Transition to IFRS

Introduction

3i prepared its 31 March 2005 consolidated financial statements in accordance with accounting standards issued by the UK Accounting Standards Board, the pronouncements of the Urgent Issues Task Force, relevant Statements of Standard Accounting Practice, the Association of Investment Trust Companies' Investment Trust SORP and in compliance with the Companies Act 1985.

The Company was authorised and regulated by the Financial Services Authority as a deposit taker and its March 2005 consolidated financial statements were prepared in accordance with the requirements of Part VII of the Companies Act 1985 in respect of banking companies and Groups. The Company surrendered its authorisation on 27 May 2005. Consequently, these accounts are not presented as those of a bank.

For accounting periods beginning on or after 1 April 2005, 3i is preparing its consolidated financial statements in accordance with International Financial Reporting Standards, International Accounting Standards and interpretations issued by the International Financial Reporting Interpretation Committee and its predecessor body (together "IFRS"). The standards to be applied, which will be adopted for the first time for the purpose of preparing consolidated financial statements for the year to 31 March 2006, will be those issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ("EU") as at 31 March 2006. 3i presents below the details of the accounting policies and the transitional exemptions or choices it has applied in adopting IFRS. Reconciliations of retained profit and equity for the comparative periods are shown to illustrate the impact of the move from UK GAAP to IFRS. These reconciliations have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and early adopted as at the time of preparing these statements, and in respect of the revisions to IAS 39 published by the IASB in June 2005 and IAS 19 issued but waiting EU ratification.

Group accounting policies under IFRS

A Basis of preparation These interim financial statements have been prepared, for the first time, on the basis of the IFRS accounting policies set out below. The disclosures required by IFRS 1, First-time adoption of IFRS, concerning the transition from UK GAAP are also given below. The adoption date for 3i is 1 April 2004 (the start of its 2005 financial year).

The financial statements have been prepared on the historical cost basis, except for investment property, land and buildings, derivative financial instruments and financial assets at fair value through profit or loss that have been included at fair value.

The preparation of accounts in accordance with IFRS requires management to make estimates and assumptions that affect the:

– reported amounts of assets and liabilities;

– disclosure of contingent assets and liabilities at the date of the accounts; and

– reported amounts of income and expenses during the reporting period.

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below.

B Basis of consolidation The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. A subsidiary is an entity where the Company has the power to govern the financial and operating policies so as to obtain benefit from its activities.

The results of subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group or up to the date when control ceases.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

C Investments in associates An associate is an entity over which the Group has significant influence and is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control.

Investments that are held as part of the Group's investment portfolio are carried in the balance sheet at fair value even though the Group may have significant influence over those companies. This treatment is permitted by IAS 28 Investment in Associates which allows investments held by venture capital organisations to be excluded from the scope of IAS 28 Investment in Associates provided that those investments upon initial recognition are designated as fair value through profit or loss and accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement, with changes in fair value recognised in profit or loss in the period of the change.

D Interests in joint ventures A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, which is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interest in jointly controlled entities through which it carries on its business using the equity method.

Interests in joint ventures that are held as part of the Group's investment portfolio are carried in the balance sheet at fair value. This treatment is permitted by IAS 31 Interests in Joint Ventures, which allows venturer's interests held by venture capital organisations to be excluded from the scope of IAS 31 Interests in Joint Ventures provided that those investments upon initial recognition are designated as fair value through profit or loss and accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement, with changes in fair value recognised in profit or loss in the period of the change.

When the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated on consolidation to the extent of the Group's interest in the joint venture.

E Foreign currencies The presentation currency of the Group is pounds sterling.

Transactions in foreign currencies are translated into the functional currency of the group company that is party to the transaction at the exchange rates ruling at the dates of the transactions. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date. Non-monetary items carried at fair value in the balance sheet that are denominated in foreign currency are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rate as on the date of the initial transaction.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

The assets and liabilities of foreign operations are translated into pounds sterling at the exchange rates ruling at the balance sheet date. The income and expenses of foreign operations are translated into sterling at the exchange rates ruling at the date of the transactions. Foreign exchange differences arising on retranslation are recognised directly in the translation reserve in equity. On disposal of foreign operations the cumulative amount of foreign exchange previously recognised in equity is recognised in the income statement.

