



3i Holdings plc

Annual reports and accounts
for the year to 31 March 2015

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COMPANIES HOUSE

Directors' report

The Directors submit their report with the accounts for the year to 31 March 2015.

Business review

Principal activity

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").

Directors

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

K J Dunn
J S Wilson
B R Loomes

Mr B R Loomes retires by rotation in accordance with the Articles of Association and, being eligible, offers himself for reappointment.

Audit information

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 Company's 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 Company's 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 the Company's auditors will be put to the forthcoming Annual General Meeting.

Directors' report

Statement of Directors' responsibilities

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

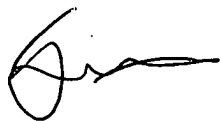
Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare financial statements in accordance with IFRSs as issued by the IASB;
- Follow suitable accounting standards subject to material departures being disclosed and explained in the accounts; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

By Order of the Board



J S Wilson
Director

Date: 30/6/15

Registered Office:
16 Palace Street
London SW1E 5JD

Strategic Report

Results and Business Review

Profit after tax for the year was £55m (2014: profit £44m). The Directors recommend a dividend of £nil for the year (2014: £nil). The net assets at the year end were £168m (2014: £94m).

Development

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

Principal risks and uncertainties

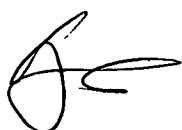
The Company is a subsidiary of 3i Group plc. The Group sets objectives, policies and processes for managing and monitoring risk as set out in the Directors' report in the 3i Group plc annual report.

The financial risks are discussed in further detail in note 13.

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: 30/6/15

Registered Office:
16 Palace Street
London SW1E 5JD

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

We have audited the Company's financial statements for the period ended 31 March 2015 which comprise the statement of comprehensive income, statement of changes in equity, statement of financial position, statement of cash flows, accounting policies A to I and related notes 1 to 13. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the statement of Directors' responsibilities 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 (APB'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 Director's 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 2015 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.

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

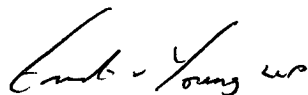
Opinion on other matters prescribed by the Companies Act 2006

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.



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

Date:

30/6/15

Statement of comprehensive income

for the year to 31 March 2015

	Notes	2015 £m	2014 £m
Income from subsidiaries	1	4	157
Movements on the fair value of subsidiaries	2	75	(117)
Loss on disposal of subsidiaries		(1)	-
Operating profit	3	78	40
Exchange movements		(23)	4
Profit before tax		55	44
Income taxes	5	-	-
Profit for the year		55	44
Total comprehensive income for the year		55	44

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

Statement of changes in equity

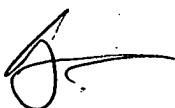
	Issued capital £m	Share based payment reserve £m	Retained earnings £m	Total £m
At 31 March 2013	1	17	24	42
Total comprehensive income for the year	-	-	44	44
Share-based payments	-	8	-	8
Release on forfeiture or exercise of share awards	-	(6)	6	-
At 31 March 2014	1	19	74	94
Total comprehensive income for the year	-	-	55	55
Share-based payments	-	19	-	19
Release on forfeiture or exercise of share awards	-	(8)	8	-
As at 31 March 2015	1	30	137	168

Statement of financial position

as at 31 March 2015

	Notes	2015 £m	2014 £m
Assets			
Non-current assets			
Interests in Group entities	6	428	336
		428	336
Current assets			
Other current assets	7	208	121
		208	121
Total assets		636	457
Liabilities			
Current liabilities			
Trade and other payables	8	(468)	(363)
		(468)	(363)
Total liabilities		(468)	(363)
Net assets		168	94
Equity			
Issued capital	9	1	1
Retained earnings		137	74
Share based payment reserve		30	19
Total equity		168	94

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



J S Wilson

Director

Date: 30/6/15

Statement of cash flows

for the year to 31 March 2015

	2015 £m	2014 £m
Cash flows from operating activities		
Profit before taxation	55	44
Movements on the fair value of subsidiaries	(75)	117
Exchange movements	23	(4)
Loss on disposal of investments in subsidiaries	1	-
	4	157
Increase in other current assets	(77)	(17)
Increase in other payables	73	30
Net cash flow from operating activities	-	170
Cash flows from financing activities		
Repayment of short-term borrowings	-	(165)
Net cash flow from financing activities	-	(165)
Cash flows from investing activities		
Investment in subsidiaries		(5)
Net cash flow from investing activities	-	(5)
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	-	-

3i Holdings plc

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.

