Audited financial statements

What’s in this section

Consolidated statement of comprehensive income

for the year to 31 March

	Notes	2025 £m	2024 £m
Realised profits over value on the disposal of investments	2	**5**	1
Unrealised profits on the revaluation of investments	3	**3,812**	2,742
Fair value movements on investment entity subsidiaries	12	**953**	861
Portfolio income			
Dividends		**413**	363
Interest income from investment portfolio		**29**	29
Fees receivable	4	**13**	3
Foreign exchange on investments		**(245)**	(238)
Movement in the fair value of derivatives	17	**82**	116
Gross investment return		**5,062**	3,877
Fees receivable from external funds	4	**64**	72
Operating expenses	5	**(149)**	(146)
Interest receivable		**15**	9
Interest payable		**(65)**	(61)
Exchange movements		**77**	52
Income from investment entity subsidiaries		**21**	21
Other (expense)/income		**(1)**	3
Operating profit before carried interest		**5,024**	3,827
Carried interest			
Carried interest and performance fees receivable		**29**	62
Carried interest and performance fees payable	14	**(14)**	(51)
Operating profit before tax		**5,039**	3,838
Tax charge	8	**(1)**	(2)
Profit for the year		**5,038**	3,836
Other comprehensive income that may be reclassified to the income statement			
Exchange differences on translation of foreign operations		**7**	(4)
Other comprehensive income that will not be reclassified to the income statement			
Re-measurements of defined benefit plans	25	**4**	7
Other comprehensive income for the year		**11**	3
Total comprehensive income for the year		**5,049**	3,839

Earnings per share			
Basic (pence)	9	**522.0**	397.9
Diluted (pence)	9	**520.6**	396.7

The Notes to the accounts section forms an integral part of these financial statements.

Consolidated statement of financial position

as at 31 March

	Notes	2025 £m	2024 £m
Assets			
Non-current assets			
Investments			
Quoted investments	11,13	**856**	879
Unquoted investments	11,13	**17,500**	14,193
Investments in investment entity subsidiaries	12,13	**6,916**	5,804
Investment portfolio		**25,272**	20,876
Carried interest and performance fees receivable		**–**	3
Other non-current assets	15	**27**	28
Intangible assets		**2**	4
Retirement benefit surplus	25	**63**	61
Property, plant and equipment		**18**	4
Right of use asset		**41**	49
Derivative financial instruments	17	**46**	83
Total non-current assets		**25,469**	21,108
Current assets			
Carried interest and performance fees receivable		**33**	45
Other current assets	15	**49**	47
Current income taxes		**2**	1
Derivative financial instruments	17	**91**	82
Cash and cash equivalents		**412**	358
Total current assets		**587**	533
Total assets		**26,056**	21,641
Liabilities			
Non-current liabilities			
Trade and other payables	18	**(6)**	(5)
Carried interest and performance fees payable	14	**(29)**	(30)
Loans and borrowings	16	**(1,194)**	(1,202)
Derivative financial instruments	17	**(4)**	–
Retirement benefit deficit	25	**(17)**	(21)
Lease liability		**(42)**	(45)
Deferred income taxes	8	**(1)**	(1)
Provisions		**(2)**	(2)
Total non-current liabilities		**(1,295)**	(1,306)
Current liabilities			
Trade and other payables	18	**(133)**	(134)
Carried interest and performance fees payable	14	**(12)**	(24)
Lease liability		**(3)**	(4)
Current income taxes		**(1)**	(3)
Provisions		**(1)**	–
Total current liabilities		**(150)**	(165)
Total liabilities		**(1,445)**	(1,471)
Net assets		**24,611**	20,170
Equity			
Issued capital	19	**719**	719
Share premium		**792**	791
Capital redemption reserve		**43**	43
Share-based payment reserve	26	**35**	42
Translation reserve		**1**	(6)
Capital reserve		**21,257**	17,154
Revenue reserve		**1,845**	1,519
Own shares	20	**(81)**	(92)
Total equity		**24,611**	20,170

The Notes to the accounts section forms an integral part of these financial statements.

David Hutchison
Chair

14 May 2025

Consolidated statement of changes in equity

for the year to 31 March

2025	Share capital £m	Share premium £m	Capital redemption reserve £m	Share-based payment reserve £m	Translation reserve £m	Capital reserve[1] £m	Revenue reserve[1] £m	Own shares £m	Total equity £m
Total equity at the start of the year	**719**	**791**	**43**	**42**	**(6)**	**17,154**	**1,519**	**(92)**	**20,170**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**4,535**	**503**	**–**	**5,038**
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**7**	**–**	**–**	**–**	**7**
Re-measurements of defined benefit plans	**–**	**–**	**–**	**–**	**–**	**4**	**–**	**–**	**4**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**7**	**4,539**	**503**	**–**	**5,049**
Share-based payments	**–**	**–**	**–**	**16**	**–**	**–**	**–**	**–**	**16**
Release on exercise/forfeiture of share awards	**–**	**–**	**–**	**(23)**	**–**	**–**	**23**	**–**	**–**
Exercise of share awards	**–**	**–**	**–**	**–**	**–**	**(11)**	**–**	**11**	**–**
Ordinary dividends	**–**	**–**	**–**	**–**	**–**	**(425)**	**(200)**	**–**	**(625)**
Issue of ordinary shares	**–**	**1**	**–**	**–**	**–**	**–**	**–**	**–**	**1**
Total equity at the end of the year	**719**	**792**	**43**	**35**	**1**	**21,257**	**1,845**	**(81)**	**24,611**

1 Refer to Note 19 for the nature of the capital and revenue reserves.

2024	Share capital £m	Share premium £m	Capital redemption reserve £m	Share-based payment reserve £m	Translation reserve £m	Capital reserve[1] £m	Revenue reserve[1] £m	Own shares £m	Total equity £m
Total equity at the start of the year	719	790	43	31	(2)	14,044	1,327	(108)	16,844
Profit for the year	–	–	–	–	–	3,309	527	–	3,836
Exchange differences on translation of foreign operations	–	–	–	–	(4)	–	–	–	(4)
Re-measurements of defined benefit plans	–	–	–	–	–	7	–	–	7
Total comprehensive income for the year	–	–	–	–	(4)	3,316	527	–	3,839
Share-based payments	–	–	–	27	–	–	–	–	27
Release on exercise/forfeiture of share awards	–	–	–	(16)	–	–	16	–	–
Exercise of share awards	–	–	–	–	–	(16)	–	16	–
Ordinary dividends	–	–	–	–	–	(190)	(351)	–	(541)
Issue of ordinary shares	–	1	–	–	–	–	–	–	1
Total equity at the end of the year	719	791	43	42	(6)	17,154	1,519	(92)	20,170

1 Refer to Note 19 for the nature of the capital and revenue reserves.

The Notes to the accounts section forms an integral part of these financial statements.

Consolidated cash flow statement

for the year to 31 March

	Notes	2025 £m	2024 £m
Cash flow from operating activities			
Purchase of investments		**(150)**	(506)
Proceeds from investments		**1,107**	543
Amounts paid to investment entity subsidiaries	12	**(1,537)**	(674)
Amounts received from investment entity subsidiaries	12	**865**	580
Net cash flow from derivatives		**113**	69
Portfolio interest received		**6**	5
Portfolio dividends received		**420**	366
Portfolio fees received		**7**	12
Fees received from external funds		**65**	74
Carried interest and performance fees received		**44**	58
Carried interest and performance fees paid	14	**(23)**	(53)
Operating expenses paid		**(122)**	(121)
Co-investment loans (paid)/received		**(35)**	5
Tax paid		**(3)**	(3)
Other cash income		**1**	2
Other cash expenses		**(10)**	–
Interest received		**15**	9
Net cash flow from operating activities		**763**	366
Cash flow from financing activities			
Issue of shares		**1**	1
Dividends paid	10	**(625)**	(541)
Proceeds from long-term borrowing	16	**–**	422
Lease payments	16	**(6)**	(6)
Interest paid		**(60)**	(40)
Net cash flow from financing activities		**(690)**	(164)
Cash flow from investing activities			
Purchases of property, plant and equipment		**(16)**	(3)
Net cash flow from investing activities		**(16)**	(3)
Change in cash and cash equivalents		**57**	199
Cash and cash equivalents at the start of the year		**358**	162
Effect of exchange rate fluctuations		**(3)**	(3)
Cash and cash equivalents at the end of the year		**412**	358

The Notes to the accounts section forms an integral part of these financial statements.

Company statement of financial position

as at 31 March

	Notes	2025 £m	2024 £m
Assets			
Non-current assets			
Investments			
Quoted investments	11,13	**856**	879
Unquoted investments	11,13	**17,500**	14,193
Investment portfolio		**18,356**	15,072
Carried interest and performance fees receivable		**–**	5
Interests in Group entities	22	**6,642**	5,877
Other non-current assets	15	**15**	16
Derivative financial instruments	17	**46**	83
Total non-current assets		**25,059**	21,053
Current assets			
Carried interest and performance fees receivable		**6**	71
Other current assets	15	**3**	9
Derivative financial instruments	17	**91**	82
Cash and cash equivalents		**381**	328
Total current assets		**481**	490
Total assets		**25,540**	21,543
Liabilities			
Non-current liabilities			
Loans and borrowings	16	**(1,194)**	(1,202)
Derivative financial instruments	17	**(4)**	–
Total non-current liabilities		**(1,198)**	(1,202)
Current liabilities			
Trade and other payables	18	**(75)**	(760)
Total current liabilities		**(75)**	(760)
Total liabilities		**(1,273)**	(1,962)
Net assets		**24,267**	19,581
Equity			
Issued capital	19	**719**	719
Share premium		**792**	791
Capital redemption reserve		**43**	43
Share-based payment reserve	26	**35**	42
Capital reserve		**21,947**	17,685
Revenue reserve		**812**	393
Own shares	20	**(81)**	(92)
Total equity		**24,267**	19,581

The Company profit for the year to 31 March 2025 is £5,294 million (2024: £3,844 million).

The Notes to the accounts section forms an integral part of these financial statements.

David Hutchison
Chair
14 May 2025

Company statement of changes in equity

for the year to 31 March

2025	Share capital £m	Share premium £m	Capital redemption reserve £m	Share-based payment reserve £m	Capital reserve[1] £m	Revenue reserve[1] £m	Own shares £m	Total equity £m
Total equity at the start of the year	719	791	43	42	17,685	393	(92)	19,581
Profit for the year	–	–	–	–	4,698	596	–	5,294
Total comprehensive income for the year	–	–	–	–	4,698	596	–	5,294
Share-based payments	–	–	–	16	–	–	–	16
Release on exercise/forfeiture of share awards	–	–	–	(23)	–	23	–	–
Exercise of share awards	–	–	–	–	(11)	–	11	–
Ordinary dividends	–	–	–	–	(425)	(200)	–	(625)
Issue of ordinary shares	–	1	–	–	–	–	–	1
Total equity at the end of the year	719	792	43	35	21,947	812	(81)	24,267

1 Refer to Note 19 for the nature of the capital and revenue reserves.

2024	Share capital £m	Share premium £m	Capital redemption reserve £m	Share-based payment reserve £m	Capital reserve[1] £m	Revenue reserve[1] £m	Own shares £m	Total equity £m
Total equity at the start of the year	719	790	43	31	14,563	212	(108)	16,250
Profit for the year	–	–	–	–	3,328	516	–	3,844
Total comprehensive income for the year	–	–	–	–	3,328	516	–	3,844
Share-based payments	–	–	–	27	–	–	–	27
Release on exercise/forfeiture of share awards	–	–	–	(16)	–	16	–	–
Exercise of share awards	–	–	–	–	(16)	–	16	–
Ordinary dividends	–	–	–	–	(190)	(351)	–	(541)
Issue of ordinary shares	–	1	–	–	–	–	–	1
Total equity at the end of the year	719	791	43	42	17,685	393	(92)	19,581

1 Refer to Note 19 for the nature of the capital and revenue reserves.

The Notes to the accounts section forms an integral part of these financial statements.

Company cash flow statement

for the year to 31 March

	Notes	2025 £m	2024 £m
Cash flow from operating activities			
Purchase of investments		**(150)**	(506)
Proceeds from investments		**1,107**	543
Amounts paid to subsidiaries		**(1,941)**	(1,013)
Amounts received from subsidiaries		**1,039**	788
Dividends from subsidiaries		**142**	50
Net cash flow from derivatives		**113**	69
Portfolio interest received		**6**	5
Portfolio dividends received		**420**	366
Portfolio fees paid		**(1)**	(2)
Carried interest and performance fees received		**25**	46
Co-investment loans (paid)/received		**(34)**	5
Interest received		**14**	8
Other cash income		**–**	2
Net cash flow from operating activities		**740**	361
Cash flow from financing activities			
Issue of shares		**1**	1
Dividends paid	10	**(625)**	(541)
Proceeds from long-term borrowing	16	**–**	422
Interest paid		**(60)**	(40)
Net cash flow from financing activities		**(684)**	(158)
Change in cash and cash equivalents		**56**	203
Cash and cash equivalents at the start of the year		**328**	128
Effect of exchange rate fluctuations		**(3)**	(3)
Cash and cash equivalents at the end of the year		**381**	328

The Notes to the accounts section forms an integral part of these financial statements.

Material accounting policies

Reporting entity

3i Group plc (the "Company") is a public limited company incorporated and domiciled in England and Wales. The consolidated financial statements ("the Group accounts") for the year to 31 March 2025 comprise the financial statements of the Company and its consolidated subsidiaries (collectively, "the Group").

The Group accounts have been prepared and approved by the Directors in accordance with section 395 of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its Company statement of comprehensive income and related Notes.

A Basis of preparation

The Group and Company accounts have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards. The financial statements are presented to the nearest million sterling (£m), the functional currency of the Company.

The Group and Company did not implement the requirements of any new standards in issue for the year ended 31 March 2025.

The IASB introduced a new IFRS Accounting Standard, IFRS 18 to replace IAS 1 Presentation of Financial Statements. This new standard establishes detailed requirements for classifying and aggregating income and expenses in the income statement, as well as disclosure obligations for management defined performance measures. The standard applies for annual reporting periods beginning on or after 1 January 2027; however, it has not yet been endorsed for use in the UK.

Going concern

These financial statements have been prepared on a going concern basis as disclosed in the Directors' report. The Directors have made an assessment of going concern for a period of at least 12 months from the date of approval of the accounts, taking into account the Group's current performance, financial position and the principal and emerging risks facing the business.

The Directors' assessment of going concern, which takes into account the business model on pages 14 and 15 and the Group's liquidity of £1,323 million, indicates that the Group and parent company will have sufficient funds to continue as a going concern, for at least the next 12 months from the date of approval of the accounts. As detailed within the Financial review on pages 70 to 74 on the Investment basis the Group covers its cash operating expenses of £129 million at 31 March 2025, with cash income generated by our Private Equity and Infrastructure businesses and Scandlines of £598 million at 31 March 2025. The Group's liquidity comprises cash and deposits of £423 million (31 March 2024: £396 million) and an undrawn multi-currency facility of £900 million (31 March 2024: £900 million), which has no financial covenants.

As a proprietary investor, the Group has a long-term, responsible investment approach, and is not subject to external pressure to realise investments before optimum value can be achieved. The Board has the ability to take certain actions to help support the Group in adverse circumstances. Mitigating actions within management control during extended periods of low liquidity include, for example, drawing on the existing RCF or temporarily reducing new investment levels. The Group manages liquidity with the aim of ensuring it is adequate and sufficient, by regular monitoring of investments, realisations, operating expenses and portfolio cash income and there have been no post balance sheet changes that would be materially detrimental to liquidity. The Directors are of the opinion that the Group's cash flow forecast is sufficient to support the Group given the current market, economic conditions and outlook.

Having performed the assessment on going concern, the Directors considered it appropriate to prepare the financial statements of the Company and Group on a going concern basis, and have concluded that the Group has sufficient financial resources, is well placed to manage business risks in the current economic environment, and can continue operations for a period of at least 12 months from the date of issue of these financial statements.

B Basis of consolidation

In accordance with IFRS 10, the Company meets the criteria as an investment entity and therefore is required to recognise subsidiaries that also qualify as investment entities at fair value through profit or loss. It does not consolidate the investment entities it controls. Subsidiaries that provide investment-related services, such as advisory, management or employment services, are not accounted for at fair value through profit and loss and continue to be consolidated unless those subsidiaries qualify as investment entities, in which case they are recognised at fair value. Subsidiaries are entities controlled by the Group. Control, as defined by IFRS 10, is achieved when the Group has all of the following:

- power over the relevant activities of the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to affect those returns through its power over the investee.

The Group is required to determine the degree of control or influence the Group exercises and the form of any control to ensure that the financial treatment is accurate.

Subsidiaries are fully consolidated from the date on which the Group effectively obtains control. All intragroup balances and transactions with subsidiaries are eliminated upon consolidation. Subsidiaries are de-consolidated from the date that control ceases.

