



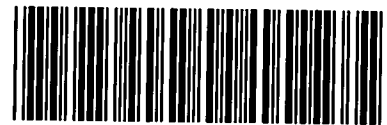
Iona EI (General Partner) 3 LLP

Partnership Number: OC418294

Annual Report and Financial Statements

For the year ended 31 March 2023

SATURDAY



ACIZVQ4P

A07

23/12/2023

#394

COMPANIES HOUSE

Iona EI (General Partner) 3 LLP

CONTENTS

	Page
Management and Administration	2
Members' Report	3 - 4
Independent Auditor's Report	5 - 8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Cash Flows	11
Statement of Changes in Members' Interest	12
Notes to the Financial Statements	13 - 15

Iona EI (General Partner) 3 LLP

MANAGEMENT AND ADMINISTRATION

Designated members:

Nicholas R W Ross
Iona Capital Ltd

Independent Auditor:

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Administrator:

Langham Hall UK Services LLP
8th Floor
1 Fleet Place
London
EC4M 7RA

Registered Office:

123 Pall Mall
London
SW1Y 5EA

Banker:

HSBC Bank Plc
60 Queen Victoria Street
London
EC4N 4TR

Iona EI (General Partner) 3 LLP

MEMBERS' REPORT

For the year ended 31 March 2023

The Members submit their Annual Report and Audited Financial Statements for Iona EI (General Partner) 3 LLP (the "Limited Liability Partnership" or "LLP") for the year ended 31 March 2023.

Principal activity and incorporation

The LLP was incorporated on 21 July 2017 with the registration number OC418294.

The Funds are set up to make investments primarily in organic waste recycling infrastructure projects and energy efficiency projects in the UK.

The LLP intends to continue acting as General Partner to Iona Renewable Infrastructure LP and Iona Resource and Energy Efficiency (Strathclyde) LP.

Review of the affairs of the Limited Liability Partnership

The LLP acted as the General Partner to the Funds during the period and received General Partner's Share from the Funds in accordance with the Limited Partnership Deed dated 10 October 2017 (the "LP Deed"). The LLP paid fees to Iona Capital Ltd, its parent company, in accordance with the Management Deed dated 10 October 2017 (the "Management Deed").

Results

The results for the year are set out in the Statement of Comprehensive Income on page 9.

Members

The Members of the LLP during the period and at the date of this report are as stated on page 2. All members of the LLP are designated members.

Members' drawings, subscriptions and repayments of capital

Policies for members' drawings, subscriptions and repayment of members' capital are governed by the Amended Limited Liability Partnership Deed (the "LLP Deed").

The capital requisite for carrying on the business of the LLP shall be agreed and contributed by the members from time to time.

Details of changes in members' capital in the year ended 31 March 2023 are set out in the financial statements.

Profits and losses of the LLP are allocated to members in line with the LLP Deed.

Going concern

The Members have considered the net liability position and specifically the ability of the Funds to continue to pay the General Partner's Share to the General Partner which will, in turn, allow the General Partner to continue to meet its obligations as they fall due. The Members consider that the Funds has sufficient cash to Funds future expenses as they fall due and it has the ability to call from investors in a timely manner for the purpose of meeting the Priority Profit Share requirements. The Members therefore expect the Funds to be able to pay the General Partner's Share for a period of at least 12 months from the date of approval of these financial statements and conclude that it remains appropriate to prepare these financial statements on a going concern basis.

Iona EI (General Partner) 3 LLP

MEMBERS' REPORT (continued) For the year ended 31 March 2023

Statement of Members' responsibilities

The Members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the Members to prepare financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102, the Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102"). Under that legislation the Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that year.

In preparing these financial statements, the Members are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

So far as each of the Members are aware, there is no relevant audit information of which the LLP's auditor is unaware, and each has taken all the steps they ought to have taken as Members to make themselves aware of any relevant audit information and to establish that the Limited LLP's auditor is aware of that information.

Auditor

A resolution concerning the re-appointment of RSM UK Audit LLP as auditor of the LLP will be proposed at the forthcoming Annual General Meeting.

