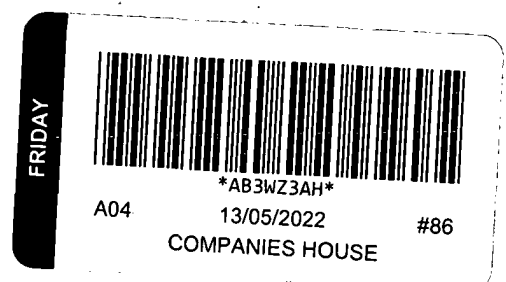




3i Holdings plc

Annual report and accounts for the year to 31 March 2022

Registered number: 02591431



3i Holdings plc

No. 02591431

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3i Holdings plc

No. 02591431

Directors' report

The Directors submit their report with the financial statements for the year to 31 March 2022. Information on financial risk management objectives and policies is detailed in the Strategic report.

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 H Halai (appointed on 1 April 2022)

J G Hatchley (appointed on 1 April 2022)

J S Wilson

Mr K J Dunn retires by rotation in accordance with the Articles of Association, and being eligible, offers himself for reappointment. Having been appointed since the last Annual General Meeting, Ms J H Halai and Mr J G Hatchley retire in accordance with the Articles of Association and, being eligible, offer themselves for reappointment.

Dividends

The directors do not recommend a final dividend for the year (2021: nil).

Future developments

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 that may constitute an adjusting event.

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 KPMG LLP as auditors of the Company will be put to the forthcoming Annual General Meeting.

Financial risk management

The financial risk management objectives, policies and processes which are followed by the Company are set out in the 3i Group plc Annual report and accounts which are available at www.3i.com. The Company's exposure to credit risk, liquidity risk and market risk are set out in Note 11 of these accounts.

3i Holdings plc

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Directors' report

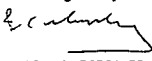
Going concern

The Directors have acknowledged their responsibilities in relation to the financial statements for the year to 31 March 2022. After making the assessment on going concern, the Directors considered it appropriate to prepare the financial statements of the Company on a going concern basis.

The Company is in a net current liability position of £5k as of 31 March 2022 (£65k 31 March 2021) as it has amounts due to group undertakings greater than its current assets. Although the Company is in a net current liability position it has a significant receivable from 3i Group plc not yet being settled see Note 9 for further details.

3i Group plc has indicated its intention to continue to make available such funds as are needed by the company for the period for at least 12 months from the date of approval of the financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

By order of the Board,

DocuSigned by:

2CBA3B2E575647B...
Jonathan Murphy

Company secretary

Date: 11/05/2022

Registered office:
16 Palace Street
London, SW1E 5JD

3i Holdings plc

No. 02591431

Directors' report

Statement of Directors' Responsibilities in respect of the Annual Report, Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Annual Report, the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK adopted international accounting standards and applicable law.

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 estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK adopted international accounting standards;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that 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 the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

3i Holdings plc

No. 02591431

Strategic report

The Directors present their Strategic report for the year to 31 March 2022.

Results and business review

The main key performance indicators are as follows:

	2022 £'000	2021 £'000
Revenue	5,241	110,029
Operating expenses	(10)	(1,829)
Total comprehensive income for the year	782	7,127
Net assets	277,288	256,822

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

Revenue decreased to £5,241k (2021: £110,029k) due to the receipt of a one off dividend from 3i International Holdings in the prior year. Total comprehensive income for the year decreased to £782k (2021: £7,127k). The Directors are satisfied with the performance of the Company during the year.

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 and accounts. The key risks faced by the Company are as follows; credit risk, liquidity risk and market risk. For details on the financial risks and how they are managed please refer to Note 11. Non-financial risk faced by the Company includes; external risk, operational risk, investment risk and cybersecurity risk. For details on the non-financial risks and how they are managed please refer to the 3i Group plc Annual report and accounts.

Duties under Section 172

The Directors of the Company are required to act in accordance with those requirements set out in section 172 of the UK Companies Act 2006 which is summarised below:

A Director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

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Strategic report**Duties under Section 172 (continued)**

The matters set out in section 172 have been taken into account in Board discussions and decision making in the year.

