



# 3i EFV GP Limited

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 EFV GP Limited (the "Company") is to act as general partner of venture capital limited partnerships

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 in the year and the Directors do not foresee any future changes

#### Principal risks and uncertainties

The Company's financial risk management objectives and policies are discussed in note 12 to the financial statements

### Results and dividend

The profit for the year after tax amounted to €1,302,873 (2009 €548,549) The Company paid an interim dividend of €1,000,000 during the year (2009 €2,100,000) The Directors do not recommend a final dividend for the year (2009 €nil)

### Directors

K J Dunn

J C Murphy

P Waller

A J Haywood – 7 October 2010

C P Rowlands – resigned 1 April 2009

J B C Russell – resigned 16 September 2010

### 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

- 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,

## Directors' report

### Statement of Directors' responsibilities (continued)

- 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 to prevent and detect 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.

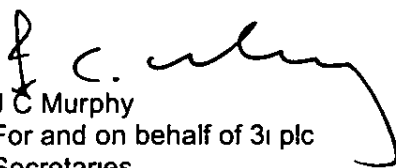
### Audit information

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

Ernst & Young LLP were appointed as auditors during the year and remain in office as auditors of the Company in accordance with Section 487(2) of the Companies Act 2006.

By Order of the Board

  
J C Murphy  
For and on behalf of 3i plc  
Secretaries  
21/12/2010

Registered Office  
16 Palace Street  
London SW1E 5JD

## Independent auditors' report to the members of 3i EFV GP Limited

We have audited the financial statements of 3i EFV GP Limited for the year ended 31 March 2010 which comprise the statement of comprehensive income, statement of changes in equity, balance sheet, cash flow statement, accounting policies A to J and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Directors and auditors

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

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

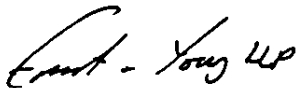
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of  
3i EFV GP Limited

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



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

Date

21/12/10

## Statement of comprehensive income

for the year to 31 March

	Notes	2010 €	2009 €
<b>Revenue</b>	1	26,057,531	10,036,894
Administrative expenses		(24,754,658)	(9,547,233)
<b>Operating profit</b>		1,302,873	489,661
Interest receivable	4	-	58,888
<b>Profit before tax</b>		1,302,873	548,549
Income taxes	5	-	-
<b>Profit for the year</b>		1,302,873	548,549
<b>Total comprehensive income for the year</b>		1,302,873	548,549

## Statement of changes in equity

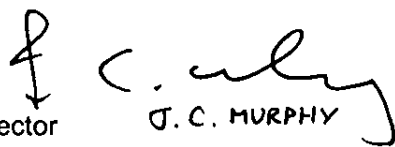
	Issued capital €	Retained earnings €	Total equity €
Total equity at March 2008	1	2,016,430	2,016,431
Profit for the year	-	548,549	548,549
Dividends paid	-	(2,100,000)	(2,100,000)
Total equity at 31 March 2009	1	464,979	464,980
Profit for the year	-	1,302,873	1,302,873
Dividends paid	-	(1,000,000)	(1,000,000)
Total equity at 31 March 2010	1	767,852	767,853

**Balance sheet**

for the year to 31 March

	Notes	2010 €	2009 €
<b>Assets</b>			
<b>Current assets</b>			
Other receivables	7	1	11,079
Cash and cash equivalents		767,852	476,606
		767,853	487,685
<b>Total assets</b>		767,853	487,685
<b>Liabilities</b>			
<b>Current liabilities</b>			
Deferred tax	5	-	-
Other payables	8	-	(22,705)
<b>Total liabilities</b>		-	(22,705)
<b>Net assets</b>		767,853	464,980
<b>Equity</b>			
Issued capital	9	1	1
Retained earnings		767,852	464,979
<b>Total equity</b>		767,853	464,980

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

  
 Director  
 J. C. MURPHY  
 21/12/2010

**Cash flow statement**

for the year to 31 March

	2010 €	2009 €
<b>Cash flow from operating activities</b>		
Profit before taxation	1,302,873	548,549
Adjustments for Interest receivable	-	(58,888)
	1,302,873	489,661
Interest received	-	58,888
Decrease/(increase) in receivables	11,078	(11,078)
Decrease in payables	(22,705)	(166,795)
<b>Net cash flow from operating activities</b>	1,291,246	370,676
<b>Cash flow from financing activities</b>		
Dividends paid	(1,000,000)	(2,100,000)
<b>Change in cash and cash equivalents</b>	291,246	(1,729,324)
<b>Opening cash and cash equivalents</b>	476,606	2,205,930
<b>Cash and cash equivalents at 31 March</b>	767,852	476,606



## Accounting policies

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

These financial statements have been prepared in accordance with and in compliance with the Companies Act 2006

New standards and interpretations not applied During the year, the IASB and IFRIC have issued the following standards and interpretations to be applied to financial statements with period 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
IFRIC 17 Distribution 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 and have decided not to early adopt

**B Basis of preparation** The financial statements are presented in Euros, the functional currency of the Company

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 Priority Profit Share** Revenue comprises Priority Profit Share from 3i Europartners Va LP and 3i Europartners Vb LP which are English Limited Partnerships. To the extent that there are insufficient partnership profits to allocate the Priority Share of profit, an interest free loan is made to the Company which is included in current liabilities. As this loan is discharged out of surplus profits after future allocations, an amount equal to the shortfall is credited to the statement of comprehensive income and is included in current assets.