F Property, plant and equipment Land and buildings held by the Group are carried in the balance sheet at fair value less depreciation and impairment. Fair value is determined at each balance sheet date from valuations undertaken by professional valuers using market-based evidence. Any revaluation surplus is credited directly to the asset revaluation reserve in equity except to the extent that it reverses a previous valuation deficit on the same asset charged in profit or loss in which case the surplus is recognised in profit or loss to the extent of the previous deficit. Any revaluation deficit that offsets a previously recognised surplus in the same asset is directly offset against the surplus in the asset revaluation reserve. Any excess valuation deficit over and above the previously recognised surplus is charged in profit or loss.

Depreciation on revalued buildings is charged in profit or loss. On subsequent sale or retirement of a revalued property, the attributable revaluation surplus in the asset revaluation reserve is transferred directly to accumulated profits.

Plant and equipment is stated at cost less accumulated depreciation and impairment. Depreciation is charged to profit or loss on a straight-line basis over the estimated useful life of plant and equipment, generally over three to five years.

Assets held under finance leases are depreciated over their expected useful life on the same basis as owned assets or, where shorter, the lease term. Assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

G Investment property Investment properties are held in the balance sheet at fair value at the balance sheet date. Gains or losses arising from the changes in fair value are recognised in profit or loss for the period in which they arise.

H Financial instruments Financial assets and liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

I Investments Investments are recognised and derecognised on a date where the purchase or sale of an investment is under a contract whose terms require the delivery or settlement of the investments. The Group manages its investments with a view to profiting from a return based on the receipt of interest and dividends and changes in fair value of equity investments. Therefore, all equity investments are designated as at fair value through profit or loss and subsequently carried in the balance sheet at fair value. Other investments including loan investments and fixed income shares are classified as loans and receivables and subsequently carried in the balance sheet at amortised cost less impairment. All investments are initially recognised at the fair value of the consideration given and held at this value until it is appropriate to measure fair value on a different basis, applying 3i's valuation policies. These policies remain unchanged from previous years except that under IFRS, quoted investments are valued at bid price without discount. Acquisition costs are attributed to equity and recognised immediately in profit or loss.

J Cash and cash equivalents Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash and short-term deposits as defined above and other short-term highly liquid investments that are readily convertible into cash and are subject to an insignificant risk of changes in value, net of outstanding short-term borrowings.

K Bank loans, loan notes and borrowings All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowings. 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. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Transition to IFRS (continued)

L Convertible Bonds Convertible Bonds, where the Bonds are issued in the same functional currency as the issuing entity, are regarded as compound instruments consisting of a liability component and an equity component.

Where the functional currency of the Convertible Bonds differs from that of the issuing entity, the Convertible Bonds are regarded as compound instruments consisting of a liability and a derivative instrument (see policy below for derivatives). On issue of the Convertible Bonds, the fair value of the derivative component is determined using a market rate for an equivalent derivative. Subsequent to initial recognition the conversion option is measured as a derivative financial instrument. The remainder of the proceeds is allocated to the liability component and this amount is carried as a long-term liability on the amortised cost basis until extinguished on conversion or redemption.

Issue costs are apportioned between the liability and derivative component of the Convertible Bonds based on their relative carrying amounts at the date of issue. The portion relating to the derivative instrument is recognised initially as part of the financial derivative instrument.

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the liability component of the instrument. The difference between this amount and the interest paid is added to the carrying value of the Convertible Bonds.

M Equity instruments Equity instruments issued by the Company are recognised at the proceeds received, net of any direct issue costs.

N Derivative financial instruments The Group uses derivative financial instruments to manage the risks associated with and foreign currency fluctuations from its investment portfolio and changes in interest rates on its borrowings. This is achieved by the use of foreign currency contracts, currency swaps and interest rate swaps. All derivative financial instruments are held at fair value. The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are recognised initially at fair value on the contract date and subsequently remeasured to fair value at each reporting date. The fair value of forward exchange contracts is calculated by reference to current forward exchange contracts for contracts with similar maturity profiles. The fair value of currency swaps and interest rate swaps is determined with reference to future cash flows and current interest and exchange rates. All changes in the fair value of derivative financial instruments are taken through profit or loss.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

O Provisions Provisions are recognised when the Group has a present obligation as a result of past events, and it is probable that the Group will be required to settle that obligation and a reliable estimate of that obligation can be made. The provisions are measured at the Directors' best estimate of the amount to settle the obligation at the balance sheet date, and are discounted to present value if the effect is material.

