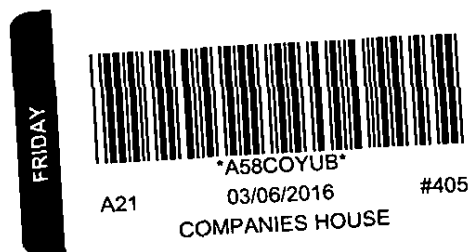


**Aberdeen European
Infrastructure GP Limited**

**Annual Report and Audited
Financial Statements**

For the year ended 31 December 2015

7/6/16 024
R/S



Company Number 7477742

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

TABLE OF CONTENTS

	Page
Summary of Directors and Organisation	1
Report of the Directors	2-3
Independent Auditors' Report	4-5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10-17

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

SUMMARY OF DIRECTORS AND ORGANISATION

DIRECTORS: M S Amin
G D Cohen
I H-Y Wong (appointed 15 April 2015)

REGISTERED OFFICE: Bow Bells House
1 Bread Street
London
EC4M 9HH

SECRETARY: State Street (Guernsey) Limited
PO Box 543
First Floor
Dorey Court
Admiral Park
St Peter Port
Guernsey
GY1 6HJ

ADMINISTRATOR: State Street (Guernsey) Limited
PO Box 543
First Floor
Dorey Court
Admiral Park
St Peter Port
Guernsey
GY1 6HJ

INDEPENDENT AUDITORS: PricewaterhouseCoopers CI LLP
P.O. Box 321
Royal Bank Place
1 Glatigny Esplanade
St Peter Port
Guernsey
GY1 4ND

BANKER: Lloyds Bank plc
4th Floor
48 Chiswell Street
London
EC1Y 4XX

INVESTMENT MANAGER: Prior to 1 October 2015
Aberdeen Infrastructure Asset Managers Limited
10 Queens Terrace
Aberdeen
AB10 1YG

From 1 October 2015
Aberdeen Fund Managers Limited
Bow Bells House
1 Bread Street
London
EC4M 9HH

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 December 2015

The Directors present their annual report and audited financial statements for Aberdeen European Infrastructure GP Limited (the "Company") for the year ended 31 December 2015.

The Company qualifies as a small company in accordance with Section 381-382 of the Companies Act 2006 (the "Act") and the Directors' Report has therefore been prepared taking into consideration the provisions of Part 15 of the Act. The Fund has taken advantages of exemptions available to small sized entities as defined in the Companies Act 2006.

In preparing this report, the Directors have taken advantage of the small companies exemption provided by Section 41B of the Act and have not prepared a strategic report.

Incorporation

The Company was incorporated in the UK as Ubenor European Infrastructure GP Limited on 23 December 2010.

Registered office

The Company's registered office is Bow Bells House, 1 Bread Street, London, EC4M 9HH.

Principal activity

The Company's principal activity during the year was to act as General Partner to Aberdeen European Infrastructure Partners LP (the "Fund")

Financial risk management

The key risks and uncertainties faced by the Company are managed within the framework established for the Investment Manager by the Directors. Exposures to market risk, credit risk and liquidity risk arise in the normal course of the Company's business. These risks and supplementary qualitative and quantitative information is provided in Note 10 to the financial statements. The Company derives its income from management fees it obtains from the Fund and liquidity risk is managed by this entity in conjunction with the ultimate controlling party, Aberdeen Asset Management PLC.

Key performance indicators

Given the straightforward nature of the business, the Directors believe that analysis using key performance indicators is not necessary or appropriate for understanding of the development, performance or position of the business of the Company.

Results and review of business

The Company's total comprehensive income for the year was GBPnil (2014: GBPnil). No dividends were paid during the year (2014: GBPnil)

Future developments

The Company remains committed to the business of the Fund and will continue to act as a General Partner in the future.

