



3i Holdings plc

Annual report and accounts for the year to 31 March 2019

Registered number: 02591431



Contents

| | |
|-----------------------------------|---------|
| Directors' report | 1 - 2 |
| Strategic report | 3 |
| Independent auditor's report | 4 - 6 |
| Statement of comprehensive income | 7 |
| Statement of changes in equity | 7 |
| Statement of financial position | 8 |
| Statement of cash flows | 9 |
| Accounting policies | 10 - 12 |
| Notes to accounts | 13 - 18 |

Directors' report

The Directors submit their report with the financial statements for the year to 31 March 2019.

Principal activity

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

Directors

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

K J Dunn

J S Wilson

Mrs J S Wilson retires by rotation in accordance with the Articles of Association, and being eligible, offers herself for reappointment.

Dividends

The Directors do not recommend a dividend for the year (2018: nil).

Development

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

Events since the balance sheet date

There have been no events since the balance sheet date.

Disclosure of information to the Auditors

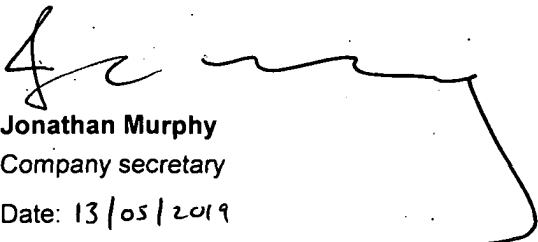
Pursuant to s418(2) of the Companies Act 2006, each of the Directors confirms that: (a) so far as they are aware, there is no relevant audit information of which the auditors are unaware; and (b) they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of such information.

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



Jonathan Murphy
Company secretary

Date: 13/05/2019

Registered office:
16 Palace Street
London, SW1E 5JD

Directors' report

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual report and accounts 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 year. 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 as adopted by the European Union 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 as adopted by the European Union, 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.

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

Strategic report

The Directors present their Strategic report for the year to 31 March 2019.

Results and business review

The main key performance indicators are as follows:

| | 2019 | 2018 (restated) |
|--|---------|--------------------|
| | £'000 | £'000 |
| Revenue | 4,755 | 30,319 |
| Total comprehensive (loss)/income for the year | (1,870) | 18,702 |
| Net assets | 202,814 | 185,168 |

The results for the year and financial position of the Company are included in the financial statements.

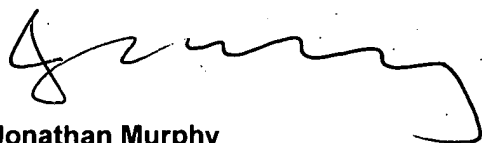
The comprehensive loss for the year is primarily a result of exchange movements due to the impact of sterling weakening against the US dollar on the Company's US dollar denominated liabilities. The Directors are satisfied with the performance of the Company during the year.

On 1 April 2019, 3i Europe plc, a subsidiary of the Company transferred the assets and operations of its branches to another subsidiary of the Company, 3i Investments (Luxembourg) S.A., in response to the regulatory risk posed by the UK's expected exit from the European Union ("Brexit"). This will not result in any material changes to the Company's operations and the Directors do not anticipate that Brexit will pose any other significant risks to the Company.

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



Jonathan Murphy

Company secretary

Date: 13/05/2019

Registered office:

16 Palace Street
London, SW1E 5JD

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

Opinion

We have audited the financial statements of 3i Holdings plc, for the year ended 31 March 2019 which comprise the Statement of comprehensive income, Statement of changes in equity, Statement of financial position, Statement of cash flows, Accounting policies A to K and the 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.

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2019 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.

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 below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

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

- adequate accounting records have not been kept by the parent company, 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.

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

Responsibilities of directors

As explained more fully in the Statement of 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, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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.

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

Use of our report

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.



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

Date: 18/11/19

Statement of comprehensive income

for the year to 31 March 2019

| | Notes | 2019 £'000 | 2018 (restated) ¹ £'000 |
|---|-------|----------------|--|
| Revenue | 1 | 4,755 | 30,319 |
| Operating expenses | | - | (5) |
| Operating profit | | 4,755 | 30,314 |
| Realised loss on disposal of CLO investments | | - | (3,316) |
| Impairment of investment in subsidiaries | 6 | 542 | (23,186) |
| Impairment of subsidiary loans | | - | 4,170 |
| Exchange movements | | (7,749) | 11,720 |
| (Loss)/profit before tax | | (2,452) | 19,702 |
| Income taxes | 4 | 582 | (1,000) |
| Total comprehensive (loss)/income for the year | | (1,870) | 18,702 |

¹ Restated. See Note 13 of the financial statements.