P Portfolio return Gross portfolio return represents the sum of realised profit over value on the disposal of investments, the movement in the fair value of equity investments, the impairment of loans and receivables and investment income. This is considered to be "revenue" under IFRS.

Realised profits over value on the disposal of investments is the difference between the fair value of the consideration received less any directly attributable costs, on the sale of equity and the repayment of loans and receivables and the fair value of the equity and the amortised cost of the loans and receivables at the start of the accounting period.

Unrealised profits on the revaluation of investments is the movement in carrying value of investments between the start and end of the accounting period converted into sterling using the exchange rates in force at the date of the movement. Foreign exchange gains and losses on equity investments and loans and receivables are disclosed as part of the currency movement in profit or loss.

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

Income from loans and receivables is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset to that asset's carrying value.

Dividends from equity investments are recognised when the shareholders' rights to receive payment have been established.

Fee income is earned directly from investee companies when an investment is first made and through the life of the investment. Fees that are earned on a financing arrangement are considered to relate to a financial asset measured at fair value through profit or loss and are recognised when that investment is made. Fees that are earned on the basis of providing an ongoing service to the investee company are recognised as that service is provided.

Investment management fees are earned from the ongoing management of private equity funds, which primarily co-invest alongside the Group. This income is recognised to the extent that it is probable that the economic benefit will flow to the Group and the income can be reliably measured.

Q Retirement benefit costs Payments to defined contribution retirement benefit plans are charged as they fall due.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out each balance sheet date. Current service costs are recognised in profit or loss. Past service costs are recognised to the extent that they are vested immediately in profit or loss. Actuarial gains or losses are recognised outside profit or loss as part of the statement of recognised income and expense.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets.

R Borrowing costs Borrowing costs are recognised as an expense in the period in which they are incurred in accordance with the benchmark treatment.

S Share-based payments In accordance with the transitional provisions of IFRS 1, the Group has applied the requirements of IFRS 2, Share-based Payment to all grants of equity instruments after 7 November 2002, that were unvested at 1 January 2005.

The Group enters into arrangements that are equity-settled share-based payments with certain employees (including Directors). These are measured at fair value at the date of grant, which is then recognised in profit or loss on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of an appropriate model. The charge is adjusted at each balance sheet date to reflect the actual number of forfeitures, cancellations and leavers during the period.

T Income tax Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. This may differ from the profit included in the consolidated income statement 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 Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax assets and liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised using tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the tax is also dealt with in equity.

U Investment Trust status The Company is an investment company as defined by section 266 of the Companies Act 1985 and carries on its business and is approved by the HM Revenue & Customs as an investment trust. Investment trusts approved in this way are not liable for income tax on capital profits. The Articles of Association prohibit the distribution of its capital profits by way of dividend.

Fees receivable earned and deal related costs incurred as an intrinsic part of the intention to acquire or dispose of an investment, have been accounted for directly in the capital reserve. Income tax losses have been transferred between capital and revenue in order to be utilised against excess taxable profits in those reserves. Administrative expenses incurred associated with the making and managing of investments are allocated between capital and revenue. Finance costs less interest income on surplus funds have been allocated between revenue and capital.

Transition effects
IFRS 1 permits those companies adopting IFRS for the first time to take certain exemptions from the full requirements of IFRS in the transition period. 3i has taken the following key exemptions:

a) The effect of changes in foreign exchange rates: Under IFRS 1, cumulative translation differences on the consolidation of subsidiaries are being accumulated from the date of transition to IFRS and not from the original acquisition date.

b) Share-based payment: IFRS 2 has been adopted from the transition date and is only being applied to relevant equity instruments granted on or after 7 November 2002 and not vested as at 1 January 2005. 3i has elected not to take up the option of full retrospective application of the standard.

c) All equity investments have been designated at the date of transition to be assets at fair value through profit or loss.

Transition to IFRS (continued)

Reconciliations of UK GAAP to IFRS for comparative periods

Under IFRS, the 'Total recognised income and expense' is the equivalent of 'Total return', as reported previously. In order to comply with IFRS 1, we provide below a reconciliation of total return to the net profit per the income statement.