The following standards, amendments and interpretations have been issued with implementation dates, which do not impact on these financial statements:

		Effective for period beginning on or after
IFRS	Annual improvements 2010 to 2012 and 2011 to 2013	1 July 2014
IFRS	Annual improvements 2012 to 2014	1 July 2016
IFRS 15	Revenue from contracts with customers	1 January 2017
IFRS 9	Financial Instruments	1 January 2018

The impact of 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, and all values are rounded to the nearest million pounds (£m) except where otherwise indicated.

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, a company incorporated in Great Britain and registered in England and Wales. Copies of the Company's financial statements are publicly available at its registered office: Palace Street 16, 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.

3i Holdings plc

Accounting policies

B Basis of preparation (continued) 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 Exchange differences Transactions in currencies that are 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 dates the fair value was determined.

D 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 "income taxes".

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.

3i Holdings plc

Accounting policies

E Financial instruments Financial instruments are made up of investments, accounts receivable, accounts payable, loans, 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.

F Interests in Subsidiaries Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, exposure to variable returns and the ability to use its power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. Investments in subsidiaries are held at fair value. The fair value of investment in subsidiaries is reviewed on an annual basis and movements in the fair value are recorded through the statement of comprehensive income.

G 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.

H 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.

I Revenue recognition Revenue comprises fee income, 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.

Notes to the accounts

1 Income from subsidiaries

	2015	2014
	£m	£m
Dividends received from subsidiary undertakings	-	156
Interest income	4	1
	4	157

2 Movements on the fair value of subsidiaries

Fair value adjustments were recorded against the following investments in subsidiaries:

	2015	2014
	£m	£m
Equity investment in other subsidiaries	75	(117)
	75	(117)

3 Operating expenses

The auditor's remuneration for the year of £12,500 (2014: £15,000) was borne by 3i plc, a subsidiary.

4 Directors' emoluments

None of the Directors received emoluments in respect of their services to the Company for the year to 31 March 2015 (2014: none). The Directors' services to the Company do not occupy a significant amount of their time.

The Company's contribution to pension schemes on behalf of Directors was £nil (2014: £nil). All pension contributions for the year were borne by 3i plc, a subsidiary of the Company.

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.

5 Income taxes

	2015	2014
	£m	£m
Current tax		
UK Corporation tax	-	-
	-	-

Notes to the accounts

5 Income taxes (continued)**Reconciliation of income taxes in the statement of comprehensive income**

The tax charge for the period is different to the standard rate of corporation tax in the UK, currently 21% (2014: 23%), and the differences are explained below:

	2015	2014
	£m	£m
Profit before tax	55	44
Profit before tax multiplied by rate of corporation tax in the UK of 21% (2014: 23%)	11	10
Effects of:		
Permanent differences	(16)	27
Non-taxable profits relating to UK dividend income	-	(36)
UK tax losses carried forward/(utilised)	5	(1)
Total income taxes in the statement of comprehensive income	-	-

At 31 March 2015 the Company had unrecognised deferred tax in relation to tax losses of £42m (2014: £42m). It is considered too uncertain that the Group will generate sufficient taxable profits in the future against which the associated deferred tax assets can be offset and therefore the assets have not been recognised.

6 Interests in Group entities

	2015	2014
	£m	£m
Opening book value	336	440
Additions	18	13
Disposals	(1)	-
Revaluation	75	(117)
Closing book value	428	336

Details of significant Group entities are given in note 11.