Stakeholder engagement

Who are our stakeholders?	Why are they important?	How do we engage with them and foster business relationships?
Suppliers	The Company depends on its suppliers to enable it to carry out its	The 3i finance team manages the Company's relationship with the suppliers and accounts payable team ensure that suppliers are paid on time.
Fellow subsidiaries	The Company engages in transactions with fellow subsidiaries.	The Company has amounts due to/from undertakings with fellow subsidiaries. Outstanding balances are settled where possible.

By order of the Board,

DocuSigned by:

 2CBA3B2E575647B...
Jonathan Murphy
 Company secretary
 Date: 11/05/2022

Registered office:
 16 Palace Street
 London, SW1E 5JD

3i Holdings plc

No. 02591431

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

Opinion

We have audited the financial statements of 3i Holdings plc ("the Company") for the year ended 31 March 2022 which comprise Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position, the Statement of cash flows, and related notes, including the accounting policies A to K.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the UK adopted international accounting standards; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

3i Holdings plc

No. 02591431

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of 3i Group plc Head of Legal and Head of Compliance and reviewing breaches register to assess the impact of any material breaches;
- Reading Board minutes.
- Considering remuneration-incentive schemes and performance targets for management and directors.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all post year-end closing journals.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and pension legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

3i Holdings plc

No. 02591431

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

Fraud and breaches of laws and regulations – ability to detect (continued)

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: anti-bribery, employment law, data protection, anti-money laundering, market abuse regulations and certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

3i Holdings plc

No. 02591431

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

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

DocuSigned by:



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Fang Fang Zhou (Senior statutory auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

Canary Wharf

London E14 5GL

Date: 11/05/2022

3i Holdings plc

No. 02591431

Statement of comprehensive income

for the year to 31 March 2022

	Notes	2022 £'000	2021 £'000
Revenue	1	5,241	110,029
Operating expenses		(10)	(1,829)
Operating Profit		5,231	108,200
Loss on revaluation of investment in subsidiaries	6	(37)	(610)
Loss on disposal of investment in subsidiaries		(2)	(107,474)
Other income		-	1,284
Exchange movements		(4,159)	5,727
Profit before tax		1,033	7,127
Income taxes	4	(251)	-
Total comprehensive income for the year		782	7,127

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

Statement of changes in equity

for the year to 31 March 2022

	Issued share capital £'000	Share based payment £'000	Retained earnings £'000	Total £'000
As at 1 April 2020	1,000	33,146	196,955	231,101
Total comprehensive income for the year	-	-	7,127	7,127
Share-based payments	-	18,594	-	18,594
Exercise of share awards	-	(18,165)	18,165	-
Total change in equity for the year	-	429	25,292	25,721
As at 31 March 2021	1,000	33,575	222,247	256,822
Total comprehensive income for the year	-	-	782	782
Share-based payments	-	19,684	-	19,684
Exercise of share awards	-	(20,542)	20,542	-
Total change in equity for the year	-	(858)	21,324	20,466
As at 31 March 2022	1,000	32,717	243,571	277,288

The accounting policies and notes on pages 13 to 21 form an integral part of these financial statements.

3i Holdings plc

No. 02591431

Statement of financial position

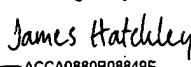
as at 31 March 2022

	Notes	2022 £'000	2021 £'000
Assets			
Non-current assets			
Investment in subsidiaries	6	331,609	317,936
Amounts due from group undertakings	7	18,722	15,591
Total non-current assets		350,331	333,527
Cash and cash equivalents		6	12
Other receivables		1	-
Total current assets		7	12
Total assets		350,338	333,539
Liabilities			
Non-current liabilities			
Amounts due to group undertakings	8	(73,038)	(76,640)
Total non-current liabilities		(73,038)	(76,640)
Current liabilities			
Amounts due to group undertakings	8	(12)	(60)
Other payables		-	(17)
Total current liabilities		(12)	(77)
Total liabilities		(73,050)	(76,717)
Net assets		277,288	256,822
Equity			
Issued share capital	5	1,000	1,000
Share-based payment reserve		32,717	33,575
Retained earnings		243,571	222,247
Total equity		277,288	256,822

The accounting policies and notes on pages 13 to 21 form an integral part of these financial statements

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

DocuSigned by:



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J G Hatchley

Director

Date: 11/05/2022

3i Holdings plc

No. 02591431

Statement of cash flows

for the year to 31 March 2022

	2022 £'000	2021 £'000
Cash flow from operating activities		
Revenue	4,930	2,775
Operating expenses	(18)	(10)
Net cash flow from operating activities	4,912	2,765
Cash flows from investing activities		
Proceeds from investment in subsidiaries	2,511	-
Net cash flow from investing activities	2,511	-
Cash flow from financing activities		
Amounts received from group undertakings	3,304	6,598
Amounts paid to group undertakings	(10,733)	(9,357)
Net cash flow from financing activities	(7,429)	(2,759)
Change in cash and cash equivalents	(6)	6
Cash and cash equivalents at the start of the year	12	6
Cash and cash equivalents at the end of the year	6	12
	2022 £'000	2021 £'000
Reconciliation of financing activities		
Opening amounts due from group undertakings	15,591	15,790
Opening amounts due to group undertakings	(76,679)	(211,609)
	(61,088)	(195,819)
Change from financing cash flows	7,429	2,759
Other non cash changes	3,490	126,225
Effect of exchange rate fluctuations	(4,159)	5,727
	(54,328)	(61,108)
Closing amounts due from group undertakings	18,722	15,591
Closing amounts due to group undertakings	(73,050)	(76,679)
	(54,328)	(61,088)

The accounting policies and notes on pages 13 to 21 form an integral part of these financial statements.

3i Holdings plc

No. 02591431

Accounting policies

A. Statement of compliance

These financial statements have been prepared and approved by the Directors in accordance with UK adopted international accounting standards.

The Company did not implement the requirements of any other standards or interpretations that were in issue; these were not required to be adopted by the Company for the year ended 31 March 2022. No other standards or interpretations have been issued that are expected to have a material impact on the Company's financial statements.

The Company is a public limited company incorporated and domiciled in England and Wales

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 Annual report and accounts 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.

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

Going Concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

3i Holdings plc has a significant relationship with 3i Group plc due to 3i Group plc being the ultimate parent company. The Company is a holding company within the Group of companies, has positive net assets, is profit making and cash generative due to the dividend income it generates. The Company has no direct exposure to Russia or Ukraine, therefore this has no significant impact on the going concern of the Company. The Company is in a net current liability position as it has amounts due to group undertakings greater than its current assets. Although the Company is in a net current liability position it has a significant receivable from 3i Group plc not yet being settled see Note 9 for further details. The Group has historically provided support to subsidiaries where required. In considering the going concern of the Company, the Directors have considered the going concern assessment of 3i Group plc performed by the Directors of the Group.

3i Holdings plc

No. 02591431

Accounting policies**Going Concern (Continued)**

The Group's going concern assessment has modelled a number of severe, yet plausible, individual and combined stress scenarios over a three-year period to March 2025. The scenarios include the consideration of the potential impact of a disrupted recovery in the wake of Covid-19 in which persistent inflation and supply chain disruption leads into a recession, as well as the impact of a significant downturn event specifically on the Group's largest asset. These scenarios include a range of estimated impacts, primarily based on providing additional support to portfolio companies. The scenarios are most sensitive to a delay in realisations which contribute to liquidity of the Group. A key judgement applied is the extent of recessionary impacts alongside the likely recovery profile of portfolio companies. The severe scenarios include assumptions modelling a combined scenario of a recessionary environment modelled alongside the impact of a significant downturn event on the Group's largest asset and the impact of climate change on the underlying portfolio. The results of each of the stress test scenarios indicate that the Group is able to meet its obligations as they fall due for a period of at least 12 months from the date of approval of the Group financial statements and consequently have considered it appropriate to prepare these financial statements on a going concern basis.

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.

3i Holdings plc

No. 02591431

Accounting policies

H. Investment in subsidiaries

Subsidiaries of the Company are accounted for at cost less impairment. Impairment is recognised if the carrying amount of the investment in subsidiary in the Company's financial statements exceeds the adjusted carrying amount of the subsidiary's net assets in the subsidiary's financial statements. The adjusted carrying amount of the subsidiary is measured with reference to the entities Net Asset Value after adjusting for intercompany balances and subsidiary investments at the end of each reporting period. Impairment movements are presented in profit or loss.

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.

3i Holdings plc

No. 02591431

Notes to the accounts

1. Revenue

	2022 £'000	2021 £'000
Dividends	5,241	110,029
Total	5,241	110,029

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 £20,581 (2021: £19,601) 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.