	Note	30 September 2004 £m	31 March 2005 £m
Total return under UK GAAP		231	512
IAS 39 – Quoted investments	(a)	(9)	(11)
IAS 39 – Fair valuation of derivatives	(b)	(12)	1
IAS 39 – Convertible Bonds	(c)	17	5
IFRS 2 – Share-based payments	(d)	(3)	(6)
IAS 21 – Functional currencies and exchange rates	(e)	2	(5)
IAS 16 – Own use property	(f)	–	1
IAS 19 – Retirement benefits	(g)	(3)	1
Profit under IFRS		223	498

	Note	30 September 2004 £m	31 March 2005 £m	1 April 2004 £m
Total equity under UK GAAP		3,436	3,637	3,230
IAS 39 – Quoted investments	(a)	27	25	36
IAS 39 – Fair valuation of derivatives	(b)	(39)	(26)	(27)
IAS 39 – Convertible Bonds	(c)	19	7	2
IAS 10 – Dividends payable	(h)	32	56	53
Total equity under IFRS		3,475	3,699	3,294

	Note	30 September 2004 £m	31 March 2005 £m
Change in cash under UK GAAP		(24)	68
IAS 7 – Short-term deposits	(i)	87	178
Change in cash and cash equivalents under IFRS		63	246

Notes

(a) Under IFRS, quoted investment assets are valued at bid price. Under UK GAAP, these had been valued at mid-market price with discounts applied for illiquidity.

(b) 3i uses derivatives in the form of swap and forward exchange contracts to manage 3i's current exposures to interest rates and currency. Under IFRS, these are held at fair value whereas they were held at cost under UK GAAP.

(c) Under UK GAAP, the Convertible Bonds which were issued on 1 August 2003 were held at the face value of the Bonds (€550m). Under IFRS, the derivative element of the Bonds is held at fair value with the Bonds being held at amortised cost. Subsequent to the IFRS presentation on 23 June 2005, a further review of the carrying value of the Bonds and of their derivative element has been carried out. This has resulted in a decrease in shareholders' funds of £13 million at 31 March 2005 and a reduction in profit of £8 million for the year to 31 March 2005 compared with the IFRS numbers previously presented.

(d) Under UK GAAP, the approach in respect of share-based payments was to record a charge in profit or loss based on the intrinsic value of awarded shares at the grant date, with the charge being spread over the performance period. IFRS 2 requires the fair value of the equity instruments issued to be recognised in profit and loss over the vesting period of the instrument. The cost is calculated using option pricing methods and applies to all options granted after 7 November 2002 and not vested by 1 January 2005.

(e) Under UK GAAP, 3i's policy in respect of foreign currency translation was to translate all foreign currency revenue items, assets, liabilities and reserves, including those of non-UK subsidiary undertakings into sterling at the exchange rates ruling at the balance sheet date. Under IFRS, revenue items will be held at the rates in force at the time of the transaction. Exchange differences on the retranslation of the opening net investment in foreign entities and the retranslation of profit or loss items to closing rate are recorded as movements on reserves.

(f) Under IFRS, unrealised profits or losses on the revaluation of properties in use by the Group are taken directly to equity and do not appear in the income statement.

(g) Under IFRS, the actuarial gain or loss on retirement benefit obligations is taken directly to equity and does not appear in the income statement.

(h) Under IFRS, dividends declared after the balance sheet date are not recognised as a liability at the balance sheet date.

(i) Under IFRS, short-term deposits are classified as cash equivalents whereas they were included in liquid resources under UK GAAP. The move from UK GAAP does not significantly change any of the cash flows of the Group.

Detailed effects of adopting IFRS

3i's previous consolidated financial statements were prepared in accordance with the requirements of Part VII of the Companies Act 1985 in respect of banking companies and groups. The transition to IFRS has resulted in significant changes in the presentation of the income statement and balance sheet.

The following tables demonstrate how items within 3i's previously published accounts equate with the new headings used within IFRS. In order to facilitate the understanding of this change, the order of certain items has been changed from those originally shown and certain subtotals have been omitted or added.

