140

**12 Reconciliation of movement in equity**

	<b>Issued capital £'000</b>	<b>Share Premium £'000</b>	<b>Trans- lation reserve £'000</b>	<b>Retained earnings £'000</b>	<b>Total £'000</b>
At 1 April 2007	140	360	14	1,214	1,728
Total recognised income and expense	-	-	(470)	561	91
Contribution from parent for share based payments	-	-	-	70	70
At 31 March 2008	140	360	(456)	1,845	1,889
At 1 April 2008	140	360	(456)	1,845	1,889
Total recognised income and expense	-	-	475	(1,810)	(1,335)
At 31 March 2009	140	360	19	35	554

**Translation reserve**

The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign branches.

## Notes to the financial statements

### 13 Obligations under leases and hire purchase contracts

#### Leases as Lessee

Annual commitments under non-cancellable leases are as follows:

	Land and buildings	
	2009 £'000	2008 £'000
Operating leases which expire:		
Within one year	730	607
In two to five years	233	662
At 31 March	963	1,269

During the year ended 31 March 2009, £1,528,000 was recognised as an expense in the income statement in respect of operating leases (2008: £421,000).

### 14 Parent undertaking and controlling party

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

## Notes to the financial statements

### 15 Share-based payments

#### Equity-settled share option schemes

##### Share options

Employees of the Company are eligible to participate in 3i Group plc share option schemes that entitle them to purchase shares in 3i Group plc. Options are exercisable at a price based on the market value of the 3i Group plc's shares on the date of grant. Share based payments are received in the relevant employing entity. Each of the schemes has different vesting periods and conditions and these are summarised below:

##### The 3i Executive 1994 Share Option Plan

Options granted between 1 January 1995 and 31 March 2001 were granted under this plan and are normally exercisable between the third and tenth anniversaries of the date of grant provided that a performance condition has been met over a rolling three year period. This requires that the adjusted net asset value per share (after adding back dividends paid during the three year performance period) at the end of the three year period is equal to or in excess of the net asset value per share at the beginning of the period compounded annually over the period by the annual increase in the RPI plus 4%.

##### The 3i Group Discretionary Share Plan

Options granted after 31 March 2001 were granted under the Discretionary Share Plan and are normally exercisable between the third and tenth anniversaries of the date of grant to the extent a performance target has been met over a performance period of three years from the date of grant. For options granted between 1 April 2001 and 31 March 2003, if the minimum threshold for vesting is not achieved in the first three years from grant, the performance period is extended to four and then five years from the date of grant but from the same base year. For options granted after 31 March 2003 and for options granted to three Directors in June 2003, if the minimum threshold for vesting is not achieved in the first three years from grant, the performance period is extended to four and then five years from the date of grant but from the same base year. For options granted between 1 April 2003 and 31 March 2004 the performance period is extended to four years for the date of grant. For options granted after 31 March 2004, there is no opportunity for the performance condition to be retested after the three year performance period.

Options granted between 1 April 2001 and 31 March 2003 were subject to a performance condition that options would vest if the annual compound growth ("ACG") in net asset value per share with dividends reinvested was RPI plus 5%. If this target was achieved then 50% of the options would vest. If the ACG was in excess of RPI plus 10% then the maximum number of shares would vest. Options would vest pro rata if the ACG was between these two amounts. For options granted after 31 March 2003 the target ACG was RPI plus 3% with maximum vesting at RPI plus 8%, except for options granted to three Directors in June 2003 where the target ACG was RPI plus 5% with maximum vesting at RPI plus 10%.

## Notes to the financial statements

**15 Share-based payments (continued)**

Details of the share options that were granted on or after 7 November 2002 and outstanding during the year are as follows:

	<b>2009</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>
	<b>Number of</b>	<b>Weighted</b>	<b>Number of</b>	<b>Weighted</b>
	<b>share</b>	<b>average</b>	<b>share</b>	<b>average</b>
	<b>options</b>	<b>exercise</b>	<b>options</b>	<b>exercise</b>
		<b>price</b>		<b>price</b>
		<b>(pence)</b>		<b>(pence)</b>
Outstanding at start of the year	<b>46,504</b>	<b>712</b>	27,809	645
Granted	<b>7,737</b>	<b>829</b>	31,466	458
Forfeit	<b>(4,706)</b>	<b>965</b>	-	-
Exercised	<b>(10,144)</b>	<b>603</b>	(10,932)	603
Expired	-	-	(1,839)	693
Outstanding at end of the year	<b>39,391</b>	<b>738</b>	46,504	712
Exercisable at the end of the year	<b>26,560</b>	<b>649</b>	22,993	603

The range of exercise prices for options outstanding at the end of the year was:

	<b>2009</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>
		<b>Weighted</b>		<b>Weighted</b>
		<b>average</b>		<b>average</b>
		<b>exercise</b>		<b>exercise</b>
		<b>price</b>		<b>price</b>
		<b>(pence)</b>		<b>(pence)</b>
<b>Year of grant</b>	<b>Number</b>		<b>Number</b>	
2004			-	-
2005	<b>12,849</b>	<b>603</b>	22,993	603
2006	<b>13,711</b>	<b>693</b>	14,578	693
2007	<b>3,510</b>	<b>836</b>	8,933	1,021
2008	<b>3,316</b>	<b>1,174</b>	3,316	1,174
2009	<b>6,005</b>	<b>829</b>		
Total	<b>39,391</b>	<b>738</b>	49,820	742

## Notes to the financial statements

### 15 Share-based payments (continued)

10,144 shares were exercised during the year (2008: £10,932). The options outstanding at the end of the year have a weighted average contractual life of 6.62 years (2008: 7.025 years). The cost of share options is spread over the vesting period of three to five years. The weighted average fair value of options granted during the year was 240p (2008: 458p).

These fair values were calculated using the Black-Scholes option pricing model. The inputs to this model were as follows:

	2009	2008
Weighted average share price (£)	636	1,195
Average expected volatility (%)	47	29
Expected life (years)	8.5	8.5
Average risk free rate (%)	4.6	5.5
Average expected dividend yield (%)	3.6	1.7

The expected life of the option is based on the best estimate of the Directors following a review of the profile of the award holders. Expected volatility was determined using an average of the implied volatility on grant and historic share price volatility of the preceding 8.5 years. No options have been repriced during the year (2007: 100). All share options are equity settled.

### Total costs

The total cost recognised in profit or loss for each of the share schemes is as follows:

	2009 £'000	2008 £'000
Share options	3	70

## Notes to the financial statements

### 16 Related parties

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. There are no other key management personnel. Each of these categories of related parties and their impact on the financial statements is detailed below.

#### Fellow subsidiaries

##### *Advisory arrangements*

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

	2009 £'000	2008 £'000
Advisory fees charged for the year	6,272	6,043
Of which accrued at end of year	-	1,253

#### Parent company

##### *Borrowing arrangements*

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

	2009 £'000	2008 £'000
Accrued at end of year	495	495



## Notes to the financial statements

### 17 Financial risk management

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

The capital structure of the Company consists of equity and intercompany loans which are due on demand. There is sufficient capital in the Company to cover liabilities and the Company is free to transfer capital to the parent company subject to maintaining sufficient reserves to meet statutory obligations. No significant constraints have been identified in the past and the Company has been able to distribute profits in a tax-efficient manner.

#### Financial risks

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 is managed at the Group level as discussed in the Directors' report in the 3i Group plc annual report.

The Company's liabilities are due on demand and there is no difference between the carry value of the liability and the contractual undiscounted cashflows due thereon.

The Directors do not believe that there is significant market risk as the Company does not hold fixed or floating rate loans or liabilities (other than intercompany loans), or investments which are exposed to market fluctuations.

Currency risk is managed at the Group level by matching foreign currency assets with foreign currency liabilities. The exposure to the Sterling, Chinese Renminbi, Hong Kong Dollar, US Dollar and other sundry currencies combined is shown in the table below.

# 3i Asia Pacific plc

## Notes to the financial statements

### 17 Financial risk management (continued)

	2009	2009	2009	2009	2009	2009
	Sterling	Chinese Renminbi	Hong Kong Dollar	US Dollar	Other	Total
At 31 March 2009	£'000	£'000	£'000	£'000	£'000	£'000
Assets	10,556	255	245	(9,498)	257	1,815
Liabilities	(11)	(354)	(870)	-	(26)	(1,261)
<b>Net assets</b>	<b>10,545</b>	<b>(99)</b>	<b>(625)</b>	<b>(9,498)</b>	<b>231</b>	<b>554</b>

Assuming a 5% movement in exchange rates against sterling

Impact on exchange movements in the:

Financial statements	-	(5)	(33)	(500)	13	(525)
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	2008	2008	2008	2008	2008	2008
	Sterling	Chinese Renminbi	Hong Kong Dollar	US Dollar	Other	Total
At 31 March 2008	£'000	£'000	£'000	£'000	£'000	£'000
Assets	6,208	640	953	932	226	8,959
Liabilities	-	(6,349)	(674)	-	(47)	(7,070)
<b>Net assets</b>	<b>6,208</b>	<b>(5,709)</b>	<b>279</b>	<b>932</b>	<b>179</b>	<b>1,889</b>

Assuming a 5% movement in exchange rates against sterling

Impact on exchange movements in the:

Financial statements	-	272	(13)	(47)	-	212
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