3i Asia Pacific plc

Annual report and accounts
for the year to 31 March 2010

Directors' report

The Directors submit their report with the financial statements for the year to 31 March 2010

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 a representative office in Beijing (China) The branch office in Singapore closed in 2005 The representative offices in Shanghai and Hong Kong closed in 2008

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

Development

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

Principal risks and uncertainties

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 Director's report in the 3i Group plc annual report Further information on the risks faced by the Company can be seen in note 15 to the financial statements

Results and dividends

The profit for the year after tax amounted to £179,000 (2009 loss £1,810,000) The Directors do not recommend a dividend for the year (2009 £nil)

Directors

D B Dench
J C Murphy

Directors' report

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable United Kingdom law and have elected to prepare them in accordance with those International Financial Reporting Standards which 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 period. In preparing financial statements the Directors are required to

- select suitable accounting policies in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs 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,
- state that the Company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements, and
- make judgements and estimates that are reasonable and prudent

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 also 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

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 15 days purchases (2009 10 days)

Directors' report

Audit information

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

Auditors

In accordance with section 489 of the Companies Act 2006, a resolution to reappoint Ernst & Young LLP as auditors of the Company will be put to the forthcoming Annual General Meeting

By Order of the Board

J C Murphy
For and on behalf of 3i plc
Secretaries

28/09/2010

Registered Office
16 Palace Street
London SW1E 5JD

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

We have audıted the fınancıal statements of 3ı Asıa Pacıfıc plc for the year ended 31 March 2010 whıch comprıse the statement of comprehensıve ıncome, statement of recognısed ıncome and expense, balance sheet, cash flow statement, accountıng polıcıes A to J and the related notes 1 to 15 The fınancıal reportıng framework that has been applıed ın theır preparatıon ıs applıcable law and Internatıonal Fınancıal Reportıng Standards (IFRSs) as adopted by the European Unıon

Thıs report ıs made solely to the Company's members, as a body, ın accordance wıth Chapter 3 of Part 16 of the Companıes Act 2006 Our audıt work has been undertaken so that we mıght state to the Company's members those matters we are requıred to state to them ın an audıtor's report and for no other purpose To the fullest extent permıtted by law, we do not accept or assume responsıbılıty to anyone other than the Company and the Company's members as a body, for our audıt work, for thıs report, or for the opınıons we have formed

Respective responsibilities of Directors and audıtors

As explaıned more fully ın the Dırectors' Responsıbılıtıes Statement, the Dırectors are responsıble for the preparatıon of the fınancıal statements and for beıng satısfıed that they gıve a true and faır vıew Our responsıbılıty ıs to audıt the fınancıal statements ın accordance wıth applıcable law and Internatıonal Standards on Audıtıng (UK and Ireland) Those standards requıre us to comply wıth the Audıtıng Practıces Board's Ethıcal Standards for Audıtors

Scope of the audit of the fınancıal statements

An audıt ınvolves obtaınıng evıdence about the amounts and dısclosures ın the fınancıal statements suffıcıent to gıve reasonable assurance that the fınancıal statements are free from materıal mısstatement, whether caused by fraud or error Thıs ıncludes an assessment of whether the accountıng polıcıes are approprıate to the company's cırcumstances and have been consıstently applıed and adequately dısclosed, the reasonableness of sıgnıfıcant accountıng estımates made by the Dırectors, and the overall presentatıon of the fınancıal statements

Opınıon on financıal statements

In our opınıon the financıal statements

- gıve a true and faır vıew of the state of the Company's affaırs as at 31 March 2010 and of ıts profıt for the year then ended,
- have been properly prepared ın accordance wıth IFRSs as adopted by the European Unıon, and
- have been prepared ın accordance wıth the requırements of the Companıes Act 2006

Opınıon on other matter prescrıbed by the Companies Act 2006

In our opınıon the ınformatıon gıven ın the Dırectors' Report for the fınancıal year for whıch the fınancıal statements are prepared ıs consıstent wıth the fınancıal statements