	2022 £'000	2021 £'000
Salaries and benefits	1,115	1,092
Bonuses	380	369
Share-based payments	2,309	1,969
Total	3,804	3,430

During the year Directors exercised 240,337 (2021: 313,852) share awards at an average price of 1396p (2021: 948p). No retirement benefits accrued to Directors (2021: nil) under the defined benefit scheme. Emoluments, including sharebased payments, attributable to the highest paid Director was £2,381k (2021: £2,201k)

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% (2021: 19%). The differences are explained below:

	2022 £'000	2021 £'000
Profit/(loss) before tax	1,033	7,127
Profit/(loss) before tax multiplied by rate of corporation tax in the UK of 19% (2021: 19%)	196	1,355
Non-taxable profits relating to UK dividend income	(996)	(20,906)
Expenses not deductible	2	342
Tax losses surrendered as group relief for nil consideration	745	(1,125)
Foreign tax suffered	251	-
Taxable income not included in the income statement	46	42
(Non taxable)/non-deductible impairments of investments in subsidiaries	7	20,292
Total income taxes in the Statement of comprehensive income	251	-

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4. Income taxes (continued)

Deferred tax

At 31 March 2022 3i Holdings plc had tax losses of £114,737k (2021: £118,922k) and capital losses of £57,701k (2021: £57,701k) 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.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. The proposal to increase the rate to 25% has been substantively enacted at the Company's balance sheet date, therefore its effects have been included in these financial statements.

5. Issued share capital

	Number of shares	Amount £'000
Authorised ordinary shares of £1 each	1,000,000	
Called up, allotted and fully paid ordinary shares of £1 each		
At 31 March 2022 and 31 March 2021	1,000,000	1,000

6. Investment in subsidiaries

	2022 £'000	2021 £'000
Opening cost less impairments	317,936	426,914
Additions	28,931	26,301
Disposals	(15,221)	(134,669)
Impairments	(37)	(610)
Closing cost less impairments	331,609	317,936

7. Amounts due from group undertakings

	2022 £'000	2021 £'000
Non-current assets		
Amounts due from group undertakings	18,722	15,591

Under IFRS 9 an expected credit loss of nil (2021: nil) has been recognised during the year in the Statement of comprehensive income, see Note 11 for details. The carrying amount is a reasonable approximation of fair value.

8. Amounts due to group undertakings

	2022 £'000	2021 £'000
Non-current liabilities		
Amounts due to group undertakings	(73,038)	(76,640)
Current liabilities		
Amounts due to group undertakings	(12)	(60)

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9. Related parties

During the year the Company entered into transactions, in the ordinary course of business, with 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:

	2022 £'000	2021 £'000
Receivable at the end of the year	18,722	15,590
Total	18,722	15,590

Subsidiaries

Funding arrangements

Funding arrangements in place with subsidiaries are detailed below:

	2022 £'000	2021 £'000
Receivable at the end of the year	-	1
Payable at the end of the year	(73,050)	(76,699)
Total	(73,050)	(76,698)

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 Annual report and accounts, 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 and accounts. 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.

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Notes to the accounts

11. Financial risk management (continued)

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 well-rated counterparties. 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 ECLs are calculated based on the probability of the receivable going into default. The ECLs are adjusted to reflect both current and forward looking information as well as credit spreads affecting the ability to settle the receivable. The Company has adopted the simplified approach and is based on lifetime ECLs.

Cash and cash equivalents are also subject to the requirements of IFRS 9, the identified impairment loss is negligible.

Liquidity risk

Liquidity risk is managed at the Group level as discussed in the Directors' report in the 3i Group plc Annual report and accounts. 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 2022	Sterling	US dollar	Euro	Others	Total
	£'000	£'000	£'000	£'000	£'000
Net assets/(liabilities)	246,679	(80,909)	109,136	-	274,906

Assuming a 10% movement in exchange rates against sterling:

Impact on exchange movements in the Statement of comprehensive income:

Total	-	(8,990)	10,143	-	1,153
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31 March 2021	Sterling	US dollar	Euro	Others	Total
	£'000	£'000	£'000	£'000	£'000
Net assets/(liabilities)	228,026	(79,104)	107,845	55	256,822