Directors and their interests

The Directors at the date of this report are as stated on page 1.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

For the year ended 31 December 2015

Statement of Directors' responsibilities for the financial statements

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

The Act requires the Directors to prepare financial statements for each financial year. Under the Act, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs"). Under the Act 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the Company and enable the Directors to ensure that the financial statements comply with the Act and IFRSs. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Audit Information

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Independent Auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Independent Auditors are aware of that information.

Subsequent events

There were no subsequent events to report at the date of signing this report and the audited financial statements.

Going concern

The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the Directors have taken into account all available information about the foreseeable future and consequently the going concern basis is appropriate in preparing the financial statements.

Independent Auditors

PricewaterhouseCoopers CI LLP have indicated their willingness to continue in office and a Resolution to reappoint the Independent Auditors will be put forward at the forthcoming Annual General Meeting.

By order of the Board,



I-H-Y Wong

Director

31 May 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

Report on the financial statements

Our opinion

In our opinion, Aberdeen European Infrastructure GP Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements comprise:

- the Statement of Financial Position as at 31 December 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Equity for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED**

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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) ("ISAs (UK & 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.

What an audit of financial statements involves

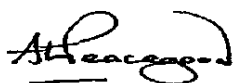
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Audited Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Adrian Peacegood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Guernsey
31 May 2016

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
For the year ended 31 December 2015

	<i>Notes</i>	2015 GBP	2014 GBP
INCOME			
Bank interest income		4	3
General Partner's Share	3, 13	1,614,454	1,772,116
Total income		<u>1,614,458</u>	<u>1,772,119</u>
EXPENSES			
Administration fees		8,430	7,706
Audit remuneration	4	6,180	5,000
Management fees	5, 13	1,594,756	1,756,413
Professional fees		3,000	3,000
Net foreign exchange losses		1,889	-
Other operating expenses		203	-
Total expenses		<u>1,614,458</u>	<u>1,772,119</u>
Profit on ordinary activities before tax		-	-
Tax		-	-
Profit on ordinary activities after tax		-	-
Total comprehensive income for the year		<u>-</u>	<u>-</u>
Attributable to Equity holder:			
Total comprehensive income for the year		<u>-</u>	<u>-</u>

Continuing operations

All amounts reported in the statement of comprehensive income for the years ended 31 December 2015 and 31 December 2014 relate to continuing operations

The notes on pages 10 to 17 form part of these financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED**STATEMENT OF FINANCIAL POSITION**
As at 31 December 2015

	<i>Notes</i>	2015 GBP	2014 GBP
Assets			
Non-current assets			
Financial assets at fair value through profit or loss			
Equity securities - unlisted	6	1	-
Current assets			
Receivables	7, 13	415,462	862,333
Cash and cash equivalents		4,347	432,171
Total current assets		419,809	1,294,504
Total assets		419,810	1,294,504
Equity and liabilities			
Equity			
Share capital	8	1,000	1,000
Retained earnings		1	1
Total equity		1,001	1,001
Liabilities			
Current liabilities			
Payables and accruals	9, 13	418,809	1,293,503
Total liabilities		418,809	1,293,503
Total equity and liabilities		419,810	1,294,504

The Company has taken advantage of exemptions available to small sized entities as defined in the Companies Act 2006.

The financial statements were authorised for issue by the Board of Directors of the Company and signed on its behalf by:



I H-Y Wong
Director
31 May 2016

The notes on pages 10 to 17 form part of these financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015

	Share capital GBP	Retained earnings GBP	Total equity GBP
Balance at 1 January 2014	1,000	1	1,001
Total comprehensive income for the year	-	-	-
Balance at 31 December 2014	1,000	1	1,001
Balance at 1 January 2015	1,000	1	1,001
Total comprehensive income for the year	-	-	-
Balance at 31 December 2015	1,000	1	1,001

The notes on pages 10 to 17 form part of these financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

STATEMENT OF CASH FLOWS**For the year ended 31 December 2015**

	2015 GBP	2014 GBP
Cash flows from operating activities		
Total comprehensive income for the year	-	-
Decrease / (Increase) in receivables	446,871	(399,563)
(Decrease) / increase in payables and accruals	(874,695)	830,733
Net cash flow (used in) / generated from operating activities	(427,824)	431,170
Net (decrease) / increase in cash and cash equivalents	(427,824)	431,170
Cash and cash equivalents at 1 January	432,171	1,001
Cash and cash equivalents at 31 December	4,347	432,171

The notes on pages 10 to 17 form part of these financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2015

1. GENERAL INFORMATION

The Company is domiciled in England and Wales. The address of its registered office is Bow Bells House, 1 Bread Street, London, EC4M 9HH.