The Group comprises several different types of subsidiaries. For a new subsidiary, the Group assesses whether it qualifies as an investment entity under IFRS 10, based on the function the entity performs within the Group. For existing subsidiaries, the Group annually reassesses the function performed by each type of subsidiary to determine if the treatment under IFRS 10 exception from consolidation is still appropriate. The types of subsidiaries and their treatment under IFRS 10 are as follows:

General Partners (“GPs”) – Consolidated

General Partners provide investment management services and do not hold any direct investments in portfolio assets. These entities are not investment entities.

Investment managers/advisers – Consolidated

These entities provide investment-related services through the provision of investment management or advice. They do not hold any direct investments in portfolio assets. These entities are not investment entities.

Holding companies of investment managers/advisers – Consolidated

These entities provide investment-related services through their subsidiaries. Typically they do not hold any direct investment in portfolio assets and these entities are not investment entities.

Limited partnerships and other intermediate investment holding structures – Fair valued

The Group makes investments in portfolio assets through its ultimate parent company, as well as through other limited partnerships and corporate subsidiaries, which the Group has created to align the interests of the investment teams with the performance of the assets, through the use of various carried interest schemes. The purpose of these limited partnerships and corporate holding vehicles, many of which also provide investment-related services, is to invest for investment income and capital appreciation. These partnerships and corporate subsidiaries meet the definition of an investment entity and are accounted for at fair value through profit and loss.

Portfolio investments – Fair valued

Under IFRS 10, the test for accounting subsidiaries takes wider factors of control as well as actual equity ownership into account. In accordance with the investment entity exception, these entities have been held at fair value with movements in fair value being recognised in profit or loss.

Associates – Fair valued

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments that are held as part of the Group’s investment portfolio are carried in the Consolidated statement of financial position at fair value even though the Group may have significant influence over those companies.

Further detail on our application of IFRS 10 can be found in the Reconciliation of Investment basis to IFRS section.

C Critical accounting judgements and estimates

The reported results of the Group are sensitive to the accounting policies, assumptions and estimates that underpin the preparation of its financial statements. UK company law and IFRS require the Directors, in preparing the Group's financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent. The Group's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. The actual outcome may be materially different from that anticipated.

(a) Critical judgements

In the course of preparing the financial statements, one judgement has been made in the process of applying the Group's accounting policies, other than those involving estimations, that has had a significant effect on the amounts recognised in the financial statements as follows:

I. Assessment as an investment entity

The Board has concluded that the Company continues to meet the definition of an investment entity, as its strategic objective of investing in portfolio investments and providing investment management services to investors for the purpose of generating returns in the form of investment income and capital appreciation remains unchanged.

(b) Critical estimates

In addition to these significant judgements, the Directors have made one estimate, which they deem to have a significant risk of resulting in a material adjustment to the amounts recognised in the financial statements within the next financial year. The detail of this estimate is as follows:

I. Fair valuation of the investment portfolio

The investment portfolio, a material group of assets of the Group, is held at fair value. Details of valuation methodologies used and the associated sensitivities are disclosed in Note 13 Fair values of assets and liabilities in this document. Given the importance of this area, the Board has a separate Valuations Committee to review the valuations policies, process and application to individual investments. A report on the activities of the Valuations Committee (including a review of the assumptions made) is included in the Valuations Committee report on pages 130 to 134.

In the comparative year carried interest payable was a critical estimate. Following the payment of £521 million of carried interest this year and the sensitivity being immaterial, carried interest payable is no longer considered a critical estimate for the year to 31 March 2025.

D Other accounting policies

(a) Gross investment return

Gross investment return is equivalent to "revenue" for the purposes of IAS 1. It represents the overall increase in net assets from the investment portfolio net of deal-related costs and includes foreign exchange movements in respect of the investment portfolio. The substantial majority is investment income and outside the scope of IFRS 15. It is analysed into the following components with the relevant standard shown where appropriate:

i. Realised profits or losses over value on the disposal of investments are the difference between the fair value of the consideration received in accordance with IFRS 13 less any directly attributable costs, on the sale of equity and the repayment of interest income from the investment portfolio, and its carrying value at the start of the accounting period, converted into sterling using the exchange rates in force at the date of disposal. See Note 2 for more details.

ii. Unrealised profits or losses on the revaluation of investments are the movement in the fair value of investments in accordance with IFRS 13 between the start and end of the accounting period converted into sterling using the exchange rates in force at the date of fair value assessment. See Note 3 for more details.

iii. Fair value movements on investment entity subsidiaries are the movements in the fair value of Group subsidiaries which are classified as investment entities under IFRS 10. The Group makes investments in portfolio assets through these entities which are usually limited partnerships or corporate subsidiaries. See Note 12 for more details.

iv. Portfolio income is that portion of income that is directly related to the return from individual investments. It is recognised to the extent that it is probable that there will be economic benefit and the income can be reliably measured. The following specific recognition criteria must be met before the income is recognised:

- Dividends from equity investments are recognised in profit or loss when the shareholders' rights to receive payment is established;
- Interest income from the investment portfolio is recognised as it accrues. When the fair value of an investment is assessed to be below the principal value of a loan, the Group recognises a provision against any interest accrued from the date of the assessment going forward until the investment is assessed to have recovered in value; and
- The accounting policy for fee income is included in Note 4.

v. Foreign exchange on investments arises on investments made in currencies that are different from the functional currency of the Company, being sterling. Investments are translated at the exchange rate ruling at the date of the transaction in accordance with IAS 21. At each subsequent reporting date, investments are translated to sterling at the exchange rate ruling at that date.

vi. Movement in the fair value of derivatives relates to the change in fair value of forward foreign exchange contracts which have been used to minimise foreign currency risk in the investment portfolio. See Note 17 for more details.

(b) Foreign currency translation

For the Company and those subsidiaries and associates whose balance sheets are denominated in sterling, which is the Company's functional and presentational currency, monetary assets and liabilities and non-monetary assets held at fair value denominated in foreign currencies are translated into sterling at the closing rates of exchange at the balance sheet date. Foreign currency transactions are translated into sterling at the average rates of exchange over the year and exchange differences arising are taken to profit or loss.

The statements of financial position of subsidiaries, which are not held at fair value, denominated in foreign currencies are translated into sterling at the closing rates. The statements of comprehensive income for these subsidiaries and associates are translated at the average rates and exchange differences arising are taken to other comprehensive income. Such exchange differences are reclassified to profit or loss in the period in which the subsidiary or associate is disposed of.

(c) Treasury assets and liabilities

Short-term treasury assets, and short and long-term treasury liabilities are used in order to manage cash flows.

Cash and cash equivalents comprise cash at bank and amounts held in money market funds which are readily convertible into cash and there is an insignificant risk of changes in value. Financial assets and liabilities are recognised in the balance sheet when the relevant Group entity becomes a party to the contractual provisions of the instrument. Derecognition occurs when rights to cash flows from a financial asset expire, or when a liability is extinguished.

Notes to the accounts

1 Segmental analysis

Operating segments are the components of the Group whose results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The Chief Executive, who is considered to be the chief operating decision maker, managed the Group on the basis of business divisions determined with reference to market focus, geographic focus, investment funding model and the Group's management hierarchy. A description of the activities, including returns generated by these divisions and the allocation of resources, is given in the Strategic report. For the geographical segmental split, revenue information is based on the locations of the assets held. To aid the readers' understanding we have split out Action, Private Equity's largest asset, into a separate column. Action is not regarded as a reported segment as the chief operating decision maker reviews performance, makes decisions and allocates resources to the Private Equity segment, which includes Action.

The segmental information that follows is presented on the basis used by the Chief Executive to monitor the performance of the Group. The reported segments are Private Equity, Infrastructure and Scandlines.

The segmental analysis is prepared on the Investment basis. The Investment basis is an APM and we believe it provides a more understandable view of performance. For more information on the Investment basis and a reconciliation between the Investment basis and IFRS, see pages 75 to 78.

Investment basis Year to 31 March 2025	Private Equity £m	*Of which Action £m*	Infrastructure £m	Scandlines £m	Total[3] £m
Realised profits over value on the disposal of investments	50	*–*	1	–	51
Unrealised profits on the revaluation of investments	4,803	*4,324*	17	19	4,839
Portfolio income					
Dividends	450	*433*	37	22	509
Interest income from investment portfolio	69	*–*	12	–	81
Fees receivable	14	*5*	(4)	–	10
Foreign exchange on investments	(340)	*(255)*	(11)	(10)	(361)
Movement in the fair value of derivatives	67	*44*	–	15	82
Gross investment return	**5,113**	*4,551*	**52**	**46**	**5,211**
Fees receivable from external funds	3		61	–	64
Operating expenses	(98)		(49)	(3)	(150)
Interest receivable					18
Interest payable					(65)
Exchange movements					20
Operating profit before carried interest					**5,098**
Carried interest					
Carried interest and performance fees receivable	–		29	–	29
Carried interest and performance fees payable	(70)		(11)	–	(81)
Operating profit before tax					**5,046**
Tax charge					(1)
Profit for the year					**5,045**
Other comprehensive income					
Re-measurements of defined benefit plans					4
Total return					**5,049**
Realisations[1]	1,827	*1,164*	10	–	1,837
Cash investment	(1,177)	*(768)*	(4)	(1)	(1,182)
Net divestment/(investment)	**650**	*396*	**6**	**(1)**	**655**
Balance sheet					
Opening portfolio value at 1 April 2024	19,629	*14,158*	1,488	519	21,636
Investment[2]	1,318	*768*	4	1	1,323
Value disposed	(1,777)	*(1,164)*	(9)	–	(1,786)
Unrealised value movement	4,803	*4,324*	17	19	4,839
Foreign exchange and other movements	(415)	*(255)*	(8)	(10)	(433)
Closing portfolio value at 31 March 2025	**23,558**	*17,831*	**1,492**	**529**	**25,579**

1 Realised proceeds may differ from cash proceeds due to timing of cash receipts. During the year, Private Equity recognised £1,827 million of realised proceeds, of which £1 million related to withholding tax. In addition, £5 million of cash proceeds were received, which had been recognised as realised proceeds in FY2024.
2 Includes capitalised interest.
3 The total is the sum of Private Equity, Infrastructure and Scandlines, "Of which Action" is part of Private Equity.

Interest receivable, interest payable, exchange movements, the tax charge and re-measurements of defined benefit plans are not managed by segment by the chief operating decision maker and therefore have not been allocated to a specific segment.

Notes to the accounts continued

1 Segmental analysis continued

Investment basis Year to 31 March 2024	Private Equity £m	*Of which Action £m*	Infrastructure £m	Scandlines £m	Total[4] £m
Realised losses over value on the disposal of investments	–	*–*	(4)	–	(4)
Unrealised profits/(losses) on the revaluation of investments	3,874	*3,609*	72	(20)	3,926
Portfolio income					
Dividends	439	*377*	35	25	499
Interest income from investment portfolio	80	*–*	11	–	91
Fees receivable	7	*6*	(6)	–	1
Foreign exchange on investments	(437)	*(332)*	(9)	(15)	(461)
Movement in the fair value of derivatives	96	*58*	–	20	116
Gross investment return	4,059	*3,718*	99	10	4,168
Fees receivable from external funds	4		68	–	72
Operating expenses	(92)		(52)	(3)	(147)
Interest receivable					13
Interest payable					(61)
Exchange movements					29
Other income					3
Operating profit before carried interest					4,077
Carried interest					
Carried interest and performance fees receivable	–		62	–	62
Carried interest and performance fees payable	(262)		(43)	–	(305)
Operating profit before tax					3,834
Tax charge					(2)
Profit for the year					3,832
Other comprehensive income					
Re-measurements of defined benefit plans					7
Total return					3,839
Realisations[1]	866	*762*	22	–	888
Cash investment[2]	(556)	*(455)*	(36)	(1)	(593)
Net divestment/(investment)	310	*307*	(14)	(1)	295
Balance sheet					
Opening portfolio value at 1 April 2023	16,425	*11,188*	1,409	554	18,388
Investment[3]	683	*455*	36	1	720
Value disposed	(866)	*(762)*	(26)	–	(892)
Unrealised value movement	3,874	*3,609*	72	(20)	3,926
Foreign exchange and other movements	(487)	*(332)*	(3)	(16)	(506)
Closing portfolio value at 31 March 2024	19,629	*14,158*	1,488	519	21,636

1 Realised proceeds may differ from cash proceeds due to timing of cash receipts. During the year, Private Equity recognised £866 million of realised proceeds, of which £5 million relates to withholding tax.
2 Cash investment per the segmental analysis is different to cash investment per the cash flow due to a £10 million investment in Private Equity which was recognised in FY2023 and paid in FY2024.
3 Includes capitalised interest.
4 The total is the sum of Private Equity, Infrastructure and Scandlines, "Of which Action" is part of Private Equity.

Interest receivable, interest payable, exchange movements, other income, the tax charge and re-measurements of defined benefit plans are not managed by segment by the chief operating decision maker and therefore have not been allocated to a specific segment.

1 Segmental analysis continued

Investment basis Year to 31 March 2025	Europe £m	North America £m	Other £m	Total £m
Realised profits over value on the disposal of investments	**50**	**1**	**–**	**51**
Unrealised profits/(losses) on the revaluation of investments	**4,853**	**(11)**	**(3)**	**4,839**
Portfolio income	**588**	**13**	**(1)**	**600**
Foreign exchange on investments	**(316)**	**(44)**	**(1)**	**(361)**
Movement in fair value of derivatives	**65**	**17**	**–**	**82**
Gross investment return	**5,240**	**(24)**	**(5)**	**5,211**
Realisations	**1,826**	**11**	**–**	**1,837**
Cash investment	**(1,118)**	**(64)**	**–**	**(1,182)**
Net divestment/(investment)	**708**	**(53)**	**–**	**655**
Balance sheet				
Closing portfolio value at 31 March 2025	**23,431**	**2,126**	**22**	**25,579**

Investment basis Year to 31 March 2024	Europe £m	North America £m	Other £m	Total £m
Realised losses over value on the disposal of investments	(1)	(3)	–	(4)
Unrealised profits on the revaluation of investments	3,919	7	–	3,926
Portfolio income	579	12	–	591
Foreign exchange on investments	(416)	(44)	(1)	(461)
Movement in fair value of derivatives	88	28	–	116
Gross investment return	4,169	–	(1)	4,168
Realisations	865	22	1	888
Cash investment	(532)	(61)	–	(593)
Net divestment/(investment)	333	(39)	1	295
Balance sheet				
Closing portfolio value at 31 March 2024	19,485	2,124	27	21,636

2 Realised profits over value on the disposal of investments

	2025 Unquoted investments	Total £m
Realisations	**1,107**	**1,107**
Valuation of disposed investments	**(1,102)**	**(1,102)**
	5	**5**
Of which:		
– profits recognised on realisations	**6**	**6**
– losses recognised on realisations	**(1)**	**(1)**
	5	**5**

	2024 Unquoted investments	Total £m
Realisations	543	543
Valuation of disposed investments	(542)	(542)
	1	1
Of which:		
– profits recognised on realisations	1	1
	1	1

3 Unrealised profits on the revaluation of investments

	2025 Unquoted investments £m	2025 Quoted investments £m	Total £m
Movement in the fair value of investments	**3,835**	**(23)**	**3,812**
Of which:			
– unrealised profits	**3,881**	**–**	**3,881**
– unrealised losses	**(46)**	**(23)**	**(69)**
	3,835	**(23)**	**3,812**

	2024 Unquoted investments £m	2024 Quoted investments £m	Total £m
Movement in the fair value of investments	2,704	38	2,742
Of which:			
– unrealised profits	2,896	38	2,934
– unrealised losses	(192)	–	(192)
	2,704	38	2,742

4 Revenue

Accounting policy:

The following items from the Consolidated statement of comprehensive income fall within the scope of IFRS 15:

Fees receivable are earned for providing services to 3i's portfolio companies, which predominantly fall into one of two categories:

1 Negotiation and other transaction fees are earned for providing services relating to a specific transaction, such as when a portfolio company is bought, sold or refinanced. These fees are generally of a fixed nature and the revenue is recognised in full at the point of transaction completion.

2 Monitoring and other ongoing service fees are earned for providing a range of services to a portfolio company over a period of time. These fees are generally of a fixed nature and the revenue is recognised evenly over the period, in line with the services provided.

Fees receivable from external funds are earned for providing management and advisory services to a variety of fund partnerships and other entities. Fees are typically calculated as a percentage of the cost or value of the assets managed during the year and are paid quarterly, based on the assets under management at that date. The revenue is recognised evenly over the period, in line with the services provided.

Carried interest and performance fees receivable are earned from funds which the Group manages on behalf of third parties. These profits are earned when the funds meet certain performance conditions and are paid by the fund when these conditions have been met on a cash basis.

Items from the Consolidated statement of comprehensive income which fall within the scope of IFRS 15 are included in the table below:

Year to 31 March 2025	Private Equity £m	Infrastructure £m	Total £m
Total revenue by geography[1]			
Europe	**17**	**85**	**102**
North America	**2**	**2**	**4**
Total	**19**	**87**	**106**
Revenue by type			
Fees receivable[2]	**16**	**(3)**	**13**
Fees receivable from external funds	**3**	**61**	**64**
Carried interest and performance fees receivable[3]	**–**	**29**	**29**
Total	**19**	**87**	**106**

1 For fees receivable from external funds and carried interest and performance fees receivable the geography is based on the domicile of the fund.
2 Fees receivable and carried interest receivable above are different to the Investment basis figures included in Note 1. This is due to the fact that Note 1 is disclosed on the Investment basis and the table above is shown on the IFRS basis. For an explanation of the Investment basis and a reconciliation between Investment basis and IFRS basis see pages 75 to 78.

