UBERIOR ISAF CIP NOMINEE LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

MEMBER OF LLOYDS BANKING GROUP PLC

Company Number: 06571254

Directors
K M Bothwell
G J McDonald

Company secretary
J E Nielsen

Registered office
Charterhall House
Charterhall Drive
Chester
CH88 3AN

Auditors
PricewaterhouseCoopers LLP
Erskine House
68-73 Queen Street
EDINBURGH
EH2 4NH

REPORT OF THE DIRECTORS

The Directors, as listed on page 2, submit their report and audited financial statements of Uberior ISAF CIP Nominee Limited ("the Company") for the year ended 31 December 2010

Incorporation
The Company was incorporated on 21 April 2008

Principal activity
The Company is the nominee for Uberior ISAF CIP 2007 L P The Directors do not anticipate any material change in either the type or level of activities of the Company

Results and dividends
The result after tax for the Company for the year ended 31 December 2010 was nil (2009 nil) There was no dividend paid during the year (2009 £nil)

Future developments
The Company remains committed to being a nominee and will continue to do so as such in the future

Going concern
As set out in note 2 - 'Principles underlying going concern assumption' of the notes to the financial statements, the Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future and consequently the going concern basis continues to be appropriate in preparing the financial statements

Directors' indemnities
In terms of section 236 of the Companies Act 2006, the Directors disclosed on page 2 have been granted Qualifying Third Party Indemnity Provisions by Lloyds Banking Group plc

Key performance indicators (KPIs)
Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for the understanding of the development, performance or position of the business

Directors and their interests
The Directors at the date of this report are as listed on page 2 Dates of appointments and resignations during the year are as follows

Director	Date of Appointment	Date of Resignation
K M Bothwell	3 June 2010	-
G J McDonald	3 June 2010	-
M W Hammond	-	4 August 2010
G R Shankland	-	4 August 2010

No other Directors served throughout the year No Director had any interest in any material contract or arrangement with the Company during or at the end of the year

REPORT OF THE DIRECTORS (continued)

Policy and practice on payment of suppliers
The Company follows "The Better Payment Practice Code" published by the Department for Business Innovation and Skills (BIS) regarding the making of payments to suppliers A copy of the code and information about it may be obtained from the BIS Publications Order Line 0845-0150-010 quoting ref URN 04/606

The Company's policy is to agree terms of payment with suppliers and these normally provide for settlement within 30 days after the date of the invoice, except where other arrangements have been negotiated It is the policy of the Company to abide by the agreed terms of payment, provided the supplier performs according to the terms of the contract

As the Company owed no amounts to trade payables as at 31 December 2010, the number of days required to be shown in this report, to comply with the provisions of the Companies Act 2006, is nil (2009 nil)

Auditors and disclosure of information to auditors
By elective resolution, PricewaterhouseCoopers LLP was reappointed as auditors for the Company

Each Director in office at the date of this report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

- the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given, and should be interpreted, in accordance with the provisions of section 418 of the Companies Act 2006

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

By Order of the Board,

Director 30 **June 2011**
KAREN M BOTHWELL

Company Number 06571254

Registered office Charterhall House, Charterhall Drive, Chester, CH88 3AN

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU)

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable IFRSs as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Each of the directors, whose names are listed on page 2 of the Annual Report and Financial Statements confirm that

- to the best of each Director's knowledge that the company's financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and

- the Directors' report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UBERIOR ISAF CIP NOMINEE LIMITED

We have audited the financial statements of Uberior ISAF CIP Nominee Limited for the year ended 31 December 2010 which comprise the Balance Sheet, the Statement of Changes in Equity and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 5 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or

HAnderson

Hamish Anderson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

30 June 2011

BALANCE SHEET

As at 31 December 2010

	Note	2010 £	2009 £
Current assets			
Amounts due by parent undertaking	6	1	1
Total assets		1	1
Equity			
Issued capital	7	1	1
Total equity		1	1
Total liabilities		-	-
Total equity and liabilities		1	1

The notes on pages 9 to 11 form part of these financial statements

Approved by the Board of Directors and signed on their behalf on 30 June 2011 by

Director
KAREN M BOTHWELL

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

	Share capital £	Total equity £
Balance at 1 January 2009	1	1
Total comprehensive income	-	-
Balance at 1 January 2010	1	1
Total comprehensive income	-	-
Balance at 31 December 2010	1	1

The notes on pages 9 to 11 form part of these financial statements

Notes to the financial statements

1. Significant accounting policies

Uberior ISAF CIP Nominee Limited is a company domiciled in England

The financial statements were authorised for issue by the Directors on 30 June 2011

(a) Financial statements

The financial statements of Uberior ISAF CIP Nominee Limited comprise the Balance Sheet and Statement of Changes in Equity together with the related notes to the financial statements

(b) Statement of compliance

The 2010 statutory financial statements set out on pages 7 to 11 have been prepared in accordance with International Financial Reporting Standards ('IFRS') and interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') as adopted by the European Union (EU) The standards applied by the Company are those endorsed by the European Union and effective at the date the financial statements are approved by the Board Consequently, the financial statements comply with International Financial Reporting Standards

(c) Basis of preparation

The financial statements have been prepared under the historical cost basis

The Company has adopted the following new standards and amendments to standards which became effective for financial years beginning on or after 1 January 2010 None of these standards or amendments had a material impact on these financial statements