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

Matters on which we are required to report by exception

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

J. M. Stuart
James Stuart (Senior Statutory Auditor)
for and on behalf of
Ernst & Young LLP, Statutory Auditor
London

Date 28/9/10

Statement of comprehensive income

for the year to 31 March 2010

	Notes	2010 £'000	2009 £'000
Revenue	1	2,763	6,272
Administrative expenses		(2,624)	(5,977)
Operating profit	2	139	295
Exchange movements		305	(2,042)
Other income		12	20
Profit/(Loss) before tax		456	(1,727)
Income taxes	5	(277)	(83)
Profit/(Loss) for the year		179	(1,810)
Total comprehensive income/(loss) for the year		179	(1,810)

All items in the above statement are derived from continuing operations

Statement of recognised income and expense

	2010 £'000	2009 £'000
Profit/(Loss) for the year	179	(1,810)
Exchange differences on translation of foreign operations	(126)	475
Total recognised income and expense for the year	53	(1,335)

3i Asia Pacific plc

No 4016484

Balance sheet

as at 31 March 2010

	Notes	2010 £'000	2009 £'000
Assets			
Non-current assets			
Equipment	6	34	53
		34	53
Current assets			
Other receivables	7	1,132	1,334
Cash and cash equivalents		650	428
		1,782	1,762
Total assets		1,816	1,815
Liabilities			
Current liabilities			
Other payables	8	1,209	1,261
Total liabilities		1,209	1,261
Net assets		607	554
Equity			
Issued Capital	10	140	140
Share premium	10	360	360
Translation reserve	10	(107)	19
Retained earnings	10	214	35
Total equity		607	554

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

Director DAVID BRIAN BENCH

21/09/2010

Cash flow statement

for the year to 31 March 2010

	2010 £'000	2009 £'000
Profit/(Loss) before taxation	456	(1,727)
Adjustments for		
Depreciation	35	212
(Profit)/Loss on disposal of assets	(16)	133
Exchange movements	(305)	-
Share based payment charge	-	3
Cash flow from operating activities	170	(1,379)
Taxes paid	(133)	(122)
Decrease in receivables	273	713
Decrease in payables	(80)	(167)
Net cash flow from operating activities	230	(955)
Change in cash and cash equivalents	230	(955)
Cash and cash equivalents at start of year	428	908
Effect of exchange rate fluctuations	(8)	475
Cash and cash equivalents at end of year	650	428

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 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

International Accounting Standards (IAS/IFRS's)		Effective for periods beginning on or after
IAS 27	Amendment - Consolidation and Separate Financial Statements	1 July 2009
IAS 39	Eligible Hedged Items	1 July 2009
IFRS 3	Business Combinations (Revised)	1 July 2009
IFRIC17	Distributions of Non-Cash Assets to Owners	1 July 2009

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 statement of comprehensive income 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 statement of comprehensive income 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 statement of comprehensive income 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 statement of comprehensive income, with a corresponding entry in equity

Notes to the financial statements

1 Revenue

	2010 £'000	2009 £'000
Advisory fees	2,763	6,272
	2,763	6,272

2 Operating profit

	2010 £'000	2009 £'000
Operating profit is stated after charging		
Depreciation on owned assets	35	212
Auditors' remuneration - audit fees	3	6
Loss on disposal of property, plant and equipment	28	151

The audit fee of £10,750 (2009 £5,750) was borne by 3i plc, a fellow subsidiary, in addition to fees borne locally

3 Staff costs

	2010 £'000	2009 £'000
Wages and salaries	2,431	2,749
Other pension costs	52	48
Share based payment	-	3
	2,483	2,800

The average number of employees during the year was 7 (2009 18)

4 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 statement of comprehensive income of the Company for the year to 31 March 2010 was £nil (2009 £nil)

The cost recognised in the statement of comprehensive income of the Company in respect of defined contribution schemes was £52,000 (2009 £48,000) There were no outstanding contributions at the balance sheet date

Notes to the financial statements

4 Retirement benefit obligation continued

The last actuarıal valuatıon as at 30 June 2007 was updated on an IAS 19 basıs by an ındependent qualıfıed actuary at 31 March 2009