4 Revenue continued

Year to 31 March 2024	Private Equity £m	Infrastructure £m	Total £m
Total revenue by geography[1]			
Europe	11	120	131
North America	2	4	6
Total	13	124	137
Revenue by type			
Fees receivable[2]	9	(6)	3
Fees receivable from external funds	4	68	72
Carried interest and performance fees receivable[3]	–	62	62
Total	13	124	137

1 For fees receivable from external funds and carried interest and performance fees receivable the geography is based on the domicile of the fund.
2 Fees receivable and carried interest receivable above are different to the Investment basis figures included in Note 1. This is due to the fact that Note 1 is disclosed on the Investment basis and the table above is shown on the IFRS basis. For an explanation of the Investment basis and a reconciliation between Investment basis and IFRS basis see pages 75 to 78.

Consolidated statement of financial position

As at 31 March 2025, other current assets in the Consolidated statement of financial position include balances relating to fees receivable from portfolio and fees receivable from external funds of £8 million and nil respectively (31 March 2024: £5 million and £1 million respectively). These are different to the balances included in the Investment basis Consolidated statement of financial position.
For an explanation of the Investment basis and a reconciliation between Investment basis and IFRS basis see pages 75 to 78.

5 Operating expenses

Operating expenses of £149 million (2024: £146 million) recognised in the IFRS Consolidated statement of comprehensive income, include the following amounts:

	2025 £m	2024 £m
Depreciation of property, plant and equipment	**2**	2
Depreciation of right of use assets	**9**	5
Amortisation of intangible assets	**1**	1
Audit fees (Note 7)	**3**	3
Staff costs (Note 6)	**104**	102
Redundancy costs	**2**	2

Including expenses incurred in the entities accounted for as investment entity subsidiaries of £1 million (2024: £1 million), the Group's total operating expenses on the Investment basis for the year were £150 million (2024: £147 million).

6 Staff costs

The table below is prepared in accordance with Companies Act requirements, which is consistent with both the IFRS and the Investment basis.

	2025 £m	2024 £m
Wages and salaries	**71**	74
Social security costs	**17**	15
Share-based payment costs (Note 26)	**12**	9
Pension costs	**4**	4
Total staff costs	**104**	102

The average number of employees during the year was 226 (2024: 246), of which 146 (2024: 158) were employed in the UK.

6 Staff costs continued

Wages and salaries shown above include salaries paid in the year, as well as bonuses and portfolio incentive schemes relating to the year ended 31 March 2025. These costs are included in operating expenses. The table below analyses these costs between fixed and variable elements.

	2025 £m	2024 £m
Fixed staff costs	**48**	48
Variable staff costs[1]	**56**	54
Total staff costs	**104**	102

1 Includes cash bonuses and equity and cash-settled share awards.

For more detail on staff costs for Directors refer to the disclosures labelled as audited included in the Directors' remuneration report on pages 135 to 147.

7 Information regarding the Group's Auditor

During the year, the Group received the following services from its External auditor, KPMG LLP. The table below is prepared in accordance with Companies Act requirements, which is consistent with both the IFRS and the Investment basis.

		2025 £m	2024 £m
Audit services			
Statutory audit	– Company	**1.8**	1.8
	– UK subsidiaries	**0.7**	0.8
	– Overseas subsidiaries	**0.4**	0.5
Total audit services		**2.9**	3.1
Non-audit services			
Other assurance services		**0.4**	0.4
Total audit and non-audit services		**3.3**	3.5

8 Tax

Accounting policy:

Tax represents the sum of the tax currently payable, withholding taxes suffered and deferred tax. Tax is charged or credited in the Consolidated 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 Consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The affairs of the Group's parent company are directed so as to allow it to meet the requisite conditions to continue to operate as an approved investment trust company for UK tax purposes. An approved investment trust company is a UK investment company which is required to meet certain conditions set out in the UK tax rules to obtain and maintain its tax status. This approval allows certain investment profits of the Company, broadly its capital profits, to be exempt from tax, including Pillar 2 top-up tax, in the UK.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The deferred tax assets and liabilities have been calculated using the corporation tax rate in the UK of 25% (2024: 25%).

IFRIC 23 has been applied to the recognition and measurement of uncertain tax provisions held at the year end. There were no material uncertain tax positions arising during the year or at the year end.

The Group is within the scope of the OECD Pillar 2 model rules. The United Kingdom, the jurisdiction in which the ultimate parent company of the Group is tax resident, has enacted the Pillar 2 legislation. Under the Pillar 2 legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group's key business operations are not based in low tax jurisdictions and the application of the Pillar 2 rules is not anticipated to have a material impact on the Group.

8 Tax continued

	2025 £m	2024 £m
Current taxes		
Current year:		
UK	**1**	3
Overseas	**1**	1
Prior year:		
UK	**(1)**	(1)
Overseas	**–**	(1)
Deferred taxes		
Current year	**–**	–
Total tax charge in the Consolidated statement of comprehensive income	**1**	2

Reconciliation of tax in the Consolidated statement of comprehensive income

The tax charge for the year is different to the standard rate of corporation tax in the UK, currently 25% (2024: 25%), and the differences are explained below:

	2025 £m	2024 £m
Profit before tax	**5,039**	3,838
Profit before tax multiplied by rate of corporation tax in the UK of 25% (2024: 25%)	**1,260**	960
Effects of:		
Non-taxable capital profits due to UK-approved investment trust company status	**(1,139)**	(838)
Non-taxable dividend income	**(122)**	(120)
	(1)	2
Other differences between accounting and tax profits:		
Permanent differences – non-deductible items	**2**	2
Temporary differences on which deferred tax is not recognised	**(6)**	2
Overseas countries' taxes	**1**	1
Tax losses carried forward/(utilised) on which deferred tax not recognised	**6**	(3)
Prior year tax credits	**(1)**	(2)
Total income tax charge in the Consolidated statement of comprehensive income	**1**	2

Including a net tax charge of nil (2024: nil) in investment entity subsidiaries, the Group recognised a total tax charge of £1 million (2024: £2 million) under the Investment basis.

Deferred income taxes

	2025 £m	2024 £m
Opening deferred income tax asset/(liability)		
Tax losses	**1**	1
Income in accounts taxable in the future	**(2)**	(2)
	(1)	(1)
Recognised through Consolidated statement of comprehensive income		
Tax losses recognised	**–**	–
Income in accounts taxable in the future	**–**	–
	–	–
Closing deferred income tax asset/(liability)		
Tax losses	**1**	1
Income in accounts taxable in the future	**(2)**	(2)
	(1)	(1)

8 Tax continued

At 31 March 2025, the Group had carried forward tax losses of £1,382 million (31 March 2024: £1,371 million), capital losses of £77 million (31 March 2024: £87 million) and other deductible temporary differences of £82 million (31 March 2024: £86 million). With the additional restrictions on utilising brought forward losses introduced from 1 April 2017, and the uncertainty that the Group will generate sufficient or relevant taxable profits not covered by the Investment Trust exemption in the foreseeable future to utilise these amounts, no deferred tax asset has been recognised in respect of these losses. Deferred tax assets and liabilities have been calculated using the corporation tax rate in the UK of 25% (2024: 25%).

In addition, the Group has long-standing carried forward tax losses of £181 million (31 March 2024: £186 million) and other deductible temporary differences of £2 million (31 March 2024: £3 million) in overseas territories, being Germany, US, France and Luxembourg, disclosed and agreed with local tax authorities, for which no deferred asset has been recognised.

9 Per share information

The calculation of basic net assets per share is based on the net assets and the number of shares in issue at the year end. When calculating the diluted net assets per share, the number of shares in issue is adjusted for the effect of all dilutive share awards. Dilutive share awards are equity awards with performance conditions attached, see Note 26 Share-based payments for further details.

	2025	2024
Net assets per share (£)		
Basic	**25.49**	20.92
Diluted	**25.42**	20.85
Net assets (£m)		
Net assets attributable to equity holders of the Company	**24,611**	20,170

	2025	2024
Number of shares in issue		
Ordinary shares	**973,398,978**	973,366,445
Own shares	**(7,979,305)**	(8,997,664)
	965,419,673	964,368,781
Effect of dilutive potential ordinary shares		
Share awards	**2,665,677**	3,104,739
Diluted shares	**968,085,350**	967,473,520

The calculation of basic earnings per share is based on the profit attributable to shareholders and the weighted average number of shares in issue. The weighted average shares in issue for the year to 31 March 2025 are 965,214,237 (2024: 964,007,876). When calculating the diluted earnings per share, the weighted average number of shares in issue is adjusted for the effect of all dilutive share awards. The diluted weighted average shares in issue for the year to 31 March 2025 are 967,799,507 (2024: 966,901,059).

	2025	2024
Earnings per share (pence)		
Basic	**522.0**	397.9
Diluted	**520.6**	396.7
Earnings (£m)		
Profit for the year attributable to equity holders of the Company	**5,038**	3,836

10 Dividends

	2025 pence per share	**2025 £m**	2024 pence per share	2024 £m
Declared and paid during the year				
Ordinary shares				
Second dividend	**34.50**	**332**	29.75	286
First dividend	**30.50**	**293**	26.50	255
	65.00	**625**	56.25	541
Proposed dividend	**42.50**	**408**	34.50	332

The Group introduced a simplified dividend policy in May 2018. In accordance with this policy, subject to maintaining a conservative balance sheet approach, the Group aims to maintain or grow the dividend each year. The first dividend has been set at 50% of the prior year's total dividend.

10 Dividends continued

The dividend can be paid out of either the capital reserve or the revenue reserve subject to the investment trust rules, see Note 19 and the statement of changes in equity for details of reserves.

The distributable reserves of the Company are £10,488 million (31 March 2024: £8,282 million) and the Board reviews the distributable reserves bi-annually, including consideration of any material changes since the most recent audited accounts, ahead of proposing any dividend. The Board also reviews the proposed dividends in the context of the requirements of being an approved investment trust. Shareholders are given the opportunity to approve the total dividend for the year at the Company's Annual General Meeting. Details of the Group's continuing viability and going concern can be found in the Risk management section.

11 Investment portfolio

Accounting policy:

Investments are recognised and derecognised on the date when their purchase or sale is subject to a relevant contract and the associated risks and rewards have been transferred. The Group manages its investments with a view to profiting from the receipt of investment income and capital appreciation from changes in the fair value of investments.

All investments are initially recognised at the fair value of the consideration given and are subsequently measured at fair value, in accordance with the Group's valuation policies.

Quoted investments are accounted for at fair value through profit and loss. Fair value is measured using the closing bid price at the reporting date, where the investment is quoted on an active stock market.

Unquoted investments, including both equity and loans, are accounted for at fair value through profit and loss. Fair value is determined in line with 3i's valuation policy, which is compliant with the fair value guidelines under IFRS and the International Private Equity and Venture Capital ("IPEV") Valuation Guidelines, details of which are available in "Valuations Committee report" on pages 130 to 134.

Interest bearing loans accrue interest which is either settled in cash or capitalised on a regular basis and included as part of the principal loan balance. The capitalisation of accrued interest is treated as part of investment additions during the year. If the fair value of an investment is assessed to be below the principal value of the loan the Group recognises a fair value reduction against any interest income accrued from the date of the assessment going forward. "Capitalisation at nil value" is the term used to describe the capitalisation of accrued interest which has been fully provided for. These transactions are disclosed as additions to portfolio cost with an equal reduction made where loan notes have nil value.

In accordance with IFRS 10, the proportion of the investment portfolio held by the Group's unconsolidated subsidiaries is presented as part of the fair value of investment entity subsidiaries, along with the fair value of their other assets and liabilities.

A reconciliation of the fair value of Investments in investment entities is included in Note 12.

	Group 2025 £m	Group 2024 £m	**Company 2025 £m**	Company 2024 £m
Opening fair value	**15,072**	9,518	**15,072**	9,518
Additions	**819**	3,596	**819**	3,596
– of which loan notes with nil value	**(9)**	(6)	**(9)**	(6)
Disposals, repayments and write-offs	**(1,102)**	(542)	**(1,102)**	(542)
Fair value movement[1]	**3,812**	2,742	**3,812**	2,742
Other movements[2]	**(236)**	(236)	**(236)**	(236)
Closing fair value	**18,356**	15,072	**18,356**	15,072
Quoted investments	**856**	879	**856**	879
Unquoted investments	**17,500**	14,193	**17,500**	14,193
Closing fair value	**18,356**	15,072	**18,356**	15,072

1 All fair value movements relate to assets held at the end of the year and are recognised in unrealised profits on the revaluation of investments.
2 Other movements include the impact of foreign exchange and accrued interest.

3i's investment portfolio is made up of longer-term investments, with average holding periods greater than one year, and thus is classified as non-current.

The table on the next page reconciles between purchase of investments in the cash flow statement and additions as disclosed in the table above.

11 Investment portfolio continued

	2025 £m	2024 £m
Purchase of investments	**150**	506
Transfer of portfolio investments from investment entity subsidiaries[1]	**1,371**	3,068
Transfer of portfolio investments to investment entity subsidiaries[2]	**(730)**	–
Investment paid	**–**	(2)
Investment	**791**	3,572
Capitalised interest received by way of loan notes	**28**	24
Additions	**819**	3,596

1 Includes £1,371 million (31 March 2024: £2,770 million) related to Action. See Note 12 for further details.
2 Includes £593 million (31 March 2024: nil) related to Action. See Note 12 for further details.

Included within profit or loss is £29 million (2024: £29 million) of interest income. Interest income included £18 million (2024: £18 million) of accrued income capitalised during the year, £6 million (2024: £5 million) of cash income and £5 million (2024: £6 million) of accrued income remaining uncapitalised at the year end.

Quoted investments are classified as Level 1 and unquoted investments are classified as Level 3 in the fair value hierarchy. See Note 13 for details.

12 Investments in investment entity subsidiaries

Accounting policy:

Investments in investment entity subsidiaries are accounted for as financial instruments at fair value through profit and loss in accordance with IFRS 9.

These entities are typically limited partnerships and other intermediate investment holding structures which hold the Group's interests in investments in portfolio companies. The fair value can increase or decrease from either amounts paid to or received from the investment entity subsidiaries or valuation movements in line with the Group's valuation policy.

Substantially all of these entities meet the definition of a Fund under the IPEV guidelines and the fair value of these entities is their net asset value.

We consider the net asset value of investment entity subsidiaries to be the most appropriate to determine fair value. At each reporting period, we consider whether any additional fair value adjustments need to be made to the net asset value of the investment entity subsidiaries. These adjustments may be required to reflect market participants' considerations about fair value that may include, but are not limited to, liquidity and the portfolio effect of holding multiple investments within the investment entity subsidiary. There was no particular circumstance to indicate that a fair value adjustment was required (31 March 2024: no adjustment required) and, after due consideration, we concluded that the net asset values were the most appropriate reflection of fair value at 31 March 2025.

Level 3 fair value reconciliation – investments in investment entity subsidiaries

Non-current	Group 2025 £m	Group 2024 £m
Opening fair value	**5,804**	7,844
Amounts paid to investment entity subsidiaries	**1,537**	674
Amounts received from investment entity subsidiaries	**(865)**	(580)
Fair value movements on investment entity subsidiaries	**953**	861
Transfer of portfolio investments from investment entity subsidiaries	**(1,371)**	(3,068)
Transfer of portfolio investments to investment entity subsidiaries	**730**	–
Transfer of assets to investment entity subsidiaries	**128**	73
Closing fair value	**6,916**	5,804

Transfer of portfolio investments from investment entity subsidiaries includes the transfer of investment portfolio between investment entity subsidiaries and the Company at fair value. The consideration for these transfers can either be cash or intra-group receivables. During the year, the Company received a transfer of assets of £1,371 million (31 March 2024: £3,068 million) from partnerships which are classified as investment entity subsidiaries, of which £1,371 million (31 March 2024: £2,770 million) related to Action. During the year, the Company transferred assets of £730 million (31 March 2024: nil) to partnerships which are classified as investment entity subsidiaries of which £593 million (31 March 2024: nil) related to Action.

12 Investments in investment entity subsidiaries continued

Restrictions

3i Group plc, the ultimate parent company, receives dividend income from its subsidiaries. There is no restrictive cash (31 March 2024: £21 million) held in investment entity subsidiaries relating to carried interest and performance fees payable.

Support

3i Group plc continues to provide, where necessary, ongoing support to its investment entity subsidiaries for the purchase of portfolio investments. The Group's current commitments are disclosed in Note 23.

13 Fair values of assets and liabilities

Accounting policy:

Financial instruments are initially classified at either amortised cost or fair value through profit or loss. Financial instruments classified at fair value through profit or loss are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in profit or loss in the Statement of comprehensive income. Financial instruments classified at amortised cost are subsequently measured at amortised cost using the effective interest method with interest income or expense and foreign exchange gains and losses recognised in profit or loss in the Statement of comprehensive income.