- IAS 1 'Presentation of financial statements' The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time
- IFRS 3 'Business Combinations' This revised standard applies prospectively to business combinations from 1 January 2010 The revised standard continues to require the use of the acquisition method of accounting for business combinations All payments to purchase a business are to be recorded at fair value at the acquisition date, some contingent payments are subsequently remeasured at fair value through income, goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the non-controlling interest, and all transaction costs are expensed (other than those in relation to the issuance of debt instruments or share capital)
- IFRS 5 'Non-current assets held for sale and discontinued operations' The amendment specifies the disclosures required in respect of non-current assets classified as held for sale or discontinued operations It also clarifies that the general requirement of IAS 1 still apply, in particular paragraph 15 and paragraph 125
- IAS 27 'Consolidated and Separate Financial Statements' Require the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control, any remaining interest in an investee is remeasured to fair value in determining the gain or loss recognised in profit or loss where control over the investee is lost
- IAS 36 'Impairment of Assets' The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRIC 8, 'Operating segments' (that is, before the aggregation of segments with similar economic characteristics)

Notes to the financial statements (continued)

1 Significant accounting policies (continued)

(c) Basis of preparation (continued)

- IFRIC 17 'Distribution of Non-cash Assets to Owners' Provides accounting guidance for non-reciprocal distributions of non-cash assets to owners (and those in which owners may elect to receive a cash alternative)
- Amendment to IAS 39 'Financial Instruments Recognition and Measurement – Eligible Hedged Items' Clarifies how the principles underlying hedge accounting should be applied in particular situations
- 'Improvements to IFRS' (issued April 2009) Sets out minor amendments to IFRS standards as part of the annual improvements process

(d) IFRS and IFRIC not yet applied

The following pronouncements will be relevant to the Company but were not effective at 31 December 2010 and have not been applied in preparing these financial statements The full impact of these accounting changes is being assessed by the Company

Pronouncement	*Nature of change*	*IASB effective date*
IFRS 9 *Financial Instruments Classification and Measurement*	Replaces those parts of IAS 39 'Financial Instruments recognition and Measurement' relating to classification, measurement and derecognition of financial assets and liabilities It requires financial assets to be classified into two measurement categories, fair value and amortised cost, on the basis of the objectives of the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instrument The available-for-sale financial asset and held-to-maturity investment categories in the existing IAS 39 will be eliminated The requirements for financial liabilities and derecognition are broadly unchanged from IAS 39 IFRS 9 is the initial stage of the project to replace IAS 39 Future stages are expected to result in amendments to IFRS 9 to deal with changes to the impairment of financial assets measured at amortised cost and hedge accounting Until all stages of the replacement project are complete, it is not possible to determine the overall impact on the financial statements of the replacement of IAS 39	Annual periods beginning on or after 1 January 2013
Amendment to IAS 32 *Financial Instruments Presentation – Classification of Rights Issues*	Requires rights issues denominated in a currency other than the functional currency of the issuer to be classified as equity regardless of the currency in which the exercise price is denominated	Annual periods beginning on or after 1 February 2010
IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*	Clarifies that when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor, a gain or loss is recognised in the income statement representing the difference between the carrying value of the financial liability and the fair value of the equity instruments issued, the fair value of the financial liability is used to measure the gain or loss where the fair value of the equity instruments cannot be reliably measured It is consistent with the Company's existing accounting policy	Annual periods beginning on or after 1 July 2010
Improvements to IFRSs (issued May 2010)	Sets out minor amendments to IFRS standards as part of the annual improvement process	Dealt with on a standard by standard basis but none are effective any earlier than annual periods beginning on or after 1 July 2010
Amendments to IAS 24 *Related Party Disclosures*	Simplifies the definition of a related party and provides a partial exemption from the disclosure requirements for government related entities	Annual periods beginning on or after 1 January 2011
Amendment to IFRS 7 *Financial Instruments Disclosures – Disclosures-Transfer of Financial Asset*	Requires additional disclosures in respect of risk exposures arising from transferred financial assets	1 July 2011

Table note At the date of this report, IFRS 9, Improvements to IFRSs (Issued May 2010) and Amendments to IFRS 7 are awaiting EU endorsement

Notes to the financial statements (continued)

2. Going concern – Principles underlying going concern assumption
The directors consider the Company to have adequate resources to continue in business for the foreseeable future Accordingly they continue to adopt the going concern basis in preparing the financial statements

3. Income statement
The Company did not trade during the current or previous financial year Consequently, the Company has made neither profit nor loss and no Income Statement is therefore presented

4. Statement of comprehensive income
The Company did not trade during the current or previous financial year Consequently, the Company has made neither profit nor loss and no Statement of Comprehensive Income is therefore presented

5. Statement of cash flows
The Company has no cash flows in the current or previous financial year and no Statement of Cash Flows is therefore presented

6 Amounts due by parent undertaking	**2010**	**2009**
	£	**£**
Uberior Investments plc – unpaid share capital	1	1

7. Share capital
At 31 December 2010, the authorised share capital comprised 1 £1 Ordinary Share

Allotted and issued, not paid up, share capital comprised 1 £1 Ordinary Share

The holder of the Ordinary Share is entitled to receive dividends as declared from time to time and is entitled to vote at meetings of the Company

Dividends
After the balance sheet date the Directors did not propose any dividends

8. Related parties
The Company's immediate parent undertaking is Uberior Investments plc

The Company has a related party transaction with its immediate parent, as disclosed in note 6

The audit fees of £4,113 (2009 £4,113) are paid for by Uberior ISAF CIP GP2 Limited, related to the company through common ownership

The Company has no other transactions with related parties

9. Ultimate parent undertakings
As at 31 December 2010 the Company's immediate parent company was Uberior Investments plc The company regarded by the Directors as the ultimate parent undertaking and controlling party is Lloyds Banking Group plc which is incorporated in Scotland Lloyds Banking Group plc has produced consolidated accounts for the year ended 31 December 2010 Copies of the annual report and financial statements of Lloyds Banking Group plc for the year ended 31 December 2010 may be obtained from Lloyds Banking Group's head office at 25 Gresham Street, London, EC2V 7HN