As at 31 March 2010, the net pensıon lıabılıty of the Plan was £28m (2009 £18m) Full detaıls of the IAS 19 dısclosure are ıncluded ın the accounts of 3ı Group plc

5 Income Taxes

	2010 £'000	2009 £'000
Current tax		
UK Corporatıon tax	61	-
Less relıef for foreıgn tax	(61)	-
Foreıgn taxes	277	83
Total ıncome taxes ın the statement of comprehensıve ıncome	277	83

Reconciliatıon of income tax expense in the statement of comprehensive income

The tax for the year ıs dıfferent to the standard rate of corporatıon tax ın the UK, currently 28% (2009 28%), and the dıfferences are explaıned below

	2010 £'000	2009 £'000
Profıt/(loss) before tax	456	(1,727)
Profıt/(loss) before tax multıplıed by rate of corporatıon tax ın the UK of 28% (2009 28%)	128	(484)
Effects of		
Expenses not deductıble for tax purposes	6	32
Tımıng dıfferences ın respect of capıtal allowances for the perıod dıfferıng from the deprecıatıon	6	35
Utılısatıon of tax losses (surrendered)/claımed as group relıef for nıl consıderatıon	(79)	417
Foreıgn tax suffered	277	83
Foreıgn tax credıts avaılable for double tax relıef	(61)	-
Total ıncome taxes ın the statement of comprehensıve ıncome	277	83

Deferred tax

At 31 March 2010 the Company had deductıble temporary dıfferences of £345,000 (2009 £216,000) relatıng to capıtal allowances and other tımıng dıfferences and excess unutılısed foreıgn tax credıts of £98,000 (2009 £166,000) It ıs consıdered uncertaın that there wıll be suffıcıent taxable profıts ın the future agaınst whıch these deferred tax assets can be offset and therefore the assets have not been recognısed

Notes to the financial statements

6 Equipment

	Equipment £'000
Cost	
At 31 March 2008	734
Disposals	(426)
At 31 March 2009	308
Disposals	(67)
At 31 March 2010	241
Accumulated depreciation	
At 31 March 2008	333
Charge for the year	212
Disposals	(290)
At 31 March 2009	255
Charge for year	35
Disposals	(83)
At 31 March 2010	207
Net book value at 31 March 2010	34
Net book value at 31 March 2009	53

Notes to the financial statements

7 Other receivables

	2010 £'000	2009 £'000
Amounts owed by group undertakings	1,062	975
Prepayments and accrued income	70	359
	1,132	1,334

8 Other payables

	2010 £'000	2009 £'000
Other taxes and social security costs	-	8
Tax payable	213	69
Other payables	996	1,184
	1,209	1,261

Notes to the financial statements

9 Share capital

	Number of shares	Amount £'000
Authorised ordinary shares of £1 each		
At 31 March 2009 and 31 March 2010	500,000	500
Called up, allotted and fully paid ordinary shares of £1 each		
At 31 March 2009 and 31 March 2010	140,000	140

10 Reconciliation of movement in equity

	Issued capital £'000	Share Premium £'000	Translation reserve £'000	Retained earnings £'000	Total £'000
At 31 March 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
At 31 March 2009	140	360	19	35	554
Total recognised income and expense	-	-	(126)	179	53
At 31 March 2010	140	360	(107)	214	607

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

11 Obligations under leases and hire purchase contracts

Leases as Lessee

Annual commitments under non-cancellable leases are as follows

	Land and buildings	
	2010	2009
	£'000	£'000
Operating leases which expire		
Within one year	26	730
In two to five years	-	233
At 31 March	26	963

During the year ended 31 March 2010, £188,906 was recognised as income in the statement of comprehensive income in respect of operating leases (2009 £1,528,000)

12 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

13 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%

13 Share-based payments (continued)

* the prior year figures have been restated to reflect the 12 June 2009 rights issue using an adjustment factor of 0 62275