(A) Classification

The following tables analyse the Group's assets and liabilities in accordance with the categories of financial instruments in IFRS 9:

	Group 2025 Classified at fair value through profit and loss £m	Group 2025 Other financial instruments at amortised cost £m	Group 2025 Total £m	Group 2024 Classified at fair value through profit and loss £m	Group 2024 Other financial instruments at amortised cost £m	Group 2024 Total £m
Assets						
Quoted investments	**856**	**–**	**856**	879	–	879
Unquoted investments	**17,500**	**–**	**17,500**	14,193	–	14,193
Investments in investment entities	**6,916**	**–**	**6,916**	5,804	–	5,804
Other financial assets	**155**	**91**	**246**	182	106	288
Total	**25,427**	**91**	**25,518**	21,058	106	21,164
Liabilities						
Loans and borrowings	**–**	**1,194**	**1,194**	–	1,202	1,202
Other financial liabilities	**4**	**225**	**229**	–	242	242
Total	**4**	**1,419**	**1,423**	–	1,444	1,444

	Company 2025 Classified at fair value through profit and loss £m	Company 2025 Other financial instruments at amortised cost £m	Company 2025 Total £m	Company 2024 Classified at fair value through profit and loss £m	Company 2024 Other financial instruments at amortised cost £m	Company 2024 Total £m
Assets						
Quoted investments	**856**	**–**	**856**	879	–	879
Unquoted investments	**17,500**	**–**	**17,500**	14,193	–	14,193
Other financial assets	**143**	**18**	**161**	170	96	266
Total	**18,499**	**18**	**18,517**	15,242	96	15,338
Liabilities						
Loans and borrowings	**–**	**1,194**	**1,194**	–	1,202	1,202
Other financial liabilities	**4**	**75**	**79**	–	760	760
Total	**4**	**1,269**	**1,273**	–	1,962	1,962

Within the Company, Interests in Group entities of £6,642 million (31 March 2024: £5,877 million) includes £6,385 million (31 March 2024: £5,862 million) held at fair value and £257 million (31 March 2024: £15 million) held at cost less impairment.

13 Fair values of assets and liabilities continued

(B) Valuation

The fair values of the Group's financial assets and liabilities not held at fair value, are not materially different from their carrying values, with the exception of loans and borrowings. The fair value of the loans and borrowings is £1,115 million (31 March 2024: £1,166 million), determined with reference to their published market prices. The carrying value of the loans and borrowings is £1,194 million (31 March 2024: £1,202 million) and accrued interest payable (included within trade and other payables) is £29 million (31 March 2024: £29 million).

Valuation hierarchy

The Group classifies financial instruments measured at fair value according to the following hierarchy:

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

Unquoted equity instruments and debt instruments are measured in accordance with the IPEV Guidelines with reference to the most appropriate information available at the time of measurement. Further information regarding the valuation of unquoted equity instruments can be found on page 179.

The table below shows the classification of financial instruments held at fair value into the valuation hierarchy at 31 March 2025:

	Group 2025 Level 1 £m	Group 2025 Level 2 £m	Group 2025 Level 3 £m	Group 2025 Total £m	Group 2024 Level 1 £m	Group 2024 Level 2 £m	Group 2024 Level 3 £m	Group 2024 Total £m
Assets								
Quoted investments	**856**	**–**	**–**	**856**	879	–	–	879
Unquoted investments	**–**	**–**	**17,500**	**17,500**	–	–	14,193	14,193
Investments in investment entity subsidiaries	**–**	**–**	**6,916**	**6,916**	–	–	5,804	5,804
Other financial assets	**–**	**137**	**18**	**155**	–	165	17	182
Liabilities								
Other financial liabilities	**–**	**(4)**	**–**	**(4)**	–	–	–	–
Total	**856**	**133**	**24,434**	**25,423**	879	165	20,014	21,058

13 Fair values of assets and liabilities continued

We determine that, in the ordinary course of business, the net asset value of an investment entity subsidiary is considered to be the most appropriate to determine fair value. The underlying portfolio is valued under the same methodology as directly held investments, with any other assets or liabilities within investment entity subsidiaries fair valued in accordance with the Group's accounting policies. Note 12 details the Directors' considerations about the fair value of the underlying investment entity subsidiaries.

Movements in the directly held investment portfolio categorised as Level 3 during the year are set out in the table below:

	Group 2025 £m	Group 2024 £m	**Company 2025 £m**	Company 2024 £m
Opening fair value	**14,193**	8,677	**14,193**	8,677
Additions[1]	**819**	3,596	**819**	3,596
– of which loan notes with nil value	**(9)**	(6)	**(9)**	(6)
Disposals, repayments and write-offs	**(1,102)**	(542)	**(1,102)**	(542)
Fair value movement[2]	**3,835**	2,704	**3,835**	2,704
Other movements[3]	**(236)**	(236)	**(236)**	(236)
Closing fair value	**17,500**	14,193	**17,500**	14,193

1 The table in Note 11 reconciles additions.
2 All fair value movements relate to assets held at the end of the year and are recognised in unrealised profits on the revaluation of investments.
3 Other movements include the impact of foreign exchange and accrued interest.

Unquoted investments valued using Level 3 inputs also had the following impact on profit and loss: realised profits over value on disposal of investments of £5 million (2024: £1 million), dividend income of £380 million (2024: £332 million) and foreign exchange losses of £245 million (2024: £238 million).

Assets move between Level 1 and Level 3 when an unquoted equity investment lists on a quoted market exchange. There were no transfers in or out of Level 3 during the year. In the 12 months to 31 March 2025, one asset changed valuation basis within Level 3, moving from a DCF based valuation to an other basis. Action remains unchanged on an earnings-based valuation. The changes in valuation methodology in the period reflect our view of the most appropriate method to determine the fair value of these assets at 31 March 2025. Further information can be found in the Private Equity and Infrastructure sections of the Business and Financial reviews starting on page 19.

The following table summarises the various valuation methodologies used by the Group to fair value Level 3 instruments, the inputs and the sensitivities applied and the impact of those sensitivities to the unobservable inputs. Overall, our portfolio companies have delivered a strong performance, against a backdrop of a challenging macro-economic and geopolitical conditions, including the recent tariff announcements. These factors have been important considerations in our portfolio valuations at 31 March 2025. As part of our case-by-case review of our portfolio companies the risks and opportunities from climate change are an important consideration in the overall discussion on fair value and where relevant and possible, we embed certain climate-related considerations in the valuations. These risks are adequately captured in the multiple sensitivity. All numbers in the table below are on an Investment basis.

13 Fair values of assets and liabilities continued

Level 3 unquoted investments

Methodology	Description	Inputs	Fair value at 31 March 2025 (£m)	Sensitivity on key unobservable input	Fair value impact of sensitivities (£m)
Earnings (Private Equity)	Most commonly used Private Equity valuation methodology Used for investments which are typically profitable and for which we can determine a set of listed companies and precedent transactions, where relevant, with similar characteristics	Earnings multiples are applied to the earnings of the Company to determine the enterprise value **Earnings multiples** When selecting earnings multiples, we consider: (1) Comparable listed companies current performance and through-the-cycle averages (2) Relevant market transaction multiples (3) Company performance, organic growth and value-accretive add-ons, if any (4) Exit expectations and other company-specific factors For point 1 and 2 of the above we select companies in the same industry and, where possible, with a similar business model and profile in terms of size, products, services and customers, growth rates and geographic focus The pre-discount multiple ranges from 7.5x to 20.0x (2024: 7.5x to 20.0x) Other inputs: **Earnings** Reported earnings are adjusted for non-recurring items, such as restructuring expenses, for significant corporate actions and, in exceptional cases, adjustments to arrive at maintainable earnings The most common measure is earnings before interest, tax, depreciation and amortisation ("EBITDA") Earnings are usually obtained from portfolio company management accounts to the preceding quarter end, with reference also to forecast earnings and the maintainable view of earnings Action, our largest asset, is valued using run-rate earnings	**22,978** (2024: 18,916)	For the assets valued on an earnings basis, we have applied a 5% sensitivity to the earnings multiple Action is our largest asset, and we have applied a 1.0x sensitivity to its net valuation multiple of 18.5x	**1,361** (2024: 1,103) **(1,361)** (2024: (1,104)) **1,129** (2024: 866) **(1,129)** (2024: (866))
Discounted cash flow (Private Equity/ Infrastructure/ Scandlines)	Appropriate for businesses with long-term stable cash flows, typically in Infrastructure or, alternatively, businesses where DCF is more appropriate in the short term	Long-term cash flows are discounted at a rate which is benchmarked against market data, where possible, or adjusted from the rate at the initial investment based on changes in the risk profile of the investment The range of discount rates used in our DCF valuations is 10.5% to 16.0% (2024: 10.5% to 16.9%)	**1,044** (2024: 1,047)	For the assets valued on a DCF basis, we have applied a 5% sensitivity to the discount rate	**(44)** (2024: (34)) **47** (2024: 36)
NAV (Infrastructure)	Used for investments in unlisted funds	Net asset value reported by the fund manager. The valuation of the underlying portfolio is consistent with IFRS	**121** (2024: 104)	A 5% increase on closing NAV	**6** (2024: 5)
Price of recent investment (Private Equity)	Used for recent investments in unlisted companies	Valued net of negotiation fees	**216** (2024: –)	n/a	n/a
Imminent sale (Private Equity)	Used for assets where a sale has been agreed	A 2.5% discount is applied to expected proceeds	**–** (2024: 377)	n/a	n/a
Other (Private Equity/ Infrastructure)	Used where elements of a business are valued on different bases	Values of separate elements prepared on or triangulated against one of the methodologies listed above	**304** (2024: 246)	A 5% increase in the closing value	**15** (2024: 12)

14 Carried interest and performance fees payable

Accounting policy:

The Group offers investment executives the opportunity to participate in the returns from investments subject to certain performance conditions. "Carried interest and performance fees payable" is the term used for amounts payable to executives on these investment-related transactions.

A variety of asset pooling arrangements are in place so that participants may have an interest in one or more carried interest plans and participants include current and former investment participants. Carried interest payable is accrued if its performance conditions, measured at the balance sheet date, would be achieved if the remaining assets in that plan were realised at fair value. An accrual is made equal to the participants' share of profits in excess of the performance conditions in place in the carried interest plan, discounted to reflect the likely actual cash payment date, which may be materially later than the time of the accrual.

The Infrastructure performance fee payable is accrued based on the expected award. A significant proportion of the amount awarded is deferred over time and may be granted in 3i Group plc shares. This is recognised over the vesting period in line with the requirements of IFRS 2 or IAS 19, depending on the type of award.

Under IFRS 10, where carried interest payable reduces the fair value of an investment entity subsidiary, that movement is recorded through "Fair value movements on investment entity subsidiaries". At 31 March 2025, £319 million of carried interest payable was recognised in the Consolidated statement of financial position of these investment entity subsidiaries (31 March 2024: £764 million).

	Group 2025 £m	Group 2024 £m
Opening carried interest and performance fees payable	**54**	77
Carried interest and performance fees payable recognised in profit and loss during the year	**14**	51
Cash paid in the year	**(23)**	(53)
Other movements[1]	**(4)**	(21)
Closing carried interest and performance fees payable	**41**	54
Of which: payable in greater than one year	**29**	30

1 Other movements include the impact of foreign exchange and a transfer from trade and other payables.

The carry payable expense in the table above includes a £9 million (2024: £23 million) charge arising from Infrastructure share-based payment carry related schemes. The charge includes £4 million (2024: £16 million) of equity awards and £1 million (2024: £1 million) of cash-settled awards, see Note 26 Share-based payments for further details and £4 million (2024: £6 million) of social security cost.

A 5% increase in the valuation of all individual assets in the underlying investment portfolio held by investment entity subsidiaries would result in a £20 million increase in carried interest and performance fees payable (31 March 2024: £41 million).

A 5% decrease in the valuation of all individual assets in the underlying investment portfolio held by investment entity subsidiaries would result in a £20 million decrease in carried interest and performance fees payable (31 March 2024: £41 million).

15 Other assets

Accounting policy:

Assets, other than those specifically accounted for under a separate policy, are stated at their cost less impairment losses. Financial assets are recognised at amortised cost in accordance with IFRS 9, which includes the requirement to calculate expected credit losses ("ECLs") on initial recognition. Any ECLs are recognised directly in profit and loss, with any subsequent reversals recognised in the same location.

	Group 2025 £m	Group 2024 £m	**Company 2025 £m**	Company 2024 £m
Prepayments	**3**	4	**–**	–
Other debtors	**73**	71	**18**	25
Total other assets	**76**	75	**18**	25
Of which: receivable in greater than one year	**27**	28	**15**	16

At 31 March 2025, no ECLs have been recognised against other assets as they are negligible (31 March 2024: nil).

16 Loans and borrowings

Accounting policy:

All loans and borrowings are initially recognised at the fair value of the consideration received. After initial recognition, these are subsequently measured at amortised cost using the effective interest method, which is the rate that exactly discounts the estimated future cash flows through the expected life of the liabilities. Financial liabilities are derecognised when they are extinguished.

	Group 2025 £m	Group 2024 £m
Loans and borrowings are repayable as follows:		
Within one year	**–**	–
Between the second and fifth year	**419**	–
After five years	**775**	1,202
	1,194	1,202

Principal borrowings include:

	Rate	Maturity	**Group 2025 £m**	Group 2024 £m	**Company 2025 £m**	Company 2024 £m
Fixed rate						
€500 million notes (public issue)	4.875%	2029	**419**	427	**419**	427
£375 million notes (public issue)	5.750%	2032	**375**	375	**375**	375
£400 million notes (public issue)	3.750%	2040	**400**	400	**400**	400
			1,194	1,202	**1,194**	1,202
Committed multi-currency facilities: Revolving Credit Facility (RCF)						
£400 million tranche	SONIA+0.75%	2026	**–**	–	**–**	–
£500 million tranche	SONIA+0.50%	2027	**–**	–	**–**	–
Total loans and borrowings			**1,194**	1,202	**1,194**	1,202

All of the Group's borrowings are repayable in one instalment on the respective maturity dates. None of the Group's interest-bearing loans and borrowings are secured on the assets of the Group. The fair value of the loans and borrowings is £1,115 million (31 March 2024: £1,166 million), determined with reference to their published market prices. The interest payable for loans and borrowings recognised within profit and loss is £63 million (2024: £60 million) and the interest paid for loans and borrowings recognised within the Consolidated cash flow statement is £60 million (2024: £40 million).

In accordance with the FCA's Investment Funds sourcebook (FUNDS 3.2.2R and Fund 3.2.6R), 3i Investments plc, as AIFM of the Company, is required to calculate leverage and disclose this to investors. The leverage is calculated using the gross method and commitment method. Gross method calculates the overall exposure over the net asset value whereas the commitment method calculates the net exposure over the net asset value. Leverage at 31 March 2025 for the Group is 110% (31 March 2024: 118%) and the Company is 107% (31 March 2024: 116%) under both the gross method and the commitment method. The leverage for 3i Investments plc at 31 March 2025 is 100% (31 March 2024: 100%) under both the gross method and the commitment method.

Under the Securities Financing Transactions Regulation and the FCA's Investment Funds sourcebook (FUNDS 3.2.4A), 3i is required to disclose certain information relating to the use of securities financing transactions ("SFTs") and total return swaps. At 31 March 2025, 3i was not party to any transactions involving SFTs or total return swaps.

16 Loans and borrowings continued

Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities are classified as follows:

	Loans and borrowings 2025 £m	Lease liability 2025 £m	Loans and borrowings 2024 £m	Lease liability 2024 £m
Opening liability	**1,202**	**49**	775	10
Additions	**–**	**–**	422	44
Interest	**–**	**2**	–	1
Repayments	**–**	**(6)**	–	(6)
Exchange movements	**(8)**	**–**	5	–
Closing liability	**1,194**	**45**	1,202	49

17 Derivatives

Accounting policy:

Derivative financial instruments are accounted for at fair value through profit and loss in accordance with IFRS 9. They are revalued at the balance sheet date based on market prices, with any change in fair value being recorded in profit and loss. Derivatives are recognised in the Consolidated statement of financial position as a financial asset when their fair value is positive and as a financial liability when their fair value is negative. Derivative contracts are disclosed in the Consolidated statement of financial position as either current or non-current according to their maturity profile. The Group's derivative financial instruments are not designated as hedging instruments.

Statement of comprehensive income	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Movement in the fair value of derivatives	**82**	116	**82**	116

Statement of financial position	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Non-current assets				
Forward foreign exchange contracts	**46**	83	**46**	83
Current assets				
Forward foreign exchange contracts	**91**	82	**91**	82
Non-current liabilities				
Forward foreign exchange contracts	**(4)**	–	**(4)**	–
Current liabilities				
Forward foreign exchange contracts	**–**	–	**–**	–

The Group uses forward foreign exchange contracts to mitigate the effect of fluctuations arising from movements in exchange rates in the value of the Group's investments in euro and US dollar. As at 31 March 2025, the notional amount of these forward foreign exchange contracts held by the Company was €2.6 billion (31 March 2024: €2.6 billion) and $1.2 billion (31 March 2024: $1.2 billion). In April 2025, we completed a further €400 million of forward foreign exchange contracts to increase the notional value of the Group's euro foreign exchange hedging programme to €3.0 billion, reflecting increases in euro cash flows and capitalising on attractive hedge rates.