Notes to the accounts

7 Other current assets

	2015	2014
	£m	£m
Amounts due from group undertakings	208	121
	208	121

8 Trade and other payables

	2015	2014
	£m	£m
Other payables	1	-
Amounts due to group undertakings	467	363
	468	363

9 Share capital

	Number of shares	Amount £m
Called up, allotted and fully paid ordinary shares of £1 each		
At 31 March 2014 and 31 March 2015	1,000,000	1

Notes to the accounts

10 Group entities

Significant subsidiaries

Name	Country of incorporation	Issued and fully paid share capital	Principal activity	Registered office
3i International Holdings	England and Wales	2,715,973 ordinary shares of £10	Holding Company	16 Palace Street London SW1E 5JD
3i plc	England and Wales	110,000,000 ordinary shares of £1	Services	
3i Investments plc	England and Wales	10,000,000 ordinary shares of £1	Investment manager	
3i Europe plc	England and Wales	500,000 ordinary shares of £1	Investment adviser	
3i Nordic plc	England and Wales	500,000 ordinary shares of £1	Investment adviser	
Gardens Pension Trustees Limited	England and Wales	100 ordinary shares of £1	Pension fund trustee	
3i BIFM Investments Limited	England and Wales	2,570,000 ordinary shares of £1	Investment manager	1 Grand Central Place, 60 East 42nd Street, Suite 4100 New York, NY 10165
3i Corporation	USA	15,000 shares of common stock (no par value)	Investment manager	
3i Deutschland Gesellschaft für Industriebeteiligungen mbH	Germany	€ 25,564,594	Investment manager	

The significant subsidiaries noted above are all wholly owned by the Company.

The Directors are of the opinion that the number of undertakings in respect of which the Company is required to disclose information under Schedule 4 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 is such that compliance would result in information of excessive length being presented in the accounts. The full disclosure will be annexed to the Company's next annual return.

Notes to the accounts

11 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 the Group financial statements, which include the Company, are available from 16 Palace Street, London, SW1E 5JD.

12 Related parties

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Those transactions impacting the statement of comprehensive income are disclosed in note 1 and note 2.

Those transactions with Directors of the Company are disclosed in the Directors' Report and note 4. 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.

Parent company

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

	2015 £m	2014 £m
Payable at year end	(290)	(188)

Subsidiaries

The Company has outstanding balances payable to its subsidiary companies.

	2015 £m	2014 £m
Payable at year end	(177)	(175)

Notes to the accounts

13 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.

The capital structure of the Company consists of equity, external loans and intercompany loans which are due on demand. The Company is free to transfer capital to the parent company subject to maintaining sufficient reserves to meet statutory obligations.

Credit risk

The Directors do not believe that there is significant credit risk arising on the Company's debtors as these amounts 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. The Company's current liabilities are principally intercompany loans due on demand.

Market risk

(i) Currency risk

The Company has currency exposure to Euros, US Dollars, Swedish Kronor and other sundry currencies combined as shown in the table on the following page.

Notes to the financial statements

13 Financial risk management (continued)

	2015	2015	2015	2015	2015
At 31 March 2015	Sterling	Euro	US Dollar	SEK	Total
	£m	£m	£m	£m	£m
Assets	516	200	66	45	827
Liabilities	(443)	(63)	(151)	(2)	(659)
Net assets/(liabilities)	73	137	(85)	43	168

Sensitivity analysis

Impact on exchange movements in the statement of comprehensive income assuming a 10% movement in exchange rates against sterling

	-	3	(12)	5	(4)
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	2014	2014	2014	2014	2014
At 31 March 2014	Sterling	Euro	US Dollar	SEK	Total
	£m	£m	£m	£m	£m
Assets	313	89	4	51	457
Liabilities	(265)	-	(98)	-	(363)
Net assets/(liabilities)	48	89	(94)	51	94

Sensitivity analysis

Impact on exchange movements in the statement of comprehensive income assuming a 10% movement in exchange rates against sterling

	-	10	(10)	6	6
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