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

Statement of changes in equity

for the year to 31 March 2019

| | Issued share capital £'000 | Share based payment reserve £'000 | Retained earnings £'000 | Total £'000 |
|---|----------------------------------|--|-------------------------------|----------------|
| As at 31 March 2017 | 1,000 | 22,732 | 213,834 | 237,566 |
| Restatement of opening reserves | - | - | (95,403) | (95,403) |
| As at 1 April 2017 (restated) ¹ | 1,000 | 22,732 | 118,431 | 142,163 |
| Total comprehensive income for the year | - | - | 18,702 | 18,702 |
| Share based payments | - | 24,303 | - | 24,303 |
| Exercise of share awards | - | (15,388) | 15,388 | - |
| Total change in equity for the year | - | 8,915 | 34,090 | 43,005 |
| As at 31 March 2018 (restated)¹ | 1,000 | 31,647 | 152,521 | 185,168 |
| Total comprehensive loss for the year | - | - | (1,870) | (1,870) |
| Share based payments | - | 19,516 | - | 19,516 |
| Exercise of share awards | - | (14,731) | 14,731 | - |
| Total change in equity for the year | - | 4,785 | 12,861 | 17,646 |
| As at 31 March 2019 | 1,000 | 36,432 | 165,382 | 202,814 |

¹ Restated. See Note 13 of the financial statements.

The notes on pages 13 to 18 form an integral part of these financial statements.

Statement of financial position

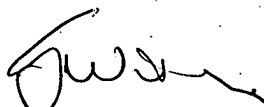
as at 31 March 2019

| | Notes | 2019 £'000 | 2018 (restated) ¹ £'000 | 01/04/2017 (restated) ¹ £'000 |
|--------------------------------------|-------|------------------|--|--|
| Assets | | | | |
| Non-current assets | | | | |
| Investments | | - | - | 21,829 |
| Investment in subsidiaries | 6 | 402,091 | 380,639 | 363,173 |
| Amounts due from group undertakings | 7 | 10,973 | 119,440 | 124,160 |
| Total non-current assets | | 413,064 | 500,079 | 509,162 |
| Cash and cash equivalents | | 3 | 1 | - |
| Total assets | | 413,067 | 500,080 | 509,162 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Amounts due to group undertakings | 8 | (201,655) | (305,062) | (356,528) |
| Total non-current liabilities | | (201,655) | (305,062) | (356,528) |
| Current liabilities | | | | |
| Amounts due to group undertakings | 8 | (8,598) | (8,850) | (10,471) |
| Current income tax payable | | - | (1,000) | - |
| Total current liabilities | | (8,598) | (9,850) | (10,471) |
| Total liabilities | | (210,253) | (314,912) | (366,999) |
| Net Assets | | 202,814 | 185,168 | 142,163 |
| Equity | | | | |
| Issued share capital | 5 | 1,000 | 1,000 | 1,000 |
| Share based payment reserve | | 36,432 | 31,647 | 22,732 |
| Retained earnings | | 165,382 | 152,521 | 118,431 |
| Total equity | | 202,814 | 185,168 | 142,163 |

¹ Restated. See Note 13 of the financial statements.

The notes on pages 13 to 18 form an integral part of these financial statements.

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



J S Wilson

Director

Date: 13/05/2019

Statement of cash flows

for the year to 31 March 2019

| | 2019 £'000 | 2018 £'000 |
|---|-----------------------|-----------------------|
| Cash flow from operating activities | | |
| Dividend income | 4,754 | 3,423 |
| Interest income | 1 | - |
| Operating expenses | - | (3) |
| Net cash flow from operating activities | 4,755 | 3,420 |
| Cash flows from investing activities | | |
| Purchase of investment in subsidiaries | (1,545) | - |
| Proceeds from investment in subsidiaries | 51 | - |
| Proceeds from investments | - | 17,344 |
| CLO distributions | - | 3,509 |
| Net cash flow from investing activities | (1,494) | 20,853 |
| Cash flow from financing activities | | |
| Amounts received from group undertakings | 12,709 | 13,616 |
| Amounts paid to group undertakings | (15,969) | (37,846) |
| Net cash flow from financing activities | (3,260) | (24,230) |
| Change in cash and cash equivalents | 1 | 43 |
| Cash and cash equivalents at the start of the year | 1 | - |
| Effect of exchange rate fluctuations | 1 | (42) |
| Cash and cash equivalents at the end of the year | 3 | 1 |
| | 2019 £'000 | 2018 £'000 |
| Reconciliation of financing activities | | |
| Opening amounts due from group undertakings | 119,440 | 124,160 |
| Opening amounts due to group undertakings | (313,912) | (366,999) |
| | (194,472) | (242,839) |
| Change from financing cash flows | 3,260 | 24,230 |
| Revaluation of subsidiary loans | - | 4,170 |
| Other non cash changes | (318) | 7,043 |
| Effect of exchange rate fluctuations | (7,750) | 12,924 |
| | (199,280) | (194,472) |
| Closing amounts due from group undertakings | 10,973 | 119,440 |
| Closing amounts due to group undertakings | (210,253) | (313,912) |
| | (199,280) | (194,472) |