18 Trade and other payables

Accounting policy:

Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which are considered to be payable in respect of goods or services received up to the balance sheet date. Financial liabilities are recognised at amortised cost in accordance with IFRS 9.

	Group 2025 £m	Group 2024 £m	**Company 2025 £m**	Company 2024 £m
Trade and other payables	**139**	139	**29**	29
Amounts due to subsidiaries	**–**	–	**46**	731
Total trade and other payables	**139**	139	**75**	760
Of which: payable in greater than one year	**6**	5	**–**	–

Refer to Note 28 for further details on the movement of Amounts due to subsidiaries.

19 Issued capital and reserves

Accounting policy:

Ordinary shares issued by the Group 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.

Capital reserve recognises all profits and losses that are capital in nature or have been allocated to capital, which include the accumulation of investment gains and losses as well as changes to the value of financial instruments measured at fair value through profit and loss.

Revenue reserve recognises all profits and losses that are revenue in nature or have been allocated to revenue and is the accumulation of revenue profits and losses.

Issued and fully paid	**2025 Number**	**2025 £m**	2024 Number	2024 £m
Ordinary shares of $73\frac{19}{22}$p				
Opening balance	**973,366,445**	**719**	973,312,950	719
Issued under employee share plans	**32,533**	**–**	53,495	–
Closing balance	**973,398,978**	**719**	973,366,445	719

The Company issued 32,533 ordinary shares to the Trustee of the 3i Group Share Incentive Plan for a total cash consideration of £1,073,413 at various prices from 2,866 pence to 4,054 pence per share (being the market prices on the issue dates which were the last trading day of each month in the year, with the exception of December 2024, when the issue date was 3 January 2025). These shares were ordinary shares with no additional rights attached to them and had a total nominal value of £24,030.

20 Own shares

Accounting policy:

Own shares are recorded by the Group when ordinary shares are acquired by the Company or by The 3i Group Employee Benefit Trust. Own shares are deducted from shareholders' equity. A transfer is made to retained earnings at their weighted average cost in line with the vesting of own shares held for the purposes of share-based payments. The number of own shares held by the Trust and the schemes are described in Note 26.

	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Opening cost	**92**	108	**92**	108
Awards granted	**(11)**	(16)	**(11)**	(16)
Closing cost	**81**	92	**81**	92

21 Capital structure

The capital structure of the Group consists of shareholders' equity and net debt or cash. The type and maturity of the Group's borrowings are analysed further in Note 16. Capital is managed with the objective of maximising long-term return to shareholders, whilst maintaining a capital base to allow the Group to operate effectively in the market and sustain the future development of the business.

	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Cash and deposits	**412**	358	**381**	328
Borrowings and derivative financial liabilities	**(1,198)**	(1,202)	**(1,198)**	(1,202)
Net debt[1]	**(786)**	(844)	**(817)**	(874)
Total equity	**24,611**	20,170	**24,267**	19,581
Gearing (net debt/total equity)	**3%**	4%	**3%**	4%

1 The above numbers have been prepared under IFRS and differ from the Investment basis as detailed in the Strategic report.

Capital constraints

The Group is generally free to transfer capital from subsidiary undertakings to the parent company, subject to maintaining each subsidiary with sufficient reserves to meet local statutory/regulatory obligations. No significant constraints (other than those disclosed in Note 12) have been identified and the Group has been able to distribute profits as appropriate.

The Group has been subject to the FCA's MIFIDPRU sourcebook ("MIFIDPRU") since 1 January 2022. The regulatory capital requirements for the Group and 3i Investments plc, an investment firm regulated by the FCA, are calculated in accordance with MIFIDPRU 2.5, 4.3, 4.5 and 4.6. These capital requirements are reviewed regularly by the Group's Audit and Compliance Committee, and the Board of 3i Investments plc, respectively. In addition, 3i Investments plc prepares an Internal Capital and Risk Assessment ("ICARA"), which is approved by the Board of 3i Investments plc on an annual basis.

22 Interests in Group entities

Accounting policy:

The Company has controlling equity interests in, and makes loans to, both consolidated and fair valued Group entities. Equity investments in, and loans to, investment entities are held at fair value in the Company's accounts, as this reflects the Group's business model to hold assets to seek returns on capital and not contractual cash flow. The net assets of these entities represent fair value. Equity investments in other subsidiaries are held at cost less impairment and any loans to these subsidiaries are held at amortised cost in accordance with IFRS 9, which includes the requirement to calculate expected credit losses on initial recognition.

	Company 2025 Equity investments £m	**Company 2025 Loans £m**	**Company 2025 Total £m**
Opening book value	**3,139**	**2,738**	**5,877**
Additions	**73**	**1,899**	**1,972**
Share of profits from partnership entities	**–**	**956**	**956**
Disposals and repayments	**(536)**	**(1,882)**	**(2,418)**
Fair value movements	**318**	**(122)**	**196**
Exchange movements	**–**	**59**	**59**
Closing book value	**2,994**	**3,648**	**6,642**

	Company 2024 Equity investments £m	Company 2024 Loans £m	Company 2024 Total £m
Opening book value	5,061	2,806	7,867
Additions	29	173	202
Share of profits from partnership entities	–	2,548	2,548
Disposals and repayments	–	(2,752)	(2,752)
Fair value movements	(1,951)	(72)	(2,023)
Exchange movements	–	35	35
Closing book value	3,139	2,738	5,877

Equity investments in, and loans to investment entities, are held at fair value and equity investments in other subsidiaries are held at cost less impairment. The measurements at fair value and cost less impairment are assessed against the Company's equity and loan instruments into these subsidiaries, which are eliminated on consolidation for the Group. For this reason equity investments and loans into investments entities do not form part of the investment portfolio for the Company and instead are included within Interests in Group entities. Amounts for equity investments in, and loans to, investment entities held at fair value and other subsidiaries at amortised cost are detailed in Note 13.

Details of significant Group entities are given in Note 29. No expected credit losses have been recognised on those equity investments and loans held at amortised cost as they are not material.

23 Commitments

Accounting policy:

Commitments represent amounts the Group has contractually committed to pay third parties but do not yet represent a charge or asset. This gives an indication of committed future cash flows. Commitments are recognised in the balance sheet at the point of settlement subject to associated risks and rewards being transferred. Commitments at the year-end do not impact the Group's financial results for the year.

	Group 2025 due within 1 year £m	Group 2025 due between 2 and 5 years £m	Group 2025 due over 5 years £m	Group 2025 Total £m	Group 2024 due within 1 year £m	Group 2024 due between 2 and 5 years £m	Group 2024 due over 5 years £m	Group 2024 Total £m
Unquoted investments	7	–	–	7	8	–	–	8

	Company 2025 due within 1 year £m	Company 2025 due between 2 and 5 years £m	Company 2025 due over 5 years £m	Company 2025 Total £m	Company 2024 due within 1 year £m	Company 2024 due between 2 and 5 years £m	Company 2024 due over 5 years £m	Company 2024 Total £m
Unquoted investments	7	–	–	7	8	–	–	8

The amounts shown above include £7 million of commitments made by the Group and Company, to invest into funds (31 March 2024: £8 million). The Group and Company were contractually committed to these investments as at 31 March 2025.

24 Contingent liabilities

Accounting policy:

Contingent liabilities are potential liabilities where there is even greater uncertainty, which could include a dependency on events not within the Group's control, but where there is a possible obligation. Contingent liabilities are only disclosed and not included within the Consolidated statement of financial position.

At 31 March 2025, there was no (31 March 2024: no) material litigation outstanding, nor any other matter, against the Company or any of its subsidiary undertakings, which may indicate the existence of a contingent liability.

25 Retirement benefits

Accounting policy:

Payments to defined contribution retirement benefit plans are charged to profit and loss as they fall due.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit method with actuarial valuations being carried out at each balance sheet date. Interest on the net defined benefit asset/liability, calculated using the discount rate used to measure the defined benefit obligation, is recognised in profit and loss. Re-measurement gains or losses are recognised in full as they arise in other comprehensive income.

A retirement benefit deficit is recognised in the Consolidated statement of financial position to the extent that the present value of the defined benefit obligations exceeds the fair value of plan assets.

A retirement benefit surplus is recognised in the Consolidated statement of financial position where the fair value of plan assets exceeds the present value of the defined benefit obligations limited to the extent that the Group can benefit from that surplus. Where the retirement benefit scheme is in surplus, this is recognised net, being the lower of any surplus in the fund and the asset ceiling.

(i) Defined contribution plans

The Group operates a number of defined contribution retirement benefit plans for qualifying employees throughout the Group. The assets of these plans are held separately from those of the Group. The total expense recognised, in operating expenses, in profit and loss is £3 million (2024: £3 million), which represents the contributions paid to these defined contribution plans. There were no outstanding payments due to these plans at the balance sheet date.

(ii) Defined benefit plans

The Group operates a final salary defined benefit plan for qualifying employees of its subsidiaries in the UK ("the Plan"). The Plan is approved by HMRC for tax purposes, is operated separately from the Group and governed by an independent set of Trustees, whose appointment and powers are determined by the Plan's documentation.

The defined benefit plan is a funded scheme, the assets of which are independent of the Company's finances and administered by the Trustees. The Trustees are responsible for managing and investing the Plan's assets and for monitoring the Plan's funding position.

The Plan had previously entered into bulk annuity or "buy-in" policies which meant that the Plan benefits of all members were insured and 3i, as sponsor, is no longer exposed to longevity, interest or inflation risk. On an IAS 19 basis, the fair value of three buy-in policies matched the present value of the liabilities insured. During the year, the Plan completed a buy-out meaning that the buy-in policies were converted into individual annuity policies held in each Plan member's name, thereby fully removing the defined benefit obligation. This led to the full settlement of the pension obligation. We have therefore allowed for settlement accounting, with the value of the settlement derived as the value of the liability and corresponding insured asset as at the settlement date taken.

The Trustees formally commenced the wind-up of the Plan in April 2023 and have been working with 3i since then to resolve all outstanding matters to enable the Trustees to pay the surplus less Plan expenses and tax to 3i. The Plan's only remaining assets are those surplus assets that were not needed to complete the buy-out less expected wind-up costs.

The valuation of the Plan was updated on an IAS 19 basis by an independent qualified actuary as at 31 March 2025. The Plan's assets do not include any of the Group's own equity instruments nor any property in use by the Group.

Qualifying employees in Germany are entitled to a pension based on their length of service. The future liability calculated by German actuaries is £17 million (31 March 2024: £21 million). There is a £1 million expense (2024: £1 million) recognised in operating expenses, in profit and loss for the year and £2 million gain (2024: nil) in other comprehensive income for this scheme. Changes in the present value of the obligation, assumptions and sensitivities of this scheme have not been disclosed as they are not material.

The amount recognised in the Consolidated statement of financial position in respect of the Group's defined benefit plans is as follows:

	2025 £m	2024 £m
Present value of funded obligations	**–**	(446)
Fair value of the Plan assets	**85**	530
Asset restriction	**(22)**	(23)
Retirement benefit surplus in respect of the Plan	**63**	61
Retirement benefit deficit in respect of other defined benefit schemes	**(17)**	(21)

The total re-measurement gain recognised in other comprehensive income in respect of the Group's defined benefit plans was £4 million (2024: £7 million).

25 Retirement benefits continued

A retirement benefit surplus under IAS 19 is recognised in respect of the Plan on the basis that the Group is entitled to a refund of any remaining surplus once all benefits and expenses have been settled in the expected course. The asset restriction relates to tax that would be deducted at source in respect of a refund of the Plan surplus.

The amounts recognised in the Consolidated statement of comprehensive income in respect of the Plan are as follows:

	2025 £m	2024 £m
Included in interest payable		
Interest income on net defined benefit asset	**3**	3
Included in other comprehensive income		
Asset restriction	**2**	7
Total	**5**	10

Changes in the present value of the defined benefit obligation were as follows:

	2025 £m	2024 £m
Opening defined benefit obligation	**446**	450
Interest on Plan liabilities	**3**	21
Re-measurement gain/loss:		
– gain from change in financial assumptions	**(16)**	(16)
– experience loss	**1**	12
Benefits paid	**(4)**	(21)
Settlement	**(430)**	–
Closing defined benefit obligation	**–**	446

Changes in the fair value of the Plan assets were as follows:

	2025 £m	2024 £m
Opening fair value of the Plan assets	**530**	532
Interest on Plan assets	**7**	25
Actual return on Plan assets less interest on Plan assets	**(15)**	(4)
Expenses	**(3)**	(2)
Benefits paid	**(4)**	(21)
Settlement	**(430)**	–
Closing fair value of the Plan assets	**85**	530

The fair value of the Plan's assets at the balance sheet date is as follows:

	2025 £m	2024 £m
Annuity contracts	**–**	446
Cash and cash equivalents	**85**	84
	85	530

25 Retirement benefits continued

Changes in the asset restriction were as follows:

	2025 £m	2024 £m
Opening asset restriction	**23**	29
Interest on asset restriction	**1**	1
Re-measurements	**(2)**	(7)
Closing asset restriction	**22**	23

The principal assumptions made by the actuaries and used for the purpose of the year-end valuation of the Plan were as follows:

	2025	2024
Discount rate	**n/a**	4.8%
Expected rate of pension increases	**n/a**	0% to 3.5%
Retail Price Index ("RPI") inflation	**n/a**	3.4%
Consumer Price Index ("CPI") inflation	**n/a**	2.8%

The defined benefit surplus as at 31 March 2025, is not impacted by changes in principle assumptions and mortality assumptions, this is because the Plan has completed buy-out. The post-retirement mortality assumption used to value the benefit obligation at 31 March 2024 is 90% of the S3NA very light mortality tables, allowing for improvements in line with the CMI 2022 projections model with a long-term annual rate of improvement of 1.75%. A smoothing parameter of 7.5, initial addition parameter of 0.5% and default weight parameters have also been adopted.

26 Share-based payments

Accounting policy:

The Group has equity-settled and cash-settled share-based payment transactions with certain employees. Equity-settled schemes are measured at fair value at the date of grant, which is then recognised in profit or loss over the period that employees provide services, generally the period between the start of the performance period and the vesting date of the shares. The number of share awards expected to vest takes into account the likelihood that performance and service conditions included in the terms of the award will be met.

Fair value is measured by use of an appropriate model which takes into account the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the award and any other relevant factors. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of 3i Group plc. The charge is adjusted at each balance sheet date to reflect the actual number of forfeitures, cancellations and leavers during the year. The movement in cumulative charges since the previous balance sheet is recognised in profit and loss, with a corresponding entry in equity.

Liabilities arising from cash-settled share-based payment transactions are recognised in profit or loss over the vesting period. They are fair valued at each reporting date. The cost of cash-settled share-based payment transactions is adjusted for the forfeitures of the participants' rights that no longer meet the plan requirements as well as for early vesting.

The cost of the share-based payments is allocated either to operating expenses or carried interest depending on the original driver of the award. Executive Director Long-term Incentive Plans are allocated to operating expenses.

To ensure that employees' interests are aligned with shareholders, a significant amount of variable compensation paid to eligible employees is deferred into shares that vest over a number of years. For legal, regulatory or practical reasons certain participants may be granted cash-settled awards under these schemes, which are intended to replicate the financial effects of a share award without entitling the participant to acquire shares. The weighted average fair value grant price for cash-settled awards granted during the year was 2,926p (31 March 2024: 1,956p) and the reporting price for these awards at 31 March 2025 was 3,616 pence (31 March 2024: 2,809 pence). The carrying amount of liabilities arising from cash-settled awards at 31 March 2025 is £24 million (31 March 2024: £24 million). The total equity-settled share-based payment reserve at 31 March 2025 is £35 million (31 March 2024: £42 million).

The cost of the share-based payments is allocated either to operating expenses or carried interest depending on the original driver of the award. Executive Director Performance Share Awards are allocated to operating expenses.

26 Share-based payments continued

The total cost recognised in the Consolidated statement of comprehensive income is shown below:

	2025 £m	2024 £m
Share awards included as operating expenses[1,2]	**12**	11
Share awards included as carried interest[1]	**4**	16
Cash-settled share awards[3]	**12**	14
	28	41

1 Credited to equity.
2 For the year ended 31 March 2024, £9 million shown in Note 6 is net of a £2 million release from the bonus accrual.
3 For the year ended 31 March 2025, £11 million (2024: £13 million) is recognised in operating expenses and £1 million (2024: £1 million) is recognised in carried interest.

Movements in share awards

The number of equity and cash-settled share-based awards outstanding as at 31 March is as follows:

	2025 Number	2024 Number
Outstanding at the start of the year	**6,210,978**	6,277,107
Granted	**791,022**	2,336,288
Exercised	**(2,308,170)**	(2,387,539)
Forfeited	**(59,344)**	(14,878)
Lapsed	**–**	–
Outstanding at the end of year	**4,634,486**	6,210,978
Weighted average remaining contractual life of awards outstanding in years	**1.4**	1.7
Weighted average fair value of awards granted (pence)	**2,272**	1,708
Weighted average market price at date of exercise (pence)	**2,924**	1,953

Details of the different types of awards are as follows:

Performance Share Awards

Performance Share Awards are granted to employees and Executive Directors under the 3i Group Discretionary Share Plan 2020 (and predecessor rules).