The Company's principal activity during the year was to act as General Partner to the Fund.

The financial statements were authorised for issue by the Board of Directors on 31 May 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the period, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with IFRSs. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in accordance with IFRSs requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 11.

(a) Standards and amendments to existing standards effective 1 January 2015

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2015 that would be expected to have a material impact on the Company.

(b) New standards, amendments and interpretations effective after 1 January 2015 and not early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

2.2 Foreign currency translation

(a) Functional and presentation currency

The Company's shareholder is from the United Kingdom ("UK"), with the Company capital denominated in Pound Sterling. The Company receives its fee income and pays its management fees to the Investment Manager in Euro. All other income and expenses are incurred in Pound Sterling. The Board of Directors considers Pound Sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the Company. The financial statements are presented in Pound Sterling, the Company's functional and presentation currency.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency assets and liabilities at fair value through profit or loss are translated into the functional currency using the exchange rate prevailing at the Statement of Financial Position date.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income.

2.3 Financial assets and financial liabilities

(a) Classification

The Company classifies its investments in equity securities as financial assets at fair value through profit or loss. This category has two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

(i) Financial assets and liabilities held for trading

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

The Company did not hold any financial assets or liabilities for trading as at 31 December 2015.

(ii) Financial assets and liabilities designated at fair value through profit or loss at inception

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy.

The Company's policy requires the Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

(b) Recognition, derecognition and measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within 'Net changes in fair value of financial assets and liabilities at fair value through profit or loss' in the period in which they arise.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2015**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial assets and financial liabilities (continued)

(c) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. The fair value of equity securities approximates to the costs incurred in acquiring these equity securities.

2.4 Receivables

Receivables are initially recognised at fair value and measured subsequently at amortised cost using the effective interest rate method. The carrying amount of the receivables is a reasonable approximation of fair value.

2.5 Cash and cash equivalents

Cash and cash equivalents consist of cash balances that are freely available and other cash balances with an original maturity of three months or less.

2.6 Payables and accruals

Payables are initially recognised at fair value and subsequently stated at amortised cost using the effective interest rate method. The carrying amount of the payables is a reasonable approximation of fair value.

2.7 General Partner's Share and bank interest income

General Partner's Share ("GPS") is recognised when the right to receive payment is established.

Interest income is recognised on a time-proportionate basis using the effective interest method.

2.8 Expenses

Expenses are recognised on an accruals basis.

2.9 Taxation

The Company is subject to UK corporation tax at 20% on its profits. Prior to 1 April 2015, the UK corporation tax was 21% and effective from 1 April 2015, the UK corporation tax is 20%.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

3. GENERAL PARTNER'S SHARE

In accordance with Clauses 9.1 and 9.2 of the Amended and Restated Limited Partnership Agreement (the "LPA") dated 01 May 2014, the Company is entitled to receive a GPS and there shall be allocated to the Company as a first charge on the Net Income and Capital Gains of the Fund. The GPS is calculated at:

- (i) In respect of the period from the Closing Date up to and including the date on which the Investment Period ends, a certain percentage per annum of Total Commitments; and
- (ii) In respect of the period from the end of the Investment Period up to and including the tenth anniversary of the Closing Date, as a certain percentage per annum of Invested Capital; and
- (iii) In respect of the period from the tenth anniversary of the Closing Date up to and including the twenty-fifth anniversary of the Closing Date, a certain percentage per annum of Invested Capital.