The notes on pages 13 to 18 form an integral part of these financial statements.

Accounting policies

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").

These financial statements have been prepared in accordance with Companies Act 2006. The Company is a public limited company incorporated and domiciled in England and Wales. 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 16 Leases | 1 January 2019 |

IFRS 16 will not have a material impact on the Company's results as the Company does not have any leases.

B. Basis of preparation

The financial statements are presented in sterling, the functional currency of the Company and rounded to the nearest thousand and prepared under the going concern basis.

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.

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.

During the year the Company reviewed its accounting policy for investments in subsidiaries and restated comparative information where relevant. An additional Statement of financial position as at 1 April 2017 is presented in these financial statements. Refer to Note 13.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Accounting developments

On 1 April 2018, the Company adopted IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from contracts with customers'.

IFRS 9 replaces the classification and measurement models previously contained in IAS 39 'Financial Instruments: Recognition and Measurement'. The Company has applied IFRS 9 retrospectively, but has not restated comparative information. The classification of the Company's financial instruments is unchanged under IFRS 9, however IFRS 9 has introduced the requirement to recognise expected credit losses on financial assets held at amortised cost, as detailed in Note 11.

Accounting policies

B. Basis of preparation (continued)

IFRS 15 supersedes IAS 11 'Construction contracts', IAS 18 'Revenue' and related interpretations and applies to all revenue arising from contracts with customers. The Company's accounting for revenue is unchanged under IFRS 15.

C. Revenue recognition

Revenue comprises of dividends and is recognised in the Statement of comprehensive income when the shareholders' rights to receive payment has been established.

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. Issued 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 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 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. Investment in subsidiaries

Subsidiaries of the Company are accounted for at cost less impairment.

Accounting policies

I. Amounts due from group undertakings

Amounts due from group undertakings are recognised initially at fair value and subsequently measured at amortised cost less expected credit loss allowance under IFRS 9. Impairment losses are presented as net impairment losses within Impairment of subsidiary loans. Subsequent recoveries of amounts previously impaired are credited against the same line item. A description of the Company's expected credit loss policy is disclosed within Note 11.

J. Other payables and Amounts due to group undertakings

Other payables and Amounts due to group undertakings, 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.

K. Share based payments

The Company has subsidiaries either directly or indirectly which have employees. Certain of these employees are granted share awards, which are settled by shares in 3i Group plc, the ultimate parent company. Under IFRS 2, the employing subsidiary recognises an expense in profit and loss and an increase in its share based payment reserve. As the parent, the Company will show a corresponding increase in its investment in subsidiary and an increase in its share based payment reserve.

Notes to the accounts

1. Revenue

| | 2019 £'000 | 2018 £'000 |
|-------------------|---------------|---------------|
| Interest | 1 | 59 |
| Dividends | 4,754 | 26,751 |
| CLO distributions | - | 3,509 |
| Total | 4,755 | 30,319 |

Dividends are received from fellow subsidiaries of the Company and are recognised when the Company's right to receive payment is established.

2. Operating expenses

The auditor's remuneration for the year of £15,900 (2018: £15,900) was borne by 3i plc, a subsidiary of 3i Holdings plc. There are no non-audit fees.

3. Directors' emoluments

The Directors of the Company are also Directors of fellow subsidiaries and receive remuneration from 3i plc. Mrs J S Wilson is also a Director of the ultimate parent company. The table below shows the total emoluments received by the Directors from the fellow subsidiary.

| | 2019 £'000 | 2018 £'000 |
|-----------------------|---------------|---------------|
| Salaries and benefits | 1,059 | 1,033 |
| Bonuses | 318 | 309 |
| Share based payments | 2,246 | 2,353 |
| Total | 3,623 | 3,695 |

Emoluments, including share based payments, attributable to the highest paid Director were £2,232k (2018: £2,349k).