Employees

Performance Share Awards granted to employees (other than Executive Directors) after the financial year-end are subject to performance conditions based on absolute and relative Total Shareholder Return over three financial years. Awards performance vest, to the extent they satisfy the performance conditions, following the three-year performance period and are then released in the third year from the date of grant together with a payment equal to the dividends which would have been paid on the released shares during the period from grant to release. The method of settlement can either be equity or cash depending on the type of award. The equity awards are measured using the Monte Carlo model. The model simulates the total shareholder return which has been incorporated into the fair value at grant date by applying a discount to the valuation obtained.

Executive Directors

Performance Share Awards granted to Executive Directors after the financial year-end are subject to performance conditions based on absolute and relative total shareholder return over three financial years. Awards performance vest, to the extent they satisfy the performance conditions, following the three-year performance period. Outstanding Executive Director awards granted up to and including 2019 are released, to the extent they have performance vested, together with a payment equal to the value of the dividends which would have been paid on the released shares during the period from grant to release as to 50% in year three and 25% in each of years four and five. Executive Director Performance Share Awards granted from 2020 onwards are released, to the extent they have performance vested, in the fifth year from the date of grant together with a payment equal to the value of the dividends that would have been paid on the released shares during the period from grant to release. The method of settlement is equity. These awards are measured using the Monte Carlo model. The model simulates the total shareholder return which has been incorporated into the fair value at the grant date by applying a discount to the valuation obtained. The features of the Group's share schemes for Executive Directors are described in the Directors' remuneration report on pages 135 to 147.

26 Share-based payments continued

Restricted Share Awards

Restricted Share Awards are granted under the 3i Group Deferred Bonus Plan 2020 (and predecessor rules) and are granted to employees and Executive Directors after the financial year-end and are subject to continued service conditions. The shares subject to the awards are transferred to the participants on grant subject to forfeiture if the service condition is not fulfilled and cease to be subject to forfeiture in equal proportions generally over the three years following grant or over four years in the case of certain such awards granted to members of the Executive Committee. Cash dividends are received by participants on the shares during the period in which they remain subject to forfeiture. The method of settlement can either be equity or cash depending on the type of award. The equity awards are measured using the Black Scholes model.

Infrastructure Performance Fee Share Awards

Infrastructure Performance Fee Share Awards are granted to employees in the Infrastructure team under the 3i Special Share Award Plan. Awards are granted to employees after the financial year-end and are subject to performance conditions based on receipt by 3i plc of certain instalments of performance fees payable by 3i Infrastructure plc under the terms of its Investment Management Agreement with 3i. The shares vest and are released, subject to satisfying the performance conditions, in equal instalments in the first and second years after grant together with payments equal to the value of the dividends which would have been paid on the released shares during the period from grant to release. If the performance condition is not met in year one, the award does not lapse but is retested in year two when some or all of the shares may vest. The method of settlement can either be equity or cash depending on the type of award. The equity awards are measured using the Black Scholes model.

Measurement of fair values

The fair values of the plans have been measured using either the Monte Carlo model or Black Scholes model for equity share awards. The inputs used in the measurement of the grants are based on the following assumptions:

	Monte Carlo model		Black Scholes	
	2025	2024	**2025**	2024
Share price at grant date (pence)[1]	**2,996**	1,943	**2,926**	1,956
Fair value at grant date (pence)[1]	**1,753**	1,290	**2,749**	1,803
Exercise price (pence)	**–**	–	**–**	–
Expected volatility (weighted average)	**27.1%**	28.2%	**27.7%**	30.8%
Expected life (weighted average)	**4 years**	4 years	**3 years**	3 years
Dividend yield	**–**	–	**2.1%**	2.7%
Risk free interest rate	**4.25%**	4.70%	**4.08%**	4.36%

1 Where share awards are granted on multiple dates the average price is disclosed.

Expected volatility was determined by reviewing share price volatility for the expected life of each award up to the date of grant.

Holdings of 3i Group plc shares

The Group has established an employee benefit trust and the total number of 3i Group plc shares held in this trust at 31 March 2025 was 8 million (31 March 2024: 9 million). Dividend rights have been waived on these shares. The total market value of the shares held in trust based on the year-end share price of 3,616 pence (31 March 2024: 2,809 pence) was £289 million (31 March 2024: £253 million).

27 Financial risk management

Introduction

A review of the Group's objectives, policies and processes for managing and monitoring risk is set out in the Risk management section on pages 80 to 93. This Note provides further detail on financial risk management, cross-referring to the Risk management section where applicable, and includes quantitative data on specific financial risks.

The Group is a highly selective investor and each investment is subject to an individual risk assessment through an investment approval process. The Group's Investment Committee is part of the overall risk management framework set out in the Risk section. The risk management processes of the Company are aligned with those of the Group and both the Group and the Company share the same financial risks.

Financial risks

Concentration risk

3i's investment process seeks to diversify risk through significant dispersion of investments by geography, economic sector, asset class and size as well as through the maturity profile of its investment portfolio. Although 3i does not set maximum limits for asset allocation, it does have a maximum exposure limit for the cost of new investments. This is detailed in the Investment policy on page 148 in the Governance section. Quantitative data regarding the concentration risk of the portfolio across geographies can be found in the Segmental analysis in Note 1 and in the 20 large investments table on pages 209 and 210.

Action is the largest asset in the Group's investment portfolio. We first invested in Action in 2011 and throughout our investment have acquired further stakes in the business seeing strong organic growth over our hold period. A 5% increase or decrease in value would result in a £892 million (31 March 2024: £708 million) or £(892) million (31 March 2024: £(708) million) impact on the overall value. For further details on Action refer to the Action case study on pages 20 to 23.

Credit risk

The Group is subject to credit risk on its unquoted investments, derivatives, cash and deposits. The maximum exposure is the balance sheet amount. The Group's cash is held with a variety of counterparties with a minimum rating above A- with 91% of the Group's unrestricted surplus cash held on demand in AAA rated money market funds (31 March 2024: 75%). The counterparties selected for the derivative financial instruments were all banks with a minimum of a A- credit rating with at least one major rating agency.

The credit quality of unquoted investments, which are held at fair value and include debt and equity elements, is based on the financial performance of the individual portfolio companies. The credit risk relating to these assets is based on their enterprise value and is reflected through fair value movements. Further detail can be found in the Price risk – market fluctuations disclosure in this Note and the sensitivity disclosure to changes in the valuation assumptions is provided in the valuation section of Note 13.

Liquidity risk

The liquidity outlook is monitored at least monthly by management and regularly by the Board in the context of periodic strategic reviews of the balance sheet. The new investment pipeline and forecast realisations are closely monitored and assessed against our vintage control policy, as described on page 80 of the Risk management section. The table below analyses the maturity of the Group's gross contractual liabilities.

Financial liabilities

As at 31 March 2025	Due within 1 year £m	Due between 1 and 2 years £m	Due between 2 and 5 years £m	Due more than 5 years £m	£m Total £m
Gross commitments:					
Fixed loan notes	56	56	591	998	1,701
Committed multi-currency facility	2	2	–	–	4
Carried interest and performance fees payable within one year	12	–	–	–	12
Trade and other payables	133	–	–	6	139
Lease liabilities	3	5	16	21	45
Derivative financial instruments	–	–	4	–	4
Total	**206**	**63**	**611**	**1,025**	**1,905**

Gross commitments include principal amounts and interest and fees where relevant. Carried interest and performance fees payable within non-current liabilities of £29 million (31 March 2024: £30 million) has no stated maturity as it results from investment-related transactions and it is not possible to identify with certainty the timing of when the investments will be sold.

27 Financial risk management continued

As at 31 March 2024	Due within 1 year £m	Due between 1 and 2 years £m	Due between 2 and 5 years £m	Due more than 5 years £m	£m Total £m
Gross commitments:					
Fixed loan notes	56	56	172	1,482	1,766
Committed multi-currency facility	2	2	2	–	6
Carried interest and performance fees payable within one year	24	–	–	–	24
Trade and other payables	134	–	–	5	139
Lease liabilities	4	3	15	27	49
Derivative financial instruments	–	–	–	–	–
Total	220	61	189	1,514	1,984

The Company disclosures are the same as those for the Group, with the following exceptions: carried interest and performance fees payable due within one year is nil (31 March 2024: nil), trade and other payables due within one year is £75 million (31 March 2024: £760 million), trade and other payables due more than five years nil (31 March 2024: nil) and lease liabilities due within one year nil (31 March 2024: nil), lease liabilities due between one and two years nil (31 March 2024: nil), lease liabilities due between two and five years nil (31 March 2024: nil) and lease liabilities due more than five years nil (31 March 2024: nil).

Market risk

The valuation of the Group's investment portfolio is largely dependent on the underlying trading performance of the companies within the portfolio, but the valuation and other items in the financial statements can also be affected by interest rate, currency and quoted market fluctuations. The Group's sensitivity to these items is set out below.

(i) Interest rate risk

On the liability side, the direct impact of a movement in interest rates is limited to any drawings under the committed multi-currency facility as the Group's outstanding debt is fixed rate. The sensitivities below arise principally from changes in interest receivable on cash and deposits.

An increase of 100 basis points, based on the closing balance sheet position over a 12-month period, would lead to an approximate increase in total comprehensive income of £4 million (2024: £4 million) for the Group and £4 million (2024: £3 million) for the Company. In addition, the Group and Company have indirect exposure to interest rates through changes to the financial performance and the valuation of portfolio companies caused by interest rate fluctuations.

(ii) Currency risk

The Group's net assets in sterling, euro, US dollar, Danish krone and all other currencies combined are shown in the table below. This sensitivity analysis is performed based on the sensitivity of the Group's net assets to movements in foreign currency exchange rates assuming a 10% movement in exchange rates against sterling. The sensitivity of the Company to foreign exchange risk is not materially different from the Group.

The Group considers currency risk on specific investment and realisation transactions. Further information on how currency risk is managed is provided on page 89.

As at 31 March 2025	**Sterling £m**	**Euro £m**	**US dollar £m**	**Danish krone £m**	**Other £m**	**Total £m**
Net assets[1]	**4,942**	**18,257**	**1,211**	**177**	**24**	**24,611**
Sensitivity analysis						
Assuming a 10% movement in exchange rates against sterling:						
Impact on net assets	**n/a**	**1,825**	**120**	**18**	**2**	**1,965**

1 The Group's foreign exchange hedging is treated as a sterling asset within the above table.

As at 31 March 2024	Sterling £m	Euro £m	US dollar £m	Danish krone £m	Other £m	Total £m
Net assets[1]	4,817	13,947	1,180	200	26	20,170
Sensitivity analysis						
Assuming a 10% movement in exchange rates against sterling:						
Impact on net assets	n/a	1,399	117	20	3	1,539

1 The Group's foreign exchange hedging is treated as a sterling asset within the above table.

27 Financial risk management continued

(iii) Price risk – market fluctuations

The Group's management of price risk, which arises primarily from quoted and unquoted equity instruments, is through the careful consideration of the investment, asset management and divestment decisions at the Investment Committee. The Investment Committee's role in risk management is detailed on page 82 in the Risk management section. A 5% change in the fair value of those investments would have the following direct impact in profit or loss:

Group	Quoted investment £m	Unquoted investment £m	Investment in Investment entity subsidiaries £m	Total £m
At 31 March 2025	**43**	**875**	**346**	**1,264**
At 31 March 2024	44	710	290	1,044

Company	Quoted investment £m	Unquoted investment £m	Total £m
At 31 March 2025	**43**	**875**	**918**
At 31 March 2024	44	710	754

28 Related parties and interests in other entities

The Group has various related parties stemming from relationships with limited partnerships managed by the Group, its investment portfolio (including unconsolidated subsidiaries), its advisory arrangements and its key management personnel. In addition, the Company has related parties in respect of its subsidiaries. Some of these subsidiaries are held at fair value (unconsolidated subsidiaries) due to the treatment prescribed in IFRS 10.

Related parties

Advisory and management arrangements

The Group acted as Investment Manager to 3iN, which is listed on the London Stock Exchange, for the year to 31 March 2025. The following amounts have been recognised in respect of the management relationship:

Statement of comprehensive income	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Unrealised loss/profits on the revaluation of investments	**(23)**	38	**(23)**	38
Fees receivable from external funds	**51**	50	**–**	–
Performance fees receivable	**29**	41	**–**	–
Dividends	**33**	31	**33**	31

Controlled investments

The Group makes investments in the equity of both unquoted and quoted investments which it controls. Control is obtained when the Group is exposed to, or has rights to variable returns and has the ability to use its power to affect these returns. When this occurs, the Group deems these investments to be an accounting subsidiaries under IFRS 10 and recognises them at fair value through profit or loss. Material transactions during the year with controlled investments include £1,164 million (2024: £762 million) of proceeds received from Action's pro-rata capital share redemption and £433 million (2024: £377 million) dividends received from Action.

Associates

The Group makes investments in the equity of both unquoted and quoted investments where it does not have control, but may be able to participate in the financial and operating policies of that company. IFRS presumes that it is possible to exert significant influence when the equity holding is greater than 20%. The Group has taken the investment entity exception, as permitted by IFRS 10, and has not equity accounted for these investments, in accordance with IAS 28, but they are related parties. There are no material transactions with associates in the year (2024: none).

Limited partnerships

The Group manages a number of external funds which invest through limited partnerships. Group companies act as the general partners of these limited partnerships and exert significant influence over them. There were no material transactions in respect of these limited partnerships in the year (2024: none).

28 Related parties and interests in other entities continued

Subsidiaries

The Group consists of the parent Company 3i Group plc and its subsidiaries listed in Note 29. All transactions between the Company and its fully consolidated subsidiaries, which are related parties of the Company, are eliminated on consolidation. Material related party transactions between the Company and its subsidiaries include drawdowns and distributions, subsidiary transfers and dividends.

During the year, the Company received £1,039 million from fellow subsidiaries (2024: £788 million) and paid £1,941 million to fellow subsidiaries (2024: £1,013 million).

During the year, the Company disposed of its equity investment in 3i Abaco ApS a fellow subsidiary for £516 million. A fellow subsidiary of the Group acquired the shares of 3i Abaco ApS in settlement of amounts due to subsidiaries, refer to Note 18 for further details.

The Company received dividends of £142 million (2024: £49 million) from fellow subsidiaries.

Key management personnel

The Group's key management personnel comprise the members of the Executive Committee and the Board's non-executive Directors. The following amounts have been included in respect of these individuals:

Statement of comprehensive income	**Group 2025 £m**	Group 2024 £m
Salaries, fees, supplements and benefits in kind	**6**	6
Cash bonuses	**3**	2
Carried interest and performance fees payable	**4**	31
Share-based payments	**9**	11
Termination payments	**–**	–

Statement of financial position	**Group 2025 £m**	Group 2024 £m
Bonuses and share-based payments	**22**	18
Carried interest and performance fees payable within one year	**5**	38
Carried interest and performance fees payable after one year	**13**	30

No carried interest and performance fees payable is paid or accrued for the Executive or non-executive Directors, as they do not participate in these schemes. Carried interest and performance fees paid in the year to other key management personnel was £20 million (2024: £58 million). Simon Borrows and Jasi Halai are members of key management personnel for both 3i Group plc and Peer Holding I B.V., the Dutch holding company for the Group's investment in Action. In accordance with IAS 24, they are considered related parties. Neither of them received any remuneration from Action during the year (2024: none).

Unconsolidated structured entities

The application of IFRS 12 requires additional disclosure on the Group's exposure to unconsolidated structured entities. The Group has exposure to a number of unconsolidated structured entities, as a result of its investment activities across its Private Equity and Infrastructure business lines.

The Group manages a number of closed-end limited partnerships, which are either Private Equity or Infrastructure focused. The purpose of these partnerships is to invest in Private Equity or Infrastructure investments for capital appreciation. Limited Partners, which in some cases may include the Group, finance these entities by committing capital to them and cash is drawn down or distributed for financing investment activity. The Group's attributable stakes in these entities are held at fair value, fees receivable are recognised on an accruals basis and carried interest is accrued when relevant performance hurdles are met. The carrying amount and maximum loss exposure for these entities is not material (2024: not material).

29 Subsidiaries and related undertakings

IFRS 10 deems control, as opposed to equity ownership, as the key factor when determining what meets the definition of a subsidiary. If a group is exposed to, or has rights to, variable returns from its involvement with the investee, then under IFRS 10 it has control. This is inconsistent with the UK's Companies Act 2006, where voting rights being greater than 50% is the key factor when identifying subsidiaries.

Under IFRS 10, 35 of the Group's portfolio company investments are considered to be accounting subsidiaries. As the Group applies the investment entity exception available under IFRS 10, these investee companies are classified as investment entity subsidiaries.

The Companies Act 2006 requires disclosure of certain information about the Group's related undertakings. 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 Group's assets.