The GPS payable shall be reduced by deducting transaction fees, investment related fees, directors' fees etc. earned by the General Partner, Investment Manager or associates of either.

The GPS received from the Fund amounted to GBP1,614,454 (2014: GBP1,772,116) during the year, of which GBP415,462 (2014: GBP862,333) was outstanding at the end of the year.

4. AUDITORS' REMUNERATION

Fees payable to the Company's Independent Auditors for the audit of the Company's financial statements for the year ended 31 December 2015 were GBP6,180 (2014: GBP5,000).

5. MANAGEMENT FEES

	2015 GBP	2014 GBP
Management fees	1,594,756	1,756,413

Management fees represent the Company's share of the General Partner fees payable to Aberdeen Infrastructure Asset Managers Limited in lieu of the provision of services as the Investment Manager to the Fund.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 GBP	2014 GBP
Equity securities - unlisted	1	-
Movement in shares in Aberdeen Infrastructure II - A.B.A. and Aberdeen Infrastructure II - B.B.A.		
At 1 January	-	-
Additions	1	-
At 31 December	1	-

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2015**

7. RECEIVABLES

	2015 GBP	2014 GBP
GPS receivable	415,462	862,333

8. SHARE CAPITAL

	2015 GBP	2014 GBP
Authorised Unlimited ordinary shares of GBP1 nominal value	unlimited	unlimited
Issued and fully paid 1,000 ordinary shares of GBP1 nominal value	1,000	1,000

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company.

9. PAYABLES AND ACCRUALS

	2015 GBP	2014 GBP
Administration fees	3,459	7,706
Audit fees	5,000	5,000
Management fees	404,349	1,277,797
Professional fees	6,000	3,000
Due to related parties	1	-
	418,809	1,293,503

10. FINANCIAL RISK MANAGEMENT

10.1 Financial risk factors

The objective of the Company is to act as General Partner to the Fund. Certain activities expose it to a variety of financial risks. credit risk, market risk (including interest rate risk, currency risk, and other price risk), and liquidity risk.

10.1.1 Market risk

Market risk is defined as the potential loss in value or earnings of the Company arising from changes in external market factors such as.

- interest rates (interest rate risk);
- foreign exchange rates (currency risk); and
- equity markets (other price risk).

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

10. FINANCIAL RISK MANAGEMENT (CONTINUED)

10.1 Financial risk factors (continued)

10.1.1 Market risk (continued)

(a) Price risk

Returns from the Company's investments are affected by the price at which they are acquired. The value of these investments will be a function of the discounted value of their expected future cash flows, and as such will vary with, inter alia, movements in interest rates, market prices and the competition for such assets.

(b) Currency risk

Currency risk arises on balances denominated in a currency other than Pound Sterling and the currency giving rise to this risk is the Euro. The Company receives its fee income and pays its management fees in Euro, thereby forming a natural cash flow hedge. The Company follows a policy of ensuring that all foreign currency financial assets are matched with borrowings in the same currency, thus minimal sensitivity to foreign exchange exposure is considered to exist.

(c) Interest rate risk

Given the amount of cash held by the Company at any given time, the Company is not materially affected by changes in interest rates.

10.1.2 Credit risk

Credit risk is the risk of financial loss from a counter party's failure to settle financial obligations as they fall due. The Company's credit risk is concentrated because amounts due are solely from the Funds, however given the nature of the GP's relationship with the Funds and given their activities, the Directors consider that the risk of default is small. The maximum exposure to credit risk as at 31 December 2015 is the carrying amount of the financial assets as disclosed in Note 7.

10.1.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations. This risk can arise from mismatches in the timing of cash flows relating to assets and liabilities. The Company receives a management fee on a quarterly basis and does not have significant ad hoc expenses to settle. The only significant expense that the Company is exposed to is the management fee which is limited to any surplus income after all expenses have been settled.

Any liabilities of the Company incurred in its capacity as general partner of the Fund are met out of the assets of the Fund in accordance with the amended and restated limited partnership agreement dated 01 May 2014.