The Directors do not receive any emoluments from the Company and do not believe it is practicable to apportion the above amounts to their services as Directors of the Company. The Directors' services to the Company do not occupy a significant amount of their time.

4. Income taxes

Reconciliation of income taxes in the Statement of comprehensive income

The tax charge for the year is different to the standard rate of corporation tax in the UK, currently 19% (2018: 19%). The differences are explained below:

| | 2019 £'000 | 2018 £'000 |
|--|---------------|---------------|
| (Loss)/Profit before tax | (2,452) | 19,702 |
| Profit before tax multiplied by rate of corporation tax in the UK of 19% (2018: 19%) | (466) | 3,743 |
| Adjustment for prior years | (582) | - |
| Non-taxable profits relating to UK dividend income | (913) | (5,083) |
| Tax losses surrendered as group relief for nil consideration | 1,514 | - |
| Utilisation of previously unrecognised losses | - | (2,020) |
| Loss/(profit) on disposal of investments | (21) | 1,263 |
| (Non taxable)/non-deductible impairments of investments in subsidiaries | (114) | 3,097 |
| Total income taxes in the Statement of comprehensive income | (582) | 1,000 |

Notes to the accounts

4. Income taxes (continued)

Deferred tax

At 31 March 2019 3i Holdings plc had tax losses of £116,039k (2018: £112,091k) and capital losses of £59,996k (2018: £77,514k) for which no deferred tax asset has been recognised. It is considered uncertain that there will be sufficient taxable profits in the future against which the associated deferred tax assets can be offset and therefore the assets have not been recognised.

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. As part of the Finance Act 2016, a further reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016 and received Royal Assent on 15 September 2016. This will affect the rate at which future UK tax will be payable.

5. Issued share capital

| | Number of shares | Amount £'000 |
|---|---------------------|-----------------|
| Called up, allotted and fully paid ordinary shares of £1 each At 31 March 2019 and 31 March 2018 | 1,000,000 | 1,000 |

6. Investment in subsidiaries

| | 2019 £'000 | 2018 (restated) £'000 |
|-------------------------------|---------------|-----------------------------|
| Opening cost less impairments | 380,639 | 363,173 |
| Additions | 21,061 | 40,652 |
| Disposals | (151) | - |
| Impairments | 542 | (23,186) |
| Closing cost less impairments | 402,091 | 380,639 |

During the year the Company reviewed its accounting policy for investments in subsidiaries and restated comparative information where relevant, see Note 13.

7. Amounts due from group undertakings

| | 2019 £'000 | 2018 £'000 |
|-------------------------------------|---------------|---------------|
| Non-current assets | | |
| Amounts due from group undertakings | 10,973 | 119,440 |

Under IFRS 9 no expected credit losses have been recognised (2018: nil).

8. Amounts due to group undertakings

| | 2019 £'000 | 2018 £'000 |
|-----------------------------------|---------------|---------------|
| Non-current liabilities | | |
| Amounts due to group undertakings | (201,655) | (305,062) |
| Current liabilities | | |
| Amounts due to group undertakings | (8,598) | (8,850) |

Notes to the accounts

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's key management personnel are the Directors.

Parent company

Funding arrangements

Funding arrangements in place with 3i Group plc are detailed below:

| | 2019 £'000 | 2018 £'000 |
|-----------------------------------|---------------|-----------------|
| Receivable at the end of the year | 10,973 | 60,017 |
| Payable at the end of the year | - | (106,921) |
| Total | 10,973 | (46,904) |

Subsidiaries

Funding arrangements

Funding arrangements in place with subsidiaries are detailed below:

| | 2019 £'000 | 2018 £'000 |
|-----------------------------------|------------------|------------------|
| Receivable at the end of the year | - | 59,423 |
| Payable at the end of the year | (210,253) | (206,991) |
| Total | (210,253) | (147,568) |

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

The Company's ultimate parent company is 3i Group plc. 3i Group plc 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.

Financial risks

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.

Credit risk

The Company is subject to credit risk on its receivables and cash and deposits. The Company's cash and deposits are held with a variety of counterparties rated A- or above. Credit risk is managed on a Company basis, revenue is required to be settled in cash mitigating the credit risk and there are no significant concentrations of credit risk.