The Company's related undertakings at 31 March 2025 are listed below:

Description	Holding/share class	Footnote
Subsidiaries		
3i Holdings plc	100% ordinary shares	1
3i Investments plc	100% ordinary shares	1
3i plc	100% ordinary shares	1
3i International Holdings	100% ordinary shares	1
Investors in Industry plc	100% ordinary shares/ cumulative preference shares	1
3i Corporation	100% ordinary shares	2
3i Deutschland Gesellschaft für Industriebeteiligungen mbH	100% ordinary shares	4
Gardens Nominees Limited	100% ordinary shares	1
Gardens Pension Trustees Limited	100% ordinary shares	1
3i Europe plc	100% ordinary shares	1
3i Nominees Limited	100% ordinary shares	1
3i Osprey GP Limited	100% ordinary shares	1
3i Nordic plc	100% ordinary shares	1
3i GP 2004 Limited	100% ordinary shares	3
3i Ademas LP	100% partnership interest	3
The 3i Group Employee Trust	n/a	6
3i International Services plc	100% ordinary shares	1
3i EFV Nominees A Limited	100% ordinary shares	1
3i EFV Nominees B Limited	100% ordinary shares	1
3i India Private Limited	100% ordinary shares	7
3i Sports Media (Mauritius) Limited	100% ordinary shares	8
3i EFV GP Limited	100% ordinary shares	1
IIF SLP GP Limited	100% ordinary shares	3
3i Buyouts 2010 A LP	85% partnership interest	1
3i Buyouts 2010 B LP	79% partnership interest	1
3i Buyouts 2010 C LP	60% partnership interest	1
GP CCC 2010 Limited	100% ordinary shares	3
3i GC GP Limited	100% ordinary shares	1
3i GP 2010 Limited	100% ordinary shares	1
3i Growth Capital A LP	100% partnership interest	1
3i Growth Capital G LP	100% partnership interest	1
3i Growth 2010 LP	85% partnership interest	1
Strategic Investments FM (Mauritius) Alpha Limited	70% ordinary shares	8
3i GC Nominees A Limited	100% ordinary shares	1

Description	Holding/share class	Footnote
3i GC Nominees B Limited	100% ordinary shares	1
3i India Infrastructure Fund B LP	99% partnership interest	1
3i 2004 GmbH & Co. KG	100% partnership interest	4
3i General Partner 2004 GmbH	100% ordinary shares	4
3i PE 2013-16 A LP	100% partnership interest	1
3i PE 2013-16 C LP	100% partnership interest	1
3i GP 2013 Ltd	100% ordinary shares	1
GP 2013 Ltd	100% ordinary shares	3
BAM General Partner Limited	100% ordinary shares	1
3i PE 2016-19 A LP	100% partnership interest	1
3i Managed Infrastructure Acquisitions GP (2017) LLP	100% partnership interest	1
3i Managed Infrastructure Acquisitions GP Limited	100% ordinary shares	1
3i 2016 GmbH & Co. KG	100% partnership interest	4
GP 2016 Limited	100% ordinary shares	3
3i GP 2016 Limited	100% ordinary shares	1
3i SCI Holdings Limited	100% ordinary shares	1
3i North American Infrastructure Partners, LLC	100% equity units	26
3i Abaco ApS	100% ordinary shares	23
3i Investments (Luxembourg) S.A.	100% ordinary shares	10
3i 2019-22 DLP SCSp	100% partnership interest	10
3i PE 2019-22 A LP	100% partnership interest	1
3i PE 2019-22 B LP	100% partnership interest	1
3i PE 2019-22 Warehouse LP	100% partnership interest	3
3i 2020 Co-investment LP	100% partnership interest	3
3i GP 2019 Limited	100% ordinary shares	1
3i GP 2020 Limited	100% ordinary shares	3
3i GP 2019 s.a.r.l	100% ordinary shares	10
3i GP 2019 (Scots) Limited	100% ordinary shares	3
3i 2020 Co-investment GP s.a.r.l	100% ordinary shares	10
3i France SAS	100% ordinary shares	16
3i IP Acquisitions Limited	100% ordinary shares	1
3i IP Acquisitions GP LLP	100% partnership interest	1
3i IIF GP 2020 Limited	100% ordinary shares	1
3i IIF GP LLP	100% partnership interest	1

29 Subsidiaries and related undertakings continued

Description	Holding/share class	Footnote
3i Benelux B.V.	100% ordinary shares	12
3i Mountain LP	99% partnership interest	3
3i NAI Holdings GP Limited	100% ordinary shares	3
3i PE 2022-25 A LP	100% partnership interest	1
3i PE 2022-25 B LP	100% partnership interest	1
3i GP 2022 Limited	100% ordinary shares	1
3i GP 2022 (Scots) Limited	100% ordinary shares	3
3i PE 2022-25 A (Lux) SCSp	99% partnership interest	10
3i PE 2022-25 B (Lux) SCSp	99% partnership interest	10
3i GP 2022 s.a.r.l	100% ordinary shares	10
3i North American Infrastructure Fund A LP	100% partnership interest	26
3i NAI Holdings LP	100% partnership interest	3
3i North American Infrastructure GP, LLC	100% equity units	26
3i ECW Coinvest GP, LLC	100% equity units	26
3i European Mid-Market Infrastructure GP (2024) Limited	100% ordinary shares	1
3i RR Coinvest GP, LLC	100% equity units	26
3i Aura GP (2022) Limited	100% ordinary shares	1
3i Zephyr GP (2022) Limited	100% ordinary shares	1
3i Infra GP 2022 (Scots) Limited	100% ordinary shares	3
3i Infra 2022 Warehouse LP	100% partnership interest	3
3i 2023 Co-investment LP	100% partnership interest	1
3i MME Coinvest GP, LLC	100% equity units	26
3i NAI Warehouse LP	100% partnership interest	26
3i NAI Warehouse GP LLC	100% equity units	26
3i 2024 Sapphire LP	100% partnership interest	1
3i PE 2025-28 A LP	100% partnership interest	1
3i PE 2025-28 B LP	100% partnership interest	1
3i PE 2025-28 C LP	100% partnership interest	1
3i PE 2025-28 A (Lux) SCSp	100% partnership interest	10
3i PE 2025-28 B (Lux) SCSp	100% partnership interest	10

Associates

Description	Holding/share class	Footnote
3i Growth Carry A LP	25% partnership interest	3
3i Growth Carry B LP	25% partnership interest	3
Strategic Investments FM (Mauritius) B Limited	36% ordinary shares	8
3i Growth Capital B LP	36% partnership interest	1
3i 2020 Co-investment 1 SCSp	31% partnership interest	10
3i 2020 Co-Investment 2 SCSp	27% partnership interest	10
3i 2020 Co-Investment 4 SCSp	43% partnership interest	10
Moon Topco GmbH	49% ordinary shares	13
Layout Holdco A/S	49% ordinary shares	14
Boketto Holdco Limited	47% ordinary shares	15
Klara HoldCo S.A.	43% ordinary shares	10
Shield Holdco LLC	49% equity units	2
Q Holdco Limited	42% ordinary shares	18
3i Infrastructure plc	29% ordinary shares	17
Peer Holding I B.V.	49% ordinary shares	19
AES Engineering Limited	43% ordinary shares	20
Carter Thermal Industries Limited	32% ordinary shares	21
Harper Topco Limited	42% ordinary shares	22
Orange County Fundo de Investmento EM Participacoes	40% equity units	25
Tato Holdings Limited	27% ordinary shares	27
Nimbus Communications Ltd	30% ordinary shares	28
Aurela TopCo GmbH	49% ordinary shares	5
C Medical Holdco, LLC	49% equity units	2
Crown Holdco B.V.	49% ordinary shares	40
3i India Infrastructure Holdings Ltd	21% ordinary shares	8
Racing Topco GmbH	49% ordinary shares	24
Panda Holdco LLC	49% equity units	44
Scandlines Infrastructure ApS	35% ordinary shares	29
Alinghi 1 S.A.S	49% ordinary shares	11
SaniSure Holdings GP LLC	49% equity units	2
New Amsterdam Software GP LLC	49% equity units	30
Garden & House International GmbH	36% ordinary shares	31
T&J Holdco Limited	49% ordinary shares	9
WHCG GP LLC	49% equity units	30
Hydra Holdco B.V.	49% ordinary shares	38
European Bakery Group B.V.	49% ordinary shares	39
Himalaya Topco B.V.	46% ordinary shares	37
MAIT Group GmbH	49% ordinary shares	32
Ten23 Health GP LLC	49% equity units	30
George Topco Limited	49% ordinary shares	33
xSuite Top Holding GmbH	49% ordinary shares	34
Balearia Topco B.V.	49% ordinary shares	35
Kite Topco ApS	49% ordinary shares	36
Pegase 1 SAS	49% ordinary shares	41
Aqua Topco Limited	49% ordinary shares	42
Marathon TopCo GmbH	49% ordinary shares	43

29 Subsidiaries and related undertakings continued

There are no joint ventures or other significant holdings. The 20 large portfolio companies by fair value are detailed on pages 209 and 210. The combination of the table above and that on pages 209 and 210 is deemed by the Directors to fulfil the requirements under IFRS 12 on the disclosure of material subsidiaries.

Footnote	Address
1	1 Knightsbridge, London, SW1X 7LX, UK
2	300 Park Avenue, 23rd Fl, New York, NY 10022, USA
3	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, UK
4	OpernTurm, Bockenheimer Landstresse 2-4, 60306 Frankfurt am Main, Germany
5	Seelbüde 13, 36110 Schlitz, Germany
6	13 Castle Street, St Helier, JE1 1ES, Jersey
7	Level 7, The Capital B-Wing, Bandra Kurla Complex, Bandra East, Mumbai, 400051, India
8	5th Floor, Ebene Esplanade, 24 Bank Street, Cybercity, Ebene, Mauritius
9	Floor 2, Trident 3, Trident Business Park, Styal Road, Manchester, M22 5XB, UK
10	5 place de la gare, L-1616, Luxembourg
11	16 place de l'Iris, 92 400 Courbevoie, France
12	Cornelis Schuytstraat 74, 1071JL Amsterdam, Netherlands
13	Einsteinring 10, 85609 Aschheim, Germany
14	Mørupvej 16 Mørup, 7400 Herning, Denmark
15	New Mill, New Mill Lane, Witney, Oxfordshire, OX29 9SX, UK
16	29-31, rue de Berri, 75008 Paris, France
17	Aztec Group House, IFC 6, The Esplanade, St. Helier, JE2 3BZ, Jersey
18	1 Bartholomew Lane, London, EC2N 2AX, UK
19	Perenmarkt 15, Zwaagdijk East, 1681PG, Netherlands
20	Bradmarsh Business Park, Mill Close, Rotherham, South Yorkshire, S60 1BZ, UK
21	90 Lea Ford Road, Birmingham, B33 9TX, UK
22	25 Eccleston Place, London, SW1W 9NF, UK
23	Nybrogade 12, 1203 Copenhagen, Denmark
24	Schanzenstr. 6-20, Gebäude 2.08, 51063 Cologne, Germany
25	Avenida Brigadeiro Faria Lima, 2055, 19 andar, 01452-001 – Sao Paulo, SP, Brazil
26	Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, Delaware, DE 19801, USA
27	Thor Specialities (UK) Limited, Wincham Avenue, Wincham, Northwich, CW9 6GB, UK
28	44 Oberoi Complex, Andheri (West), Mumbai, India
29	Havneholmen 25, 8.,1561 Copenhagen, Denmark
30	251 Little Falls Drive, Wilmington, New Castle, Delaware, DE 19808, USA
31	Bahrenfelder Chaussee 49, 22761, Hamburg, Germany
32	Berner Feld 10, 78628 Rottweil, Germany
33	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG, UK
34	Hamburger Str. 12, 22926 Ahrensburg, Germany
35	Herengracht 262, 1016 BV Amsterdam, Netherlands
36	Kuglegårdsvej 13-17, Building 13 | 1434 Copenhagen, Denmark
37	Aalsvoort 101, 7241 MB Lochem, Netherlands
38	Weidehek 46, 4824 AS Breda, Netherlands
39	Kronosstraat 2, 5048 CE Tilburg, Netherlands
40	Industriepark Vliedberg 12, 5251 RG Vlijmen, Netherlands
41	199 Bureaux de la Colline, Saint Cloud 92210 France
42	c/o Streets, Suite 43 Michael Way, Raunds, Wellingborough, NN9 6GR, UK
43	c/o Meissner Schäfer Thomas Steuerberater Partnerschaftsgesellschaft, Stephanstraße, Frankfurt am Main 60313, Germany
44	18801 North Thompson Peak Parkway Suite D-320, Scottsdale, AZ 85255, USA

KPMG LLP's independent auditor's report

to the members of 3i Group plc

1. Our opinion is unmodified

In our opinion:

- the financial statements of 3i Group plc give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2025, and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What our opinion covers

We have audited the Group and Parent Company financial statements of 3i Group plc ("the Company") for the year ended 31 March 2025 (FY2025) included in the Annual Report and Accounts, which comprise:

Group (3i Group plc and its subsidiaries)	Parent Company (3i Group plc)
Consolidated statement of comprehensive income	Company statement of financial position
Consolidated statement of financial position	Company statement of changes in equity
Consolidated statement of changes in equity	Company cash flow statement
Consolidated cash flow statement	Notes to the accounts, including the summary of material accounting policies
Notes to the accounts, including the summary of material accounting policies	

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 believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit and Compliance Committee ("ACC").

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with UK ethical requirements, including the FRC Ethical Standard as applied to listed public interest entities.

2. Overview of our audit

Factors driving our view of risks

Following our FY2024 audit, we have updated our risk assessment based on changes in the Group and the macroeconomic environment.

The global macro-economic and geopolitical environment continues to drive our risk assessment as it has the potential to impact both the performance of the portfolio companies, and the equity markets.

The macro-economic environment stabilised in 2024, with interest rates across most major economies having seen small reductions and inflation slowly trending towards central bank target levels. Since early 2025, there has been downward pressure and volatility in the global equity markets, primarily driven by the US political environment.

In addition, since March 2025, the US government announced a series of new tariffs against all major economies globally. Although some of the tariff arrangements are currently on hold, the tariffs have a multifaceted impact on businesses globally and resulted in significant volatility in the equity markets in early April 2025.

The Group's largest investment, Action, has continued its strong performance, driven by new store openings, growth in like-for-like sales, and a focus on margin management. The rest of the portfolio companies delivered differing levels of performance, with some requiring additional support from 3i.

The volatility in the equity markets also impacted the valuations of both listed and unlisted equity. The direct impact for 3i includes the volatility in the multiples and discount rates used to value portfolio companies.

Last year we identified the risk associated with the valuation of unquoted investments to be heightened, due to the challenging macro-economic environment. Whilst we noted improvements in 2024, the market volatility and US tariff situation in early 2025 has resulted in judgement required from the Group in their selection of appropriate valuation inputs, particularly the key assumptions used. These key assumptions continue to be the focus of our audit and are outlined in greater detail in section 4.

In the prior period, we identified the carried interest payable included in investment entity subsidiaries as an area where the risk of material misstatement was heightened. Following the reduction in the size of the balance, primarily driven by crystallisations in carried interest schemes relating to Action, we have not assessed this as an area with heightened audit risks this year.

Key Audit Matters (Group and Parent Company)	Vs FY2024	Items
Valuation of Unquoted Investments (Group and Parent Company)	↔	4.1

⊕ Newly identified risk
↑ Increase in risk since FY2024
↔ Similar risk to FY2024
↓ Decrease in risk since FY2024

KPMG LLP's independent auditor's report to the members of 3i Group plc continued

Audit and compliance committee interaction

During the year, the ACC met 6 times. KPMG are invited to attend all ACC meetings and are provided with an opportunity to meet with the ACC in private sessions without the Executive Directors being present. For the Key Audit Matter, we have set out communications with the ACC in section 4, including matters that required particular judgement.

The matters included in the Audit and Compliance Committee Chair's report on page 121 are materially consistent with our observations of those meetings.

Our independence

We have fulfilled our ethical responsibilities and remain independent of the Group in accordance with UK ethical requirements, including the FRC Ethical Standard as applied to listed public interest entities.

We have not performed any non-audit services during the year ended 31 March 2025 or subsequently which are prohibited by the FRC Ethical Standard.

We were first appointed as auditor by the shareholders for the year ended 31 March 2021. The period of total uninterrupted engagement is for the five financial years ended 31 March 2025.

The Group engagement partner is required to rotate every 5 years. As these are the fifth set of the Group's financial statements signed by Jonathan Mills, he will be required to rotate off after this year's audit.

Total audit fee	£2.4m (FY2024: £2.4m)
Audit related fees (including interim review)	£0.4m (FY2024: £0.4m)
Non-audit fee as a % of total audit and audit related fee %	14% (FY2024: 14%)
Date first appointed	25 June 2020
Uninterrupted audit tenure	5 years
Next financial period which requires a tender	31 March 2031
Tenure of Group engagement partner	5 years

Materiality (item 6 below)

The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

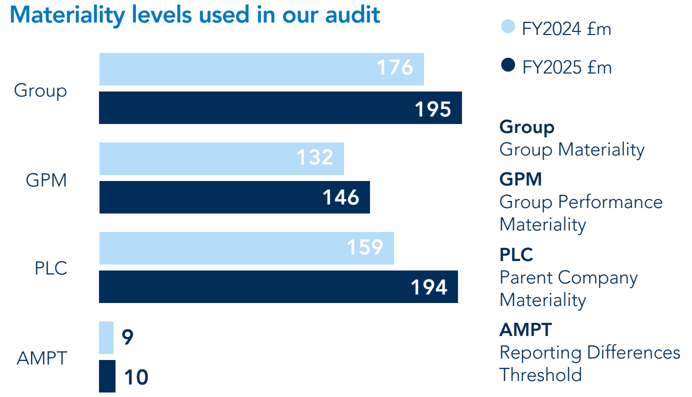
We have determined overall materiality for the Group financial statements as a whole at £195m (FY2024: £176m) and for the Parent Company financial statements as a whole at £194m (FY2024: £159m).