**D Administrative expenses** Administrative expenses includes the management fee paid by the Company to its parent company.

**E Income recognition** Income is recognised on an accruals basis.

**F Financial instruments** Financial instruments are made up of other receivables, other payables and cash and cash equivalents. The Directors consider that the fair value of other receivables and other payables approximate their carrying value. The Directors do not believe that the Company is exposed to significant credit risk, liquidity risk, currency risk or interest rate risk and have not taken any specific actions to mitigate these financial risks (see note 12). There are no other financial instruments.

**G 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.

**H Other receivables** Assets, other than those specifically accounted for under a separate policy, are stated at their cost less impairment losses. They are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated based on expected discounted future cash flows. Any change in the level of impairment is recognised directly in profit or loss. An impairment loss is reversed at subsequent balance sheet dates to the extent that the asset's carrying amount does not exceed its original cost.

**I Other payables** Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which we consider to be payable in respect of goods or services received up to the balance sheet date.

**J Income taxes** Income taxes represent the sum of the tax currently payable, and deferred tax. Tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the tax is also dealt with in equity.

The tax currently payable is based on the taxable profit for the year. This may differ from the profit included in 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 Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit ('temporary differences'), and is accounted for using the balance sheet liability method.

## Accounting policies

**J Income taxes (continued)** Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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.

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

Deferred tax is calculated at the tax rates that are expected to apply in the year 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.

## Notes to the financial statements

### 1 Revenue

Turnover comprises Priority Profit Share from English Limited Partnerships

### 2 Auditors' remuneration

The Auditors' remuneration for the year was €6,182 (€2009 €6,182) and was borne by 3i plc, a fellow subsidiary

### 3 Directors' emoluments

None of the Directors received any emoluments in respect of their services to the Company for the year to 31 March 2010 (2009 €nil)

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

Four Directors (2009 four) of the Company accrued retirement benefits under the 3i Group Pension Plan, a defined benefit contributory scheme

The Company's contribution to pension schemes on behalf of Directors was €nil

The Directors are granted options in shares of 3i Group plc. The fair value for the services provided to the Company by the Directors cannot be reliably estimated and as such no share-based payment charge has been allocated to the Company

### 4 Other interest receivable and similar income

	2010 €	2009 €
Bank interest	-	58,888
	-	58,888

## Notes to the financial statements

## 5 Income taxes

	2010	2009
	€	€
<b>Deferred tax</b>		
Deferred income tax	-	-
<b>Total income taxes in the statement of comprehensive income</b>	-	-

**Reconciliation of total income taxes in the statement of comprehensive income**

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

	2010	2009
	€	€
Profit before tax	1,302,873	548,549
Profit before tax multiplied by rate of corporation tax in the UK of 28%	364,804	153,594
Effects of		
Income allocated in prior year	-	-
Utilisation of tax losses brought forward	-	-
Utilisation of tax losses claimed as group relief for nil consideration	(364,805)	(153,594)
<b>Total income taxes in the statement of comprehensive income</b>	-	-

## Notes to the financial statements

## 6 Dividends paid

	2010 €	2009 €
Declared and paid during the period €1,000,000 per share (2009 €2,100,000)	1,000,000	2,100,000
	1,000,000	2,100,000

## 7 Other receivables

	2010 €	2009 €
Amounts owed by group undertakings	1	1
Other receivables	-	11,078
	1	11,079

## Notes to the financial statements

## 8 Other payables

	2010 €	2009 €
Amounts owed to group undertakings	-	10,523
Other payables	-	12,182
	-	22,705

## 9 Share capital

	Number of shares	Amount €
Authorised ordinary shares of £1 each		
Authorised on incorporation	100	146
Alotted, called up and fully paid ordinary shares of £1 each		
Share capital issued on incorporation	1	1

On 7 June 2006, one ordinary share was issued to 3i Holdings plc at £1

The share capital which was issued in Sterling was restated during the year to 31 March 2006 into Euros at the exchange rate of €1 4596 to £1 to reflect the change in presentational currency

## 10 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

## 11 Related parties

During the year the Company entered into transactions, in the ordinary course of business, with various related parties. Those transactions with Directors of the Company are disclosed in note 3. The Company has no other key management personnel. Each of these categories of related parties and their impact on the financial statements is detailed below.

**Investments in Limited Partnerships**

Total revenue in the form of Priority Profit Share from investments in various English Limited Partnerships is detailed below.

	2010 €	2009 €
Priority Profit Share	26,057,531	10,036,894

**Parent company***Management fees*

Total fees paid to its parent company for management services, including the amount of accrued fees due at the end of the year, are detailed below.

	2010 €	2009 €
Management fees	24,754,655	9,535,051



## Notes to the financial statements

### 12 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 have been able to distribute profits in a tax-efficient manner.

#### **Credit risk**

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

#### **Liquidity risk**

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

#### **Market risk**

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), foreign currency assets or liabilities, or investments which are exposed to market fluctuations.

#### **Currency risk**

There is no currency risk as all balances are disclosed in the functional currency.