IFRS 9 requires the Company to recognise expected credit losses ("ECLs") on its Amounts due from group undertakings and Cash and cash equivalents. The ECL is calculated based on the probability of the receivable going into default. The Company has adopted the simplified approach and is based on lifetime ECL's. No impairment loss has been recognised.

Notes to the accounts

11. Financial risk management (continued)

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 is not exposed to significant market risk as it does not hold fixed or floating rate loans or liabilities or investments which are exposed to market fluctuations.

Sensitivity analysis

| 31 March 2019 | Sterling | US dollar | Euro | Others | Total |
|--------------------------|----------|-----------|--------|--------|---------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Net assets/(liabilities) | 191,062 | (83,005) | 94,708 | 49 | 202,814 |

Assuming a 10% movement in exchange rates against sterling:

Impact on exchange movements in the Statement of comprehensive income:

| | | | | | |
|-------|---|---------|-------|---|-----|
| Total | - | (9,357) | 9,549 | - | 192 |
|-------|---|---------|-------|---|-----|

| 31 March 2018 | Sterling | US dollar | Euro | Others | Total (restated) |
|--------------------------|----------|-----------|--------|--------|---------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Net assets/(liabilities) | 167,787 | (80,600) | 97,926 | 55 | 185,168 |

Assuming a 10% movement in exchange rates against sterling:

Impact on exchange movements in the Statement of comprehensive income:

| | | | | | |
|-------|---|---------|-------|---|-----|
| Total | - | (9,156) | 9,889 | - | 733 |
|-------|---|---------|-------|---|-----|

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 2019 are listed below:

| Description | Holding/share class | Footnote |
|----------------------------|---------------------------|----------|
| Subsidiaries | | |
| 3i 2004 GmbH & Co KG | 100% Ordinary shares | 3 |
| 3i 2016 GmbH & Co KG | 100% Ordinary shares | 3 |
| 3i APTech GP Limited | 100% Ordinary shares | 1 |
| 3i APTech Nominees Limited | 100% Ordinary shares | 1 |
| 3i Asia Limited | 100% Ordinary shares | 6 |
| 3i BEIF II GP LLP | 100% Partnership interest | 1 |

Notes to the accounts

12. Subsidiaries and related undertakings (continued)

| Description | Holding/share class | Footnote |
|--|---------------------------|----------|
| Subsidiaries | | |
| 3i BIFM Investments Limited | 100% Ordinary shares | 1 |
| 3i BIIF GP LLP | 100% Partnership interest | 1 |
| 3i Corporation | 100% Ordinary shares | 2 |
| 3i Deutschland Gesellschaft für Industriebeteiligungen mbH | 100% Ordinary shares | 3 |
| 3i EF4 GP Limited | 100% Ordinary shares | 1 |
| 3i EFIV Nominees Limited | 100% Ordinary shares | 1 |
| 3i EFV GP Limited | 100% Ordinary shares | 1 |
| 3i EFV Nominees A Ltd | 100% Ordinary shares | 1 |
| 3i EFV Nominees B Ltd | 100% Ordinary shares | 1 |
| 3i Europe Plc | 100% Ordinary shares | 1 |
| 3i European Operational Projects GP s.a.r.l | 100% Ordinary shares | 9 |
| 3i European Operation Projects GMBH & Co. KG | 100% Ordinary shares | 3 |
| 3i GC GP Limited | 100% Ordinary shares | 1 |
| 3i GC Nominees A Limited | 100% Ordinary shares | 1 |
| 3i GC Nominees B Limited | 100% Ordinary shares | 1 |
| 3i General Partner 2004 GmbH | 100% Ordinary shares | 3 |
| 3i General Partner No 1 Limited | 100% Ordinary shares | 1 |
| 3i GP 08-10 Limited | 100% Ordinary shares | 1 |
| 3i GP 2004 Limited | 100% Ordinary shares | 10 |
| 3i GP 2006-08 Ltd | 100% Ordinary shares | 1 |
| 3i GP 2010 Limited | 100% Ordinary shares | 1 |
| 3i GP 2013 Ltd | 100% Ordinary shares | 1 |
| 3i GP 2016 Limited | 100% Ordinary shares | 1 |
| 3i IIF GP Limited | 100% Ordinary shares | 12 |
| 3i India Private Limited | 100% Ordinary shares | 5 |
| 3i International Holdings | 100% Ordinary shares | 1 |
| 3i International Services plc | 100% Ordinary shares | 1 |
| 3i Investments GP Limited | 100% Ordinary shares | 1 |
| 3i Investments plc | 100% Ordinary shares | 1 |
| 3i Investments (Luxembourg) S.A. | 100% Ordinary shares | 9 |
| 3i Managed Infrastructure Acquisitions GP (2017) LLP | 100% Partnership interest | 1 |
| 3i Managed Infrastructure Acquisitions GP Limited | 100% Ordinary shares | 1 |
| 3i Networks Finland Limited | 100% Ordinary shares | 1 |
| 3i North America Infrastructure LLC | 80% Ordinary shares | 11 |
| 3i Nominees Limited | 100% Ordinary shares | 1 |
| 3i Nordic plc | 100% Ordinary shares | 1 |
| 3i Osprey GP Limited | 100% Ordinary shares | 1 |
| 3i plc | 100% Ordinary shares | 1 |
| 3i PVLP Nominees Limited | 100% Ordinary shares | 1 |
| 3i srl | 100% Ordinary shares | 7 |
| 3i US Growth Corporation | 100% Ordinary shares | 8 |
| BAM General Partner Limited | 100% Ordinary shares | 1 |
| BEIF II Limited | 100% Ordinary shares | 1 |
| BEIF Management Limited | 100% Ordinary shares | 1 |
| BIIF GP Limited | 100% Ordinary shares | 1 |
| Gardens Nominees Limited | 100% Ordinary shares | 1 |