10.2 Capital risk management

The capital of the Company is represented by the net assets attributable to its shareholder. The amount of net assets attributable to its shareholder may change as the Company may adjust the amount of dividends paid to its shareholder, return capital to its shareholder, issue new shares or sell assets to reduce capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to maintain a strong capital base to support the development of the operating activities of the Company.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2015**

11. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Board of Directors makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical accounting estimates and judgements made by the Company during the year.

12. FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables		Designated at fair value through profit or loss	
	2015 GBP	2014 GBP	2015 GBP	2014 GBP
Assets				
Equity securities - unlisted	-	-	1	-
Receivables	415,462	862,333	-	-
Cash and cash equivalents	4,347	432,171	-	-
	<u>419,809</u>	<u>1,294,504</u>	<u>1</u>	<u>-</u>
			Other financial liabilities at amortised cost	
			2015 GBP	2014 GBP
Liabilities				
Payables and accruals			418,809	1,293,503

13. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Company's immediate parent is Aberdeen Alternatives (Holdings) Limited (formerly Aberdeen Infrastructure (Holdings) Limited) and the ultimate parent is Aberdeen Asset Management PLC. No dividends were paid during the year (2014: GBPnil).

The Company is the General Partner of the Fund. During the year, the Company received GPS amounting to GBP1,614,454 (2014: GBP1,772,116). At 31 December 2015, the Company was owed by the Fund GBP415,462 (2014: GBP862,333) in respect of GPS.

The Investment Manager is a wholly owned subsidiary of Aberdeen Asset Management PLC. The Company pays the Investment Manager a management fee in lieu of the provision of services as the Investment Manager to the Fund. During the year, the Investment Manager received GBP1,594,756 (2014: GBP1,756,413), of which GBP404,349 (2014: GBP1,277,797) was outstanding at year end.

14. STAFF COSTS

The Company has no employees other than the Directors, who did not receive any remuneration.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

15. ULTIMATE CONTROLLING PARTY

As at 31 December 2015, the Company's immediate parent undertaking is Aberdeen Alternatives (Holdings) Limited. The Company regarded by the Directors as the ultimate parent undertaking and controlling party is Aberdeen Asset Management PLC, which is incorporated in Scotland. Aberdeen Asset Management PLC will produce consolidated financial statements for the period ended 31 December 2015, copies of which may be obtained from Aberdeen Asset Management PLC's head office at 10 Queen's Terrace, Aberdeen, AB10 1YG.

16. SUBSEQUENT EVENTS

There were no subsequent events to report at the date of signing this report and the audited financial statements.

Aberdeen European Infrastructure Partners LP

Annual Report and Audited Consolidated Financial Statements

For the year ended 31 December 2015

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No 7477742

Partnership Registration LP014271

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ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

TABLE OF CONTENTS

	Page
Summary of Officers and Professional Advisers	1-2
Report of the General Partner	3-4
Report of the Investment Manager	5
Independent Auditors' Report	6-7
Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Financial Position	9
Consolidated Statement of Changes in Net Assets Attributable to the Limited Partners	10
Consolidated Statement of Cash Flows	11
Notes to the Consolidated Financial Statements	12-32

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

SUMMARY OF OFFICERS AND PROFESSIONAL ADVISERS

GENERAL PARTNER: Aberdeen European Infrastructure GP Limited
Bow Bells House
1 Bread Street
London
EC4M 9HH

DIRECTORS OF THE GENERAL PARTNER: M S Amin
G D Cohen
I H Y Wong (appointed 15 April 2015)

REGISTERED OFFICE: Bow Bells House
1 Bread Street
London
EC4M 9HH

ADMINISTRATOR: State Street (Guernsey) Limited
P.O. Box 543
First Floor
Dorey Court
Admiral Park
St Peter Port
Guernsey
GY1 6HJ

BANKERS: Lloyds Bank International Limited
Samia House
Le Truchot
St Peter Port
Guernsey
GY1 6HJ