Consolidated income for the year to 31 March 2005

	UK GAAP £m	Reanalysis between headings £m	Transfers from income statement to equity movements £m	Adjustments to UK GAAP £m	IFRS £m	
Consolidated statement of total return						**Consolidated income statement**
Realised profits on disposal of investments	260	(2)		(8)	250	Realised profits over value on the disposal of investments
Unrealised profits on revaluation of investments	270			(25)	245	Unrealised profits on revaluation of investments
	530	(2)	–	(33)	495	
Operating income before interest payable						**Portfolio income**
Dividend income from equity shares	104				104	Dividends
Dividend income from fixed income shares	7	(7)				
Loan interest receivable	94	7			101	Income from loans and receivables
Fees receivable	57	(30)			27	Fees receivable
Other interest receivable and similar income	46	(46)				
Total operating income before interest payable	308	(76)			232	
	838	(78)	–	(33)	727	**Gross portfolio return**
		2			2	Carried interest receivable
Carried interest and investment performance plans	(66)				(66)	Carried interest and investment performance plans
	–	30			30	Fund management fees
Administrative expenses	(172)	1		–	(171)	Administrative expenses
Share-based payments		(1)		(5)	(6)	Share-based payments
	600	(46)	–	(38)	516	**Net portfolio return**
		46			46	Treasury interest receivable
Interest payable	(82)			(7)	(89)	Interest payable
				13	13	Movement in the fair value of derivatives
Other finance income/(costs) on pension plan	1				1	Finance income on pension plan
				13	13	Currency
Other income			1		1	Other income
Actuarial (losses) on pension plan	(1)		1			
Return before tax and currency translation adjustment	518	–	2	(19)	501	**Profit before tax**
Tax	(3)				(3)	Income tax
Return before currency translation adjustment	515	–	2	(19)	498	**Profit after tax and profit for the year**
						Income/(expense) recognised directly in equity
Currency translation adjustment	(3)			8	5	Exchange differences on translation of foreign operations
			(1)		(1)	Actuarial gains/(losses)
			(1)		(1)	Loss on valuation of property
Total return	512	–	–	(11)	501	**Total recognised income and expense for the year**

Transition to IFRS (continued)

Consolidated balance sheet at 31 March 2005

	UK GAAP £m	Investments £m	Cash and borrowings £m	Other assets, liabilities and reserves £m	Adjustments to UK GAAP £m	IFRS £m	
Assets							**Assets**
Equity shares – listed	179	31			25	235	Quoted investments
Equity shares – unlisted	2,722	(40)				2,682	Equity investments
Loan investments	1,293	107				1,400	Loans and receivables
Fixed income shares	107	(107)					
		9				9	Carry receivable
Interests in joint ventures	46					46	Interest in joint ventures
Tangible fixed assets	39	(6)				33	Property, plant and equipment
		6				6	Investment property
	4,386	–	–	–	25	4,411	**Total non-current assets**
Other assets	54			(54)			
Prepayments and accrued income	62			54		116	Other current assets
Treasury bills and other eligible bills	1		(1)				
					35	35	Derivative financial instruments
Loans and advances to banks	1,019		(443)			576	Deposits
Debt securities held for treasury purposes	179		444			623	Cash and cash equivalents
	1,315	–	–	–	35	1,350	**Total current assets**
Total assets	5,701	–	–	–	60	5,761	**Total assets**
Liabilities							**Liabilities**
Deposits by banks	(208)		208				
Debt securities in issue	(1,089)		(106)			(1,195)	Loans and borrowings
Convertible Bonds	(378)				26	(352)	Convertible Bonds
Subordinated liabilities	(50)					(50)	Subordinated liabilities
Defined benefit liabilities	(23)					(23)	Retirement benefit obligation
				(1)		(1)	Deferred income tax
Provisions for liabilities and charges	(13)			8		(5)	Provisions
	(1,761)	–	102	7	26	(1,626)	**Total non-current liabilities**
Accruals and deferred income	(244)			(1)		(245)	Trade and other payables
			(102)			(102)	Loans and borrowings
					(80)	(80)	Derivative financial instruments
Other liabilities	(59)			1	56	(2)	Current income tax
				(7)		(7)	Provisions
	(303)	–	(102)	(7)	(24)	(436)	**Total current liabilities**
	(2,064)	–	–	–	2	(2,062)	**Total liabilities**
Net assets	**3,637**	**–**	**–**	**–**	**62**	**3,699**	**Net assets**
							Equity
Called up share capital	307					307	Issued capital
Share premium account	364					364	Share premium
Capital redemption reserve	1					1	Capital redemption reserve
					9	9	Share-based payment reserve
					5	5	Translation reserve
Capital reserve	2,605				8	2,613	Capital reserve
Revenue reserve	437				40	477	Revenue reserve
Own shares	(77)					(77)	Own shares
Equity shareholders' funds	**3,637**	**–**	**–**	**–**	**62**	**3,699**	**Total equity**