Notes to the accounts

12. Subsidiaries and related undertakings (continued)

| Description | Holding/share class | Footnote |
|----------------------------------|--|----------|
| Subsidiaries | | |
| Gardens Pension Trustees Limited | 100% Ordinary shares | 1 |
| GP 2013 Ltd | 100% Ordinary shares | 10 |
| GP 2016 Limited | 100% Ordinary shares | 10 |
| GP CCC 08-10 Limited | 100% Ordinary shares | 10 |
| GP CCC 2010 Limited | 100% Ordinary shares | 10 |
| IIF SLP GP Limited | 100% Ordinary shares | 10 |
| Investors in Industry plc | 100% Ordinary shares / cumulative preference shares | 1 |
| Mayflower GP Limited | 100% Ordinary shares | 1 |

Footnote

- 16 Palace Street, London, SW1E 5JD, UK
- 1 Grand Central Place East, 42nd Street, Suite 4100 New York, NY 10165, USA
- OpfernTurm, Bockenheimer Landstrasse 2-4, 60306 Frankfurt am Main, Germany
- Lime Grove House, Green Street, St Helier, Jersey, JE1 2ST
- Level 7, The Capital B-Wing, Bandra Kurla Complex, Bandra East, Mumbai, 400051, India
- Ebene Esplanade, 24 Cybercity, Ebene, Mauritius
- Via Orefici 2, 20123 Milan, Italy
- 2711 Centerville Road, Suite 4000, Wilmington, DE 19808, New Castle, USA
- 9 Rue Sainte Zithe, L-2763 Luxembourg, Grand Duchy of Luxembourg
- 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, UK
- The Corporation Trust Company, 1209 Orange St, Wilmington, Delaware 19801
- 12 Castle Street, St Helier, JE2 3RT, Jersey

13. Restatement of prior period information

IAS 27 - Separate Financial Statements gives a choice of method for recognising investments in subsidiaries in an entity's separate financial statements: at cost; in accordance with IFRS 9 (previously IAS 39); or using the equity method. In previous periods 3i Holdings plc has recognised its Investment in subsidiaries at fair value in accordance with IAS 39. 3i Holdings plc does not hold investments for capital appreciation. It is a holding company within the wider 3i Group and exists to facilitate the group structure and related intercompany transactions. During the year the Company reviewed the accounting policy for Investments in subsidiaries and updated the policy in order to align the accounting treatment more closely with the Company's business model. Prior year balances have been restated to reflect this change as detailed below.

The impact of this revision by significant line item on the Statement of comprehensive income, is to replace Unrealised profit on the revaluation of investment in subsidiaries of £78,655k with Impairment of investment in subsidiaries of £23,186k for the year ended 31 March 2018.

The impact of this revision by significant line item on the Statement of financial position, is to decrease Investments in subsidiaries by £197,244k and decrease Retained earnings by £197,244k as at 31 March 2018.

The impact as at 1 April 2017 is a decrease Investment in subsidiaries by £95,403k and decrease Retained earnings by £95,403k.