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

	2010 Number of share options	**2010 Weighted average exercise price (pence)**	2009 *Number of share options	2009 *Weighted average exercise price (pence)
Outstanding at start of the year	**63,250**	**460**	74,675	443
Granted	**-**	**-**	12,424	516
Lapsed	**(5,635)**	**521**	(7,557)	601
Exercised	**-**	**-**	(16,292)	376
Expired	**-**	**-**	-	-
Outstanding at end of the year	**57,615**	**453**	63,250	460
Exercisable at the end of the year	**42,651**	**404**	42,650	404

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

Year of grant	**2010 Number**	**2010 Weighted average exercise price (pence)**	2009 Number	2009 Weighted average exercise price (pence)
2004			-	-
2005	**20,633**	**376**	20,633	376
2006	**22,018**	**432**	22,018	432
2007	**-**	**-**	5,635	521
2008	**5,323**	**731**	5,323	731
2009	**9,641**	**516**	9,641	516
	57,615	**453**	63,250	460

Notes to the financial statements

13 Share-based payments (continued)

No shares were exercısed durıng the year (2009 10,144) The optıons outstandıng at the end of the year have a weıghted average contractual lıfe of 6 23 years (2009 6 62 years) The cost of share optıons ıs spread over the vestıng perıod of three to fıve years The weıghted average faır value of optıons granted durıng the year was 124p (2009 240p)

These faır values were calculated usıng the Black-Scholes optıon prıcıng model The ınputs to thıs model were as follows

	2010	2009
Weıghted average share prıce (£)	**268**	636
Average expected volatılıty (%)	**52**	47
Expected lıfe (years)	**9**	8 5
Average rısk free rate (%)	**4**	4 6
Average expected dıvıdend yıeld (%)	**2**	3 6

The expected lıfe of the optıon ıs based on the best estımate of the Dırectors followıng a revıew of the profile of the award holders Expected volatılıty was determıned usıng an average of the ımplıed volatılıty on grant and hıstorıc share prıce volatılıty of the precedıng 8 5 years No optıons have been reprıced durıng the year (2007 100) All share optıons are equıty settled

Total costs

The total cost recognısed ın profit or loss for each of the share schemes ıs as follows

	2010	2009
	£'000	£'000
Share optıons	**-**	3

Notes to the financial statements

14 Related parties

Durıng the year the Company entered ınto transactıons, ın the ordınary course of busıness, wıth other related partıes There are no other key management personnel Each of these categorıes of related partıes and theır ımpact on the fınancıal statements ıs detaıled below

Fellow subsidiarıes

Advısory arrangements

Total fees for advısory servıces, ıncludıng the amount of accrued fees due at the end of the perıod, are detaıled below

	2010 £'000	2009 £'000
Advısory fees charged for the year	2,763	6,272
Of whıch accrued at end of year	-	-

Parent company

Borrowıng arrangements

The Company has an outstandıng receıvable balance wıth ıts parent company

	2010 £'000	2009 £'000
Accrued at end of year	495	495

Notes to the financial statements

15 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 sufficent 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 carrying 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 following table

Notes to the financial statements

15 Financial risk management (continued)

At 31 March 2010	2010 Sterling	2010 Chinese Renminbi	2010 Hong Kong Dollar	2010 US Dollar	2010 Other	2010 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Assets	13,408	4,506	-	14	301	18,229
Liabilities	-	(1,152)	(412)	(16,023)	(35)	(17,622)
Net assets	13,408	3,354	(412)	(16,009)	266	607
Assuming a 5% movement in exchange rates against sterling						
Impact on exchange movements in the						
Financial statements	-	177	(22)	(843)	14	(673)

At 31 March 2009	2009 Sterling	2009 Chinese Renminbi	2009 Hong Kong Dollar	2009 US Dollar	2009 Other	2009 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Assets	10,556	589	272	2	291	11,710
Liabilities	(11)	(688)	(897)	(9,500)	(60)	(11,156)
Net assets	10,545	(99)	(625)	(9,498)	231	554
Assuming a 5% movement in exchange rates against sterling						
Impact on exchange movements in the						
Financial statements	-	(5)	(33)	(500)	13	(525)