A key judgement in determining materiality was the most relevant metric to select as the benchmark, by considering which metrics have the greatest bearing on shareholder decisions.

Consistent with FY2024, we determined that Total Assets remains the benchmark for the Group as the valuation of the investment portfolio remains the key financial measure. As such, we based our Group materiality on Total Assets, of which it represents 0.75% (FY2024: 0.8%).

Materiality for the Parent Company financial statements was determined with reference to a benchmark of Parent Company Total Assets of which it represents 0.76% (FY2024: 0.75%).

Materiality levels used in our audit



Group scope (item 7 below)

We have performed risk assessment and planning procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements.

We identified the group as a whole to be a single component, having considered our evaluation of the Group's operational structure, the Group's legal structure, the existence of common information systems, and our ability to perform audit procedures centrally.

Accordingly, we performed audit procedures on the single component. All procedures were performed by the Group team.

We consider the scope of our audit, as communicated to the Audit and Compliance Committee, to be an appropriate basis for our audit opinion.

The impact of climate change on our audit

In planning our audit, we have considered the potential impacts of climate change on the Group's business and its financial statements.

Climate change impacts the Group in a variety of ways including the impact of climate risk on investment valuations, potential reputational risk associated with the Group's delivery of its climate related initiatives, and greater emphasis on climate related narrative and disclosure in the annual report.

The Group's exposure to climate change is primarily through the portfolio companies, as the key valuation assumptions and estimates may be impacted by climate change risks.

We have performed a risk assessment of how the impact of climate change may affect the financial statements and our audit, in particular over the valuation of portfolio companies. Our assessment of the impact of climate change was limited to the valuation of unquoted investments.

For the biggest asset in the portfolio, Action, we read the company's sustainability report to understand the climate change risks and considered the impact on its valuation. On the basis of the risk assessment procedures performed above, we concluded that, while climate change posed a risk to the determination of the valuation of portfolio companies due to the potential impact on the maintainability of valuation earnings or free cash flow forecasts, the risk was not significant when we considered the portfolio of investments. As a result, there was no material impact from this on our key audit matter.

We have also read the disclosure of climate related information in the front half of the annual report as set out on pages 58 to 68 and considered consistency with the financial statements and our audit knowledge. We have not been engaged to provide assurance over the accuracy of these disclosures.

KPMG LLP's independent auditor's report to the members of 3i Group plc continued

3. Going concern, viability and principal risks and uncertainties

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and they have concluded that the Group's and the Parent 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 their 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").

Going concern

We used our knowledge of the Group and Parent Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Parent Company's available financial resources over this period were:

- Continued geopolitical tension and/or macro-economic downturn impacting the performance of portfolio companies, which may require the Group to provide further liquidity support, reduce dividend income and result in delays to the realisation of the Group's investments;
- A material downturn in performance of the Group's largest portfolio company, Action, resulting in a reduction in dividends or even requiring liquidity support; and
- A combination of the two scenarios.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group's financial forecasts. Our procedures also included an assessment of whether the going concern disclosure in Accounting Policy A to the financial statements gives a complete and accurate description of the Directors' assessment of going concern.

Accordingly, based on those procedures, we found the Directors' use of the going concern basis of accounting without any material uncertainty for the Group and Parent Company to be acceptable.

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 Group or the Parent Company will continue in operation.

Our conclusions

- 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 Group's or Parent Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the Directors' statement in Accounting Policy A to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure in Accounting Policy A to be acceptable; and
- The related statement under the Listing Rules set out on page 148 is materially consistent with the financial statements and our audit knowledge.

Disclosures of emerging and principal risks and longer-term viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Principal risks and mitigations statement that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal risks and mitigations disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability statement set out on pages 128 and 129 under the Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. 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 absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

KPMG LLP's independent auditor's report to the members of 3i Group plc continued

4. Key audit matters

What we mean

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

We include below the Key Audit Matter together with our key audit procedures to address that matter and our results from those procedures.

This matter was addressed, and our results are based on procedures undertaken, for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on this matter.

4.1 Valuation of unquoted investments (Group and Parent Company)

Financial Statement Elements	FY2025	FY2024
Unquoted investments – Group and parent	£17,500m	£14,193m
Investments in investment entity subsidiaries	£6,916m	£5,804m
Interests in group entities – Parent Company,	£6,385m	£5,804m

Our assessment of risk vs FY2024

Our assessment of the risk is similar to FY2024.

Our results

FY2025: Acceptable

FY2024: Acceptable

Description of the Key Audit Matter

Subjective valuation

The investment portfolio comprises a number of unquoted investments. As these investments are unquoted and illiquid, the fair value is determined through the application of valuation techniques, which requires the exercise of significant judgement by the Group and Parent Company in relation to the assumptions and inputs into the respective models.

The valuations of unquoted financial instruments are considered to have a significant risk due to fraud or error as they are driven by significant unobservable inputs, which present an opportunity for misstatement of financial statements due to significant judgement and related estimation uncertainty.

The key areas where we identified greater levels of judgement and therefore increased levels of audit focus in the Group's valuations are maintainable earnings and market multiples under the market approach, as well as the forecasted cash flow, discount rate and terminal value under the income approach.

We have determined that due to the subjective nature of the estimates required in the fair value measurement of unquoted investments and the associated high degree of estimation uncertainty, there is a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The fair value of assets and liabilities section of the financial statements (pages 176 to 179) disclose the sensitivities estimated by the Group.

Our response to the risk

Control design: We assessed the design and implementation of the investment valuation processes and controls, as required by professional standards.

Benchmarking assumptions: We challenged the Group and Parent Company on key judgements affecting portfolio company valuations by comparing assumptions made to external sources such as management information received from portfolio companies. We used our understanding of the portfolio companies to assess the assumptions around maintainability of earnings, and the comparability of companies selected by management to calibrate their valuations multiple or the discount rate.

Our valuation expertise: For a sample of investments, selected based on audit materiality and the risk profile of each investment, we used our own valuations specialists to assist us in assessing the principles and appropriateness of the valuation methodology, critically challenging the key assumptions, and independently providing a reasonable range for earnings multiples and discount rates, where applicable.

Understanding of the business: For the largest asset in the portfolio, Action, we visited its Head Office in the Netherlands, and held discussions with Action's management and external audit team to understand the business strategy, key processes and controls, how accounting estimates are made, and any key audit findings.

Historical comparisons: We compared the actual performance or cash flows achieved by portfolio companies to the inputs used in the valuation model for the prior year to understand the reasons for any significant variances and determine whether they are indicative of bias and error in the Group's approach to valuations.

Assessing transparency: We considered the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of unquoted investments and the effect of changing one or more inputs to reasonably possible alternative valuation assumptions.

We performed the testing above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

KPMG LLP's independent auditor's report to the members of 3i Group plc continued

Communications with the 3i Group plc Audit and Compliance Committee and Valuations committee

Our discussions with and reporting to the Audit and Compliance Committee and the Valuations Committee included:

- Our approach to the audit of the fair value of the unquoted investment portfolio including details of our planned substantive procedures and the extent of our controls reliance;
- Our conclusions on the appropriateness of 3i's fair value methodology and policy;
- Our conclusions on the appropriateness of the valuation outcome for individual portfolio companies and, for the sample of investments where we were assisted by our valuation specialists, an indication of where the Group's valuations multiple and discount rate (where applicable) falls within our acceptable range;
- The adequacy of the sensitivity disclosures, particularly as they relate to valuation inputs; and
- Our assessment of whether any misstatement identified through these procedures was material.

Areas of particular auditor judgement

Auditor judgement is required to assess whether the Directors' estimate of the following key assumptions fall within an acceptable range:

- For assets valued using an earnings multiple approach:
  – Determination of valuation multiples; and
  – Determination of maintainable earnings (including any earnings adjustments).
- For assets valued using a discounted cash flow approach:
  – Discount rate
  – Projected cash flows
  – Terminal value exit multiple, and
  – Terminal value earnings

Our results

Based on the risk identified and our procedures performed, we consider the valuation of the unquoted investments to be acceptable (FY2024: acceptable).

Further information in the Annual Report and Accounts: See the Audit and Compliance Committee Report on page 121-126 and the Valuation Committee report on page 130-134 for details on how the committees considered Valuation as an area of significant attention, and page 174 for the accounting policy for unquoted investments.

In the prior period, we identified the carried interest payable included in investment entity subsidiaries as a Key Audit Matter. However, following the reduction in the size of the balance, primarily driven by crystallisations in 3i's carry interest schemes relating to Action, we have not assessed this as one of the most significant risks in our current year audit and, therefore, whilst we continue to perform procedures over the carried interest liability, it is not separately identified in our report this year.

5. Our ability to detect irregularities, and our response

Fraud – identifying and responding to risks of material misstatement due to fraud

Fraud risk assessment

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 the following:

- Meetings throughout the year with the Group General Counsel, internal audit and Head of Compliance at which we discussed the Group's policies and procedures to prevent and detect fraud. Additionally, we obtained and inspected associated supporting documentation such as:
  - Board and Audit and Compliance Committee minutes;
  - Internal audit reports;
  - Internal risk registers; and
  - Breaches register.
- Enquiries of directors, finance team, the Group General Counsel, the Head of Compliance, internal audit, and the Audit and Compliance Committee as to whether they have knowledge of any actual, suspected, or alleged fraud.
- Consideration of the Group's remuneration policies, key drivers for remuneration and bonus levels; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with companies in the same sector as 3i operates, and this experience was relevant to the discussion about where fraud risks may arise.

Risk communications

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

Fraud risks

As required by auditing standards, and taking into account possible pressures to meet performance targets, we performed procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the valuation of the unquoted investment portfolio and investment entity subsidiaries.

On this audit we have not identified a significant risk of fraud related to revenue recognition because the Group has a relatively simple revenue model with no material estimation or judgement; the simple nature and low volume of individual revenue transactions means there is a remote risk of material misstatement from fraudulent manipulation, and opportunities for a material misstatement due to fraudulent revenue recognition are limited due to the nature of the portfolio income received.

We identified an additional fraud risk relating to the valuation of unquoted investments held on balance sheet and within investment entity subsidiaries. As these investments are unquoted and illiquid, they are valued using valuation techniques. Such techniques are subjective and involve the exercise of judgement by the Group and Parent Company over areas such as maintainability of earnings used in valuations, the determination of earnings multiples, and projected cash flows, discount factors and terminal values for discounted cash flow valuations. In addition, the valuation of unquoted investments drives the share price of the Group, which in turn drives remuneration of the Executive Directors, and is a key indicator for their performance. Due to the highly judgemental nature of these valuations, the reliance on unobservable inputs, and the linkage to Executive Directors' remuneration, we consider there to be increased risk of fraud in relation to the valuation of unquoted investment portfolio.

Link to KAMs

Further detail in respect to procedures performed over the valuation of unquoted investments is contained within the key audit matter disclosures in section 4.1 of this report.

Procedures to address fraud risks

We performed substantive audit procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included post close journals, those journals containing high risk key words, and unusual pairings; and
- Assessing significant accounting estimates, including valuation of unquoted investments and investment entity subsidiaries, for any indicators of management bias.

Laws and regulations – identifying and responding to risks of material misstatement relating to compliance with laws and regulations

Laws and regulations risk assessment

Identifying and responding to risks of material misstatement related to 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 Group's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated and operates in a highly regulated environment, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements. Our assessment included inspection of key frameworks, policies and standards in place and understanding and evaluating the role of the compliance function in establishing these and monitoring compliance.

Risk communications

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

Direct laws context and link to audit

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

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

KPMG LLP's independent auditor's report to the members of 3i Group plc continued

Most significant indirect law/regulation areas

Secondly, the Group 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 Group's license to operate in countries where the non-adherence to laws could prevent trading in such countries.

We identified the following areas as those most likely to have such an effect:

- Anti-bribery and corruption;
- Competition legislation;
- Pensions legislation;
- Regulatory capital and liquidity;
- Health and safety legislation;
- Market abuse regulations; and
- Certain aspects of company legislation recognising the financial and regulated nature of two of the Group's subsidiaries and their 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 fraud 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.

6. Our determination of materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

£195m
(FY2024: £176m)
Materiality for the group financial statements as a whole

What we mean

A quantitative reference for the purpose of planning and performing our audit.

Basis for determining materiality and judgements applied

Materiality for the Group financial statements as a whole was set at £195m (FY2024: £176m). Consistent with FY2024, we determined that Total Assets remains the main benchmark for the Group as the valuation of the investment portfolio remains the key financial measure.

Our Group materiality of £195m was determined by applying a percentage to the Total Assets. When using an asset related measure to determine overall materiality, KPMG's approach for listed public interest entities considers a guideline range 0.5% - 1% of the measure. In setting overall Group materiality, we applied a percentage of 0.75% (FY2024: 0.8%) to the benchmark.

Materiality for the Parent Company financial statements as a whole was set at £194m (FY2024: £159m), determined with reference to a benchmark of Parent Company total assets, of which it represents 0.76% (FY2024: 0.75%).

£146m
(FY2024: £132m)
Performance materiality

What we mean

Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Basis for determining performance materiality and judgements applied

We have considered performance materiality at a level of 75% (FY2024: 75%) of materiality for 3i Group financial statements as a whole to be appropriate.

The Parent Company performance materiality was set at £145m (FY2024: £119m), which equates to 75% (FY2024: 75%) of materiality for the Parent Company financial statements as a whole.

We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

£10m
(FY2024: £9m)
Audit misstatement posting threshold

What we mean

This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing, and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud.

This is also the amount above which all misstatements identified are communicated to 3i Group plc's Audit and Compliance Committee.

Basis for determining the audit misstatement posting threshold and judgements applied

We set our audit misstatement posting threshold at 5% (FY2024: 5%) of our materiality for the Group financial statements. We also report to the Audit and Compliance Committee any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the Group financial statements of £195m (FY2024: £176m) compares as follows to the main financial statement caption amounts:

	Total Gross investment income		Group profit for the year		Total Group Net Assets	
	FY2025	FY2024	**FY2025**	FY2024	**FY2025**	FY2024
Financial statement Caption	**£5,062m**	£3,877m	**£5,038m**	£3,836m	**£24,611m**	£20,170m
Group Materiality as % of caption	**3.9%**	4.5%	**3.9%**	4.6%	**0.8%**	0.9%

7. The scope of our audit

Group scope

What we mean

How the Group audit team determined the procedures to be performed across the Group.

This year, we applied the revised group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement ("RMMs"). Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed and how these procedures are executed and supervised. As a result, we assess scoping and coverage in a different way and comparison to prior period coverage figures are not meaningful. In this report we provide an indication of scope coverage on the new basis.

We performed risk assessment procedures to determine which of the Group's components are likely to include risk of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

We identified the group as a whole to be a single component, having considered our evaluation of the Group's operational structure, the Group's legal structure, the existence of common information systems, and our ability to perform audit procedures centrally. Accordingly, we performed audit procedures on the single component.

We consider the scope of our audit, as communicated to the Audit and Compliance Committee, to be an appropriate basis for our audit opinion.

Impact of controls on our Group audit

We did not plan to rely on controls in our audit because we believe that either it is more effective to perform a predominantly substantive audit approach or the nature of the financial statement account balance is such that we would expect to obtain audit evidence primarily through substantive procedures. We identified the Group's financial reporting system to be the main IT system relevant to our audit. We involved IT auditors to assist us in obtaining an understanding of the processes and controls within this financial reporting system. The findings identified in this process related to segregation of duties does not affect our planned audit approach.

Group audit team oversight

What we mean

The extent of the Group audit team's involvement in component audits.

As outlined above, we identified the Group as a single component. The Group engagement team performed audit procedures over this component and, as such, no component auditors were involved.

8. Other information in the annual report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

All other information

Our responsibility

Our responsibility is to read the other information 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.

Our reporting

Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

Strategic report and Directors' report

Our responsibility and reporting

Based solely on our work on the other information described above we report to you as follows:

- 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.

Directors' remuneration report

Our responsibility

We are required to form an opinion as to whether the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Our reporting

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance disclosures

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and:

- the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit and Compliance Committee, including the significant issues that the Audit and Compliance Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

Our reporting

Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge.

We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

Our reporting

We have nothing to report in this respect.

KPMG LLP's independent auditor's report to the members of 3i Group plc continued

Other matters on which we are required to report by exception	
Our responsibility	**Our reporting**
Under the Companies Act 2006, we are required 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 Parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 153, the Directors are responsible for: the preparation of the financial statements including 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 Group and Parent 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 Group or the Parent 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 Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

10. 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.

Jonathan Mills (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

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14 May 2025