Assuming a 10% movement in exchange rates against sterling:

Impact on exchange movements in the Statement of comprehensive income:

Total	-	(8,815)	9,398	-	583
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3i Holdings plc

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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 2022 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 2020 Co-investment GP s.a.r.l	100% Ordinary shares	7
3i Asia Limited	100% Ordinary shares	5
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 EFV GP Limited	100% Ordinary shares	1
3i EFV Nominees A Limited	100% Ordinary shares	1
3i EFV Nominees B Limited	100% Ordinary shares	1
3i Europe plc	100% Ordinary shares	1
3i European Operational Projects GP s.a.r.l	100% Ordinary shares	7
3i European Operational Projects GMBH & Co. KG	100% Ordinary shares	3
3i France SAS	100% Ordinary shares	10
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 GP 2004 Limited	100% Ordinary shares	8
3i GP 2010 Limited	100% Ordinary shares	1
3i GP 2013 Limited	100% Ordinary shares	1
3i GP 2016 Limited	100% Ordinary shares	1
3i GP 2019 s.a.r.l	100% Ordinary shares	7
3i GP 2019 Limited	100% Ordinary shares	1
3i GP 2019 (Scots) Limited	100% Ordinary shares	8
3i GP 2020 Limited	100% Ordinary shares	8
3i IIF GP LLP	100% Ordinary shares	1
3i IIF GP 2020 Limited	100% Ordinary shares	1
3i India Private Limited	100% Ordinary shares	4
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	7
3i IP Acquisitions Limited	100% Ordinary shares	1

3i Holdings plc

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Notes to the accounts

12. Subsidiaries and related undertakings (continued)

Description	Holding/share class	Footnote
Subsidiaries		
3i IP Acquisitions GP LLP	100% Ordinary shares	1
3i Managed Infrastructure Acquisitions GP (2017) LLP	100% Partnership interest	1
3i Managed Infrastructure Acquisitions GP Limited	100% Ordinary shares	1
3i Benelux B.V.	100% Ordinary shares	6
3i North American Infrastructure Partners, LLC	80% Ordinary shares	9
3i North American Infrastructure GP, LLC	100% equity units	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
BAM General Partner 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
Gardens Pension Trustees Limited	100% Ordinary shares	1
GP 2013 Ltd	100% Ordinary shares	8
GP 2016 Limited	100% Ordinary shares	8
GP CCC 2010 Limited	100% Ordinary shares	8
IIF SLP GP Limited	100% Ordinary shares	8
Investors in Industry plc	100% Ordinary shares	1
Mayflower GP Limited	100% Ordinary shares	1
3i GP 2006-08 Limited	100% ordinary shares	12
GP CCC 08-10 Limited	100% ordinary shares	14
3i GP 08-10 Limited	100% ordinary shares	1
3i GP 2022 Limited	100% Ordinary shares	1
3i GP 2022 (Scots) Limited	100% Ordinary shares	8
3i ECW Coinvest GP, LLC	100% Ordinary shares	9
3i RR Coinvest GP, LLC	100% Ordinary shares	9
3i NAI Holdings GP Limited	100% Ordinary shares	8

Footnote

- 16 Palace Street, London, SW1E 5JD, UK
- 1 Grand Central Place East, 42nd Street, Suite 4100 New York, NY 10165, USA
- OpernTurm, Bockenheimer Landstrasse 2-4, 60306 Frankfurt am Main, Germany
- Level 7, The Capital B-Wing, Bandra Kurla Complex, Bandra East, Mumbai, 400051, India
- 5th Floor, Ebene Esplanade, 24 Bank Street, Cybercity, Ebene, Mauritius
- Cornelis Schuytstraat 72, Amsterdam, 1071 JL, Netherlands
- 9 Rue Sainte Zithe, L-2763 Luxembourg, Grand Duchy of Luxembourg
- 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, UK
- 1209 Orange St, Wilmington, Delaware 19801, USA
- 29-31 rue de Berri, 75008 Paris, France
- Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, Delaware, 19801, USA
- 31st Floor, 40 Bank Street, London, E14 5NR, UK
- 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, UK
- Third Floor Finlay House, 10 - 14 West Nile Street, Glasgow, G1 2PP

13. Post balance sheet events

There have been no events subsequent to the balance sheet date identified which would require adjustment to these financial statements.