Approval

These financial statements were approved and authorised for issue by the Members on 27 July 2023 and signed on their behalf by



Colm Walls
On Behalf of Iona Capital Ltd
Designated Member of Iona EI (General Partner) 3 LLP

Iona EI (General Partner) 3 LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IONA EI (GENERAL PARTNER) 3 LLP

Opinion

We have audited the financial statements of Iona EI (General Partner) 3 LLP (the 'limited liability partnership') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Members' Interest, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IONA EI (GENERAL PARTNER) 3 LLP
(continued)**

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IONA EI (GENERAL PARTNER) 3 LLP
(continued)**

**The extent to which the audit was considered capable of detecting irregularities, including fraud
(continued)**

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the limited liability partnership operates in and how the limited liability partnership is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 as applied to limited liability partnerships and LLP SORP. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Iona EI (General Partner) 3 LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IONA EI (GENERAL PARTNER) 3 LLP (continued)

Use of our report

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

Benjamin Marriner

Benjamin Marriner (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 27 July 2023

Iona EI (General Partner) 3 LLP

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2023

		31 March 2023	31 March 2022
	Note	GBP	GBP
Income			
General Partner's share	2.5	1,064,059	719,009
Other Income			-
Total income		1,064,059	719,009
Expenses			
Management fees	2.6	(906,049)	(452,710)
Rebate of General Partner's share		(158,010)	(266,299)
Bank charges		11	(12)
Total expenses		(1,064,048)	(719,021)
Profit/(loss) before members remuneration		11	(12)
Members remuneration charged as an expense		-	-
Total comprehensive Profit/(loss) for the year		11	(12)

The results above are in respect of continuing operations.

The notes on pages 13 to 15 form an integral part of these financial statements

Iona EI (General Partner) 3 LLP

STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

		As at 31 March 2023	As at 31 March 2022
	Note	GBP	GBP
Current assets			
Cash at bank		<u>172</u>	<u>68,648</u>
		<u>172</u>	<u>68,648</u>
Current liabilities			
Creditors	4	<u>(250)</u>	<u>(68,737)</u>
		<u>(250)</u>	<u>(68,737)</u>
Net liabilities attributable to members		<u>(78)</u>	<u>(89)</u>
Equity			
Members' capital classed as equity		50	50
Members' other interests		<u>(128)</u>	<u>(139)</u>
Total Members' Funds		<u>(78)</u>	<u>(89)</u>

The financial statements on pages 9 to 15 were approved and authorised for issue by the Members on 27 July 2023 and are signed on their behalf by:


Colm Walls
On Behalf of Iona Capital Ltd
Designated Member of Iona (General Partner) 3 LLP

Registered Number OC418294

The notes on pages 13 to 15 form an integral part of these financial statements

STATEMENT OF CASH FLOWS
For the year ended 31 March 2023

		31 March 2023	31 March 2022
	Note	GBP	GBP
Cash flows from operating activities			
Other operating activities		(68,476)	68,475
Net cash (outflow)/ inflow from operating activities		(68,476)	68,475
 Net movement in cash at bank during the year		(68,476)	68,475
Cash at bank at start of the year		68,648	173
Cash at bank at end of the year		172	68,648
 Other operating activities are made up of:			
Net Profit/(loss) adjusted for:		11	(12)
Net (decrease)/increase in creditors	4	(68,487)	68,487
		(68,476)	68,475

The notes on pages 13 to 15 form an integral part of these financial statements

Iona EI (General Partner) 3 LLP

STATEMENT OF CHANGES IN MEMBERS' INTEREST
For the year ended 31 March 2023

	Members' capital classified as equity	Members' other interests	Total
	GBP	GBP	GBP
As at 1 April 2022	50	(139)	(89)
Total comprehensive profit for the year	-	11	11
As at 31 March 2023	50	(128)	(78)

	Members' capital classified as equity	Members' other interests	Total
	GBP	GBP	GBP
As at 1 April 2021	50	(127)	(77)
Total comprehensive loss for the year	-	(12)	(12)
As at 31 March 2022	50	(139)	(89)

The notes on pages 13 to 15 form an integral part of these financial statements

Iona EI (General Partner) 3 LLP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. Incorporation and activity

Iona EI (General Partner) 3 LLP was incorporated in England on 21 July 2017 as a Limited Liability Partnership. The principal activity of the LLP is to act as the General Partner of Iona Renewable Infrastructure LP and Iona Resource and Energy Efficiency (Strathclyde) LP (the "Funds"), an English Limited Partnership.

Iona Capital Ltd is the Manager of the Funds and Iona EI (SLP) III LP is the Carried Interest Partner of the Funds.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for the period from incorporation to 31 March 2023, unless otherwise stated.

2.1 Basis of accounting

The financial statements have been prepared in compliance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (published December 2021) and the Companies Act 2006 (as applied to LLPs) for the year ended 31 March 2023.

2.2 Going Concern

The Members have considered the net liability position and specifically the ability of the Funds to continue to pay the General Partner's Share to the General Partner which will, in turn, allow the General Partner to continue to meet its obligations as they fall due. The Members consider that the Funds have sufficient cash to fund future expenses as they fall due and it has the ability to call from investors in a timely manner for the purpose of meeting the Priority Profit Share requirements. The Members therefore expect the Funds to be able to pay the General Partner's Share for a period of at least 12 months from the date of approval of these financial statements and conclude that it remains appropriate to prepare these financial statements on a going concern basis.

2.3 Income

Income is recognised on an accruals basis when the LLP obtains the right to consideration in exchange for its performance. Income consists of General Partner's Share received from the Funds, explained in detail in note 2.5.

2.4 Expenses

All expenses are accounted for on an accruals basis. Apart from the management fees and bank charges, all expenses of the LLP are borne by the Funds.

2.5 General Partner's Share

The LLP acts as General Partner to the Funds and is entitled to receive a General Partner's Share which shall be determined and paid as set out below.

(a) for the period from the First Closing until the last day of the Investment Period, an aggregate amount, calculated with respect to each Limited Partner, equal to 1.5 per cent. per annum of the Commitment of such Limited Partner; and

(b) after the end of the Investment Period, an aggregate amount, calculated with respect to each Limited Partner, equal to 1.5 per cent. per annum of the Commitments Under Management in respect of such Limited Partner, calculated as of the date of the First Closing and, thereafter, as of each quarterly instalment date in such accounting period.

Iona EI (General Partner) 3 LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

2.5 General Partner's Share (continued)

Any rebates due to investors are accounted for on receipt of the General Partner's Share. To the extent agreed between the LLP and nominated Limited Partner(s) of the Fund, the LLP shall pay to said Limited Partners by way of rebate of General Partner's Share an amount agreed upon between the General Partner and said Limited Partners.

On a quarterly basis, the amount of the General Partner's Share calculated shall be reduced, but not below zero, by the sum of transaction fees received by Iona Capital Ltd, (the "Manager"), from investee companies of the Fund.

2.6 Management fees

As per the Management Deed, the LLP has appointed Iona Capital Ltd to act as the Manager of the Fund and that it will pay the Manager by way of remuneration for its services hereunder such fee as the Manager and the LLP agree from time to time.

2.7 Cash at bank

Cash at bank comprises of cash held on current account.

3. Fees and Expenses

The auditors' remuneration for the year was GBP 5,500 (period ended 31 March 2022: GBP 5,000), and was borne by the Fund.

4. Creditors

	31 March 2023	31 March 2022
	GBP	GBP
Amount due to Iona Capital Ltd	250	250
Other payables	-	68,487
	<u>250</u>	<u>68,737</u>

5. Controlling party

The LLP's ultimate controlling party is Iona Capital Ltd, by virtue of it controlling the majority of the voting rights of the LLP. The registered office of Iona Capital Ltd is 123 Pall Mall, London, SW1Y 5EA.

The parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up and of which the Limited Liability Partnership is a member is Iona Capital Ltd. Copies of the accounts of Iona Capital Ltd are available from the registered office above.

6. Post balance sheet events

The Members are not aware of any matters or circumstances arising since 31 March 2023, not otherwise dealt within the financial statements, which significantly affects the financial position of the LLP and the results of its operations.

Iona EI (General Partner) 3 LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

7. Transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

During the year ended 31 March 2023, Iona (General Partner) 3 LLP received a General Partner's Share of GBP 1,064,059 (2022: GBP 719,009) from the Funds.

During the year ended 31 March 2023, Iona (General Partner) 3 LLP incurred management fees of GBP 886,537 (2022: GBP 452,710) from Iona Capital Ltd. One of the Directors of Iona Capital Ltd, the Manager, is a member of Iona EI (General Partner) 3 LLP. As at 31 March 2023, GBP 250 (2022: GBP 250) was due to Iona Capital Ltd in respect of working capital advanced.