Lloyds Bank International, S.A.U
C/Serrano, 90
5oe Planta, 28006
Madrid

Citco Bank Nederland N.V.
Telestone 8 - Teleport
Naritaweg 165
1043 BW Amsterdam

INDEPENDENT AUDITORS: PricewaterhouseCoopers CI LLP
P.O. Box 321
Royal Bank Place
1 Glatigny Esplanade
St Peter Port
Guernsey
GY1 4ND

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

SUMMARY OF OFFICERS AND PROFESSIONAL ADVISERS (CONTINUED)

INVESTMENT MANAGER:

Prior to 1 October 2015

Aberdeen Infrastructure Asset Managers Limited
10 Queens Terrace
Aberdeen
AB10 1XL

From 1 October 2015

Aberdeen Fund Managers Limited
Bow Bells House
1 Bread Street
London
EC4M 9HH

DEPOSITARY:

State Street Trustees Limited
525 Ferry Road
Crewe Toll
Edinburgh
EH5 2AW
Scotland

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

REPORT OF THE GENERAL PARTNER

For the year ended 31 December 2015

The General Partner presents its annual report and audited consolidated financial statements for Aberdeen European Infrastructure Partners LP (the "Fund") for the year ended 31 December 2015.

Limited partnership

The Fund was established on 4 January 2011 and is registered as a limited partnership in England under the Limited Partnerships Act 1907.

The Fund is a registered closed-ended investment fund domiciled and established as a limited partnership under the laws of England. The General Partner has responsibility for ensuring that the Fund is always operated and managed under the terms of the Limited Partnership Agreement. The General Partner has delegated these responsibilities to the Investment Manager. On 1 October 2015, the Investment Manager changed from Aberdeen Infrastructure Asset Managers Limited to Aberdeen Fund Managers Limited.

Principal activity

The Fund was established to invest in Primary social and economic infrastructure projects in the EU (excluding the UK) which offer investors the opportunity to earn attractive risk adjusted returns with a low correlation to economic cycles and other investment classes for its projected 25 year life.

The Fund invests in social and economic infrastructure projects (e.g. health, defence, education, social housing, government accommodation, custodial facilities, roads, bridges, rail and waste management) underpinned by long-term secure government contracts characterised by stable, predictable, availability-based cash flows.

To date the Fund has a total of seven investments after making three investments during the year. The Fund has injected EUR152.7m (2014: EUR91.9m) of capital to date. All amounts relating to these investments have been fully called from the Limited Partners and amounts not yet invested are maintained in a cash collateral account.

The Fund's objective is to generate significant long-term investment yield. It aims to achieve this objective by investing in a portfolio of high-quality, predominantly operational, Private Finance Initiative ("PFI")/Public Private Partnerships ("PPP") assets. The portfolio is expected to generate long-term, inflation-linked cash flows, principally driven by low-risk, availability-based contracts with government agencies.

Financial risk management

The key risks and uncertainties faced by the Fund are managed within the framework established for the Investment Manager. Exposures to credit risk, interest rate risk and foreign exchange risk arise in the normal course of the Fund's business. These risks are discussed, and supplementary qualitative and quantitative information is provided in Note 14 to the consolidated financial statements. The Fund's liquidity risk management is delegated to the Investment Manager.

Results and review of business

The Fund's total comprehensive income for the year was EUR18,970,804 (2014: EUR16,322,227). Capital returned during the year amounted to EUR4,250,000 (2014: EURnil).

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

REPORT OF THE GENERAL PARTNER (CONTINUED)

For the year ended 31 December 2015

Statement of General Partner's responsibilities in respect of the consolidated financial statements

The General Partner is responsible for preparing the consolidated financial statements for each financial year which give a true and fair view, in accordance with applicable law, the Limited Partnership Agreement and International Financial Reporting Standards as adopted by the European Union ("IFRSs"), of the state of affairs of the Fund and of the profit or loss of the Fund for that year.

In preparing these consolidated financial statements, the General Partner is also required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The General Partner is responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the Fund and enable the General Partner to ensure that the consolidated financial statements comply with applicable law and IFRSs. The General Partner is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Partner confirms that it has complied with the above requirements in preparing the consolidated financial statements.

Audit Information

As at the date of approval of the Report of the General Partner, the General Partner confirms that, so far as the General Partner is aware, there is no relevant audit information of which the Fund's Independent Auditors are unaware; and the General Partner has taken all the steps that ought to have been taken as an General Partner to be aware of any relevant audit information and to establish that the Fund's Independent Auditors are aware of that information.

Subsequent events

On 2 March 2016, the Fund purchased 489,200 shares in Hospitais Concessionados, SGPS, S.A. The purchase was made through its subsidiary Aberdeen Infrastructure (Holdco) B.V. The fund has a total commitment to the aforementioned investment of EUR41,020,452.

Going concern

The General Partner considers that the Fund has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the General Partner in conjunction with the Investment Manager has taken into account all available information about the foreseeable future and consequently the going concern basis is appropriate in preparing the consolidated financial statements.

Independent auditors

PricewaterhouseCoopers CI LLP have indicated their willingness to continue in office and a resolution to re-appoint the Independent Auditors will be put forward at the forthcoming Annual General Meeting.



I H Y Wong
Director
General Partner
1 April 2016

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

REPORT OF THE INVESTMENT MANAGER

For the year ended 31 December 2015

Alternative investment fund managers directive

The EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) ("AIFMD") entered into force on 21 July 2011 and member states, including the United Kingdom, were required to transpose this into national law by 22 July 2013. The AIFMD has been implemented in the United Kingdom by a combination of the HM treasury Regulations and FCA handbook rules.

The Investment Manager is the designated Alternative Investment Fund Manager ("AIFM") and is subject to regulation by the AIFMD. The AIFM has regular reporting responsibilities in accordance with the AIFMD. The Fund is considered to be an Alternative Investment Fund ("AIF") managed by the AIFM. Whilst the Investment Manager's registration as an AIFM has no direct regulatory bearing on the AIF, the AIFM has, together with the General Partner, agreed to make available certain information in order to assist the AIFM in complying with its responsibilities.

Report on the activities of the financial year

A report on Activities of the Financial Year produced by the Investment Manager, exclusively available to relevant regulators and the Fund's Limited Partners upon request, contains an overview of i) investment activities during the year, ii) the portfolio at year end, and iii) the performance over the period. A request for this report should be made to the Investment Manager.

Material changes and periodic risk management

There has been a change in Investment Manager during the year. On 1 October 2015, the Investment Manager changed from Aberdeen Infrastructure Asset Managers Limited to Aberdeen Fund Managers Limited. There has been no material change to the risk profile of the Fund during the year. There has been no change in depositary during the year. There has been no material change to Senior persons, who are responsible for the day to day running of the Fund and its assets during the year. There has been no material change in the delegation of any key functions during the year.

In relation to Risk Management, please refer to Note 14 in the Notes to the Financial Statements for details regarding the Fund's exposure to certain Financial Risks which require disclosing under AIFMD. Separately, Operational Risks are detailed in the Operational Risk Management Report which is available to relevant regulators and the Fund's Limited Partners upon request. Such a request should be made to the Investment Manager.

Remuneration disclosure

Remuneration disclosure is required by the AIFMD for remunerated Code staff. The Investment Manager has appropriate processes in place to identify and report on remuneration in accordance with the Code. A remuneration report is available to relevant regulators and the Fund's Limited Partners upon request. Such a request should be made to the Investment Manager.

Independent auditors' report to the members of Aberdeen European Infrastructure Partners LP

Report on the group financial statements

Our opinion

In our opinion, Aberdeen European Infrastructure Partners LP's group financial statements (the "financial statements").

- give a true and fair view of the state of the group's affairs as at 31 December 2015 and of its profit and cash flows for the year then ended,
 - have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs"), and
 - have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