



3i Holdings plc

Annual report and accounts for the year to 31 March 2016

Registered number: 02591431

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Directors' report

The Directors submit their report with the financial statements for the year to 31 March 2016.

Directors

The Directors of the Company during the year and up to the date of this report were:

K J Dunn
J S Wilson
B R Loomes

Mr K J Dunn retires by rotation in accordance with the Articles of Association, and being eligible, offers himself for reappointment.

Dividends

The Directors do not recommend a dividend for the year (2015: nil).

Development

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

Disclosure of information to the auditors

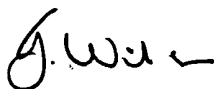
Pursuant to section 418(2) of the Companies Act 2006, each of the Directors confirms that: (a) so far as they are aware, there is no relevant audit information of which the auditors are unaware; and (b) they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of such information.

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

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.

By order of the Board



J S Wilson
Director

Date: 22 July 2016

Registered office:
16 Palace Street
London, SW1E 5JD

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 those International Financial Reporting Standards ("IFRSs") that 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:

- (a) select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- (b) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- (c) 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;
- (d) state that the Company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements; and
- (e) make judgements and estimates that are reasonable.

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 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.

Strategic report

The Directors present their strategic report for the year ended 31 March 2016.

Results and business review

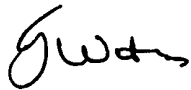
The principal activity of 3i Holdings plc (the "Company") is that of a holding company within the group of companies of which 3i Group plc is the ultimate parent undertaking (the "Group").

Total comprehensive loss for the year amounted to £25m (2015: profit of £55m).

Principal risks and uncertainties

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. The financial risks are discussed in further detail in note 11.

By order of the Board



J S Wilson
Director

Date: 22 July 2016

Registered office:
16 Palace Street
London, SW1E 5JD

Independent auditors' report to the members of 3i Holdings plc

We have audited the financial statements of 3i Holdings plc for the year ended 31 March 2016 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position, the Statement of cash flows, the Accounting policies A to K and the Notes to the financial statements 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 set out on page 2, 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Directors' report and Strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its loss 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.

Independent auditors' report to the members of 3i Holdings plc

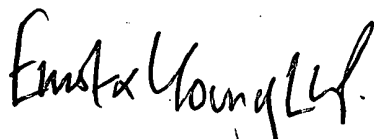
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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.



Julian Young (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 25/11/16

Statement of comprehensive income

for the year to 31 March 2016

		2016 £m	2015 £m
Revenue	1	27	4
Operating profit		27	4
Realised loss on disposal of investment		(20)	(1)
Unrealised gain on the revaluation of investments	6	16	75
Impairment of subsidiary loans		(52)	-
Exchange movements		4	(23)
(Loss)/profit before tax		(25)	55
Income taxes	4	-	-
(Loss)/profit for the year		(25)	55
Total comprehensive (loss)/income for the year		(25)	55

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

Statement of changes in equity

for the year to 31 March 2016

	Issued share capital	Share based payment reserve	Distributable reserve	Total
	£m	£m	£m	£m
As at 1 April 2014	1	19	74	94
Profit for the year	-	-	55	55
Share based payments	-	19	-	19
Exercise of share awards	-	(8)	8	-
Total change in equity for the year	-	11	63	75
As at 31 March 2015	1	30	137	168
Loss for the year	-	-	(25)	(25)
Share based payments	-	8	-	8
Exercise of share awards	-	(14)	14	-
Total change in equity for the year	-	(6)	(11)	(17)
As at 31 March 2016	1	24	126	151

The notes on pages 12 to 17 form an integral part of these financial statements.

3i Holdings plc

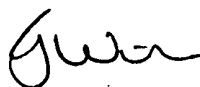
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Statement of financial position

as at 31 March 2016

	Notes	2016 £m	2015 £m
Assets			
Non-current assets			
Investments in subsidiaries	6	430	428
Amounts due from group undertakings	7	172	208
Current-assets			
Amounts due from group undertakings	7	1	-
Total assets		603	636
Liabilities			
Non-current liabilities			
Amounts due to group undertakings	8	(451)	(466)
Current-liabilities			
Amounts due to group undertakings	8	(1)	(2)
Total liabilities		(452)	(468)
Net assets		151	168
Equity			
Issued capital	5	1	1
Share based payment reserve		24	30
Distributable reserve		126	137
Total equity		151	168

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



J S Wilson

Director

Date: 22 July 2016

Statement of cash flows
for the year to 31 March 2016

	2016 £m	2015 £m
Cash flow from operating activities		
Dividend income	16	-
Net cash flow from operating activities	16	-
Cash flows from investing activities		
Proceeds from investments	2	-
Net cash flow from investing activities	2	-
Cash flow from financing activities		
Amounts received from group undertakings	39	225
Amounts paid to group undertakings	(57)	(225)
Net cash flow from financing activities	(18)	-
Change in cash and cash equivalents	-	-
Cash and cash equivalents at the start of the year	-	-
Effect of exchange rate fluctuations	-	-
Cash and cash equivalents at the end of the year	-	-

A. Statement of compliance

These financial statements have been prepared and approved by the Directors in accordance with all relevant IFRSs as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretation Committee, endorsed by the European Union ("EU").

The following standards, amendments and interpretations have been issued with implementation dates, subject to EU endorsement in some cases, which do not impact on these financial statements:

		Effective for periods beginning on or after
IFRS	Annual improvements 2012 to 2014	1 January 2016
IAS 7	Disclosure initiative (amendments to IAS 7 - statement of cash flows)	1 January 2017
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019

The impact of the future standards and amendments on the financial statements is being assessed by the Company.

B. Basis of preparation

The financial statements are presented in sterling, the functional currency of the Company.

Under the provision of Section 400 of the Companies Act 2006, consolidated accounts have not been prepared as the Company is a wholly owned subsidiary undertaking of 3i Group plc, and is incorporated in Great Britain and registered in England and Wales. 3i Group plc prepares consolidated accounts, within which the results of the Company are incorporated. Copies of the 3i Group plc financial statements are publicly available at its registered office: 16 Palace Street, London, SW1E 5JD.

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

Investment in subsidiaries are held at fair value. Fair value is measured at the entity's Net Asset Value, with the most significant component being the underlying receivables and payables. Note 6 provides further detail on fair value of the investment in subsidiaries, including sensitivities to inputs in level 3 valuations.

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.

C. Revenue recognition

Revenue comprises dividends and interest and is recognised on an accruals basis. Dividends from equity investments are recognised in the statement of comprehensive income when the shareholders' rights to receive payment have been established except to the extent that dividends, paid out of pre-acquisition reserves, adjust the fair value of the equity instrument.

D. Foreign currency transactions

Transactions in currencies different from the functional currency of the Company are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to sterling at the exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to sterling using exchange rates ruling at the date the fair value was determined.

E. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and short-term deposits as defined above.

F. Share capital

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

G. Income taxes

Income taxes represent the sum of the tax currently payable, withholding taxes suffered and deferred tax. Tax is charged or credited to the statement of comprehensive income, except where it relates to items charged or created directly to equity, in which case the tax is also dealt with in equity. The tax currently payable is based on the taxable profit for the year. This may differ from the profit included in the statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

To enable the tax charge to be based on the profit for the year, deferred tax is provided in full on temporary timing differences, at the rates of tax expected to apply when these differences crystallise. Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profits will be available against which temporary differences can be set off. All deferred tax liabilities are offset against deferred tax assets in accordance with the provisions of IAS 12.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

H. Financial instruments

Financial instruments are made up of investments, amounts due from and to group undertakings and cash and cash equivalents. The Directors consider that the fair value of accounts receivable and accounts payable approximate to their carrying value. There are no other financial instruments.

I. Valuation of subsidiaries

Subsidiaries of the Company are designated at fair value through profit and loss and subsequently carried in the statement of financial position at fair value.

J. 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 statement of financial position date to determine whether there is an 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 the statement of comprehensive income. An impairment is reversed at subsequent statement of financial position dates to the extent that the asset's carrying amount does not exceed its original cost.

K. 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 statement of financial position date.

Notes to the accounts

1. Revenue

	2016	2015
	£m	£m
Interest	11	4
Dividends	16	-
	27	4

2. Operating expenses

The auditors' remuneration for the period of £15,000 (2015: £15,000) was borne by 3i plc, a subsidiary of 3i Holdings plc.

3. Directors' emoluments

None of the Directors received emoluments in respect of their services to the Company for the year to 31 March 2016 (2015: none). The Directors' services to the Company do not occupy a significant amount of their time.

There was no contribution to pension schemes by the company for Directors in this year (2015: nil). All pension contributions for the year were borne by 3i plc, a fellow subsidiary.

4. Income taxes

Reconciliation of 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 of 20% (2015: 21%). The differences are explained below:

	2016	2015
	£m	£m
(Loss)/Profit before tax	(25)	55
(Loss)/profit before tax multiplied by rate of corporation tax in the UK of 20% (2015: 21%)	(5)	11
Non-taxable profits relating to UK dividend income	(3)	-
Unutilised tax losses carried forwards	-	5
Utilisation of previously unrecognised losses	(3)	-
Loss on disposal of investments	4	-
Non(taxable)/deductible revaluation of investments	7	(16)
Total income taxes in the statement of comprehensive income	-	-

Deferred tax

At 31 March 2016 3i Holdings Plc had unrecognised tax losses carried forward of £123m (2015: £138m) and unrecognised capital losses of £80m (2015: £69m). It is considered uncertain that there will be sufficient taxable profits in the future against which the associated deferred tax asset can be offset and therefore the asset has not been recognised.

Notes to the accounts

Deferred tax (continued)

The UK Government announced as part of the Finance (No 2) Act 2015, which received Royal Assent on 18 November 2015, that the main rate of corporation tax rate would be reduced from 20% to 19% from 1 April 2017 and further to 18% from 1 April 2020. This will affect the rate at which future UK cash tax will be payable and the rate at which deferred tax assets are expected to reverse.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

5. Share capital

	Number of shares	Amount £m
Ordinary shares		
Called up, allotted and fully paid ordinary shares of £1 each		
At 31 March 2016 and 31 March 2015	1,000,000	1

6. Investments in subsidiaries

	2016 £m	2015 £m
Opening fair value	428	336
Additions	8	18
Disposals	(22)	(1)
Fair value movements	16	75
Closing fair value	430	428

The Company classifies financial instruments measured at fair value according to the IFRS 13 hierarchy as shown in the table below:

Level	Fair value input description	Financial instruments
Level 1	Quoted prices (unadjusted) from active markets	Quoted equity instruments
Level 2	Inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)	
Level 3	Inputs that are not based on observable market data	Unquoted equity instruments

The Company's investments are all classified as level 3 under the IFRS 13 fair value hierarchy and there were no transfers between level 1, level 2 and level 3 during the year.

Level 3 inputs are sensitive to assumptions made when ascertaining fair value of investments.

A 5% movement in the Net Asset Value of the subsidiaries would result in a £22m movement in fair value of the subsidiaries (2015: £21m).

7. Amounts due from group undertakings

	2016 £m	2015 £m
Non-current assets		
Amounts owed by group undertakings	172	208
Current-assets		
Amounts owed by group undertakings	1	-

Notes to the accounts

8. Amounts due to group undertakings

	2016 £m	2015 £m
Non-current liabilities		
Amounts owed to group undertakings	451	466
Current liabilities		
Amounts owed to group undertakings	1	1
Accruals	-	1
	1	2

9. Related parties

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

Parent company

The Company has an outstanding balance payable to its parent company:

	2016 £m	2015 £m
Outstanding at the end of the year	(267)	(290)
	(267)	(290)

Fellow subsidiaries

The Company has the following outstanding balances with subsidiary companies:

	2016 £m	2015 £m
Receivable at the end of the year	173	208
Payable at the end of the year	(185)	(177)
	(12)	31

10. Parent undertaking and controlling party

The Company's immediate and ultimate parent undertaking and controlling party is 3i Group plc which is incorporated in Great Britain and registered in England and Wales. Copies of its group financial statements, which include the Company, are available from 16 Palace Street, London, SW1E 5JD and online at www.3i.com.

11. Financial risk management

Financial risks

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. 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.

Notes to the accounts

11. Financial risk management (continued)

Credit risk

The Directors do not believe that there is significant credit risk arising on the Company's receivables as these amounts are due from other Group companies who each have sufficient funds to satisfy their liabilities.

Liquidity risk

Liquidity risk is managed at the Group level as discussed in the Directors' report in the 3i Group plc annual report. The Company's current liabilities are principally amounts owed to Group undertakings.

Market risk

The Company holds net assets denominated in foreign currencies exposing it to changes in foreign currency exchange rates. The Directors have not taken any steps to mitigate this risk.

The impact on exchange movements in the statement of comprehensive income as a result of a +/- 10% movement in the sterling to US dollar exchange rate would be £17m (2015: £12m). A +/- 10% movement in the sterling to Swedish krona exchange rate would be £5m (2015: £5m). A +/- 10% movement in the sterling to euro exchange rate would be £3m (2015: £3m).

Exposure to euros, US dollars and Swedish krona is shown below.

Sensitivity analysis

	2016	2016	2016	2016	2016
31 March 2016	Sterling	US dollar	Swedish krona	Euro	Total
	£m	£m	£m	£m	£m
Net assets/(liabilities)	219	(155)	47	40	151

Assuming a 10% movement in exchange rates against sterling:

Impact on exchange movements in the statement of comprehensive income:

Total	-	(17)	5	3	(9)
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	2015	2015	2015	2015	2015
31 March 2015	Sterling	US dollar	Swedish krona	Euro	Total
	£m	£m	£m	£m	£m
Net assets/(liabilities)	73	(85)	43	137	168

Assuming a 10% movement in exchange rates against sterling:

Impact on exchange movements in the statement of comprehensive income:

Total	-	(12)	5	3	(4)
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Notes to the accounts

12. Subsidiaries and related undertakings

The Companies Act 2006 requires disclosure of certain information about the Company's related undertakings and this is set out below. Related undertakings are subsidiaries, joint ventures, associates and other significant holdings. In this context, significant means either a shareholding greater than or equal to 20% of the nominal value of any class of shares or a book value greater than 20% of the Company's assets

The Company's related undertakings at 31 March 2016 are listed below:

Description	Country of incorporation or residence	Holding/share class
Subsidiaries		
3i APTech GP Limited	UK	100% ordinary shares
3i APTech Nominees Limited	UK	100% ordinary shares
3i Asia Limited	Mauritius	100% ordinary shares
3i BIFM Investments Limited	UK	100% ordinary shares
3i EF3 GPA Limited	UK	100% ordinary shares
3i EF3 GPB Limited	UK	100% ordinary shares
3i EF3 Nominees A Limited	Jersey	100% ordinary shares
3i EF3 Nominees B Limited	UK	100% ordinary shares
3i EF4 GP Limited	UK	100% ordinary shares
3i EFIV Nominees Limited	UK	100% ordinary shares
3i Europartners II GP Limited	UK	100% ordinary shares
3i Europe General Partner Limited	UK	100% ordinary shares
3i Europe Plc	UK	100% ordinary shares
3i GC GP Limited	UK	100% ordinary shares
3i General Partner Limited	UK	100% ordinary shares
3i General Partner No 1 Limited	UK	100% ordinary shares
3i GP 08-10 Limited	UK	100% ordinary shares
3i GP 2004 Limited	UK	100% ordinary shares
3i GP 2010 Limited	UK	100% ordinary shares
3i GP 2013 Limited	UK	100% ordinary shares
3i IIF GP Limited	Jersey	100% ordinary shares
3i India Private Limited	India	100% ordinary shares
3i International Holdings	UK	100% ordinary shares
3i International Services plc	UK	100% ordinary shares
3i Investments GP Limited	UK	100% ordinary shares
3i Networks Finland Limited	UK	100% ordinary shares
3i Nominees Limited	UK	100% ordinary shares
3i Nordic plc	UK	100% ordinary shares
3i Osprey GP Limited	UK	100% ordinary shares
3i plc	UK	100% ordinary shares
3i PVLP Nominees Limited	UK	100% ordinary shares
3i srl	Italy	100% ordinary shares
3i Trustee Company Limited	UK	100% ordinary shares
3i US Holdings LLC	US	100% ordinary shares
Gardens Nominees Limited	UK	100% ordinary shares
Gardens Pension Trustees Limited	UK	100% ordinary shares
GP 2013 Ltd	UK	100% ordinary shares
GP CCC 2010 Limited	UK	100% ordinary shares
IIF SLP GP Limited	UK	100% ordinary shares

Notes to the accounts

12. Subsidiaries and related undertakings (continued)

Description	Country of incorporation or residence	Holding/share class
Subsidiaries		
Investors in Industry plc	UK	99% ordinary shares
Mayflower GP Limited	UK	100% ordinary shares
Palace Street 1 Limited	UK	100% ordinary shares
Waterloo Trustee Company Limited	UK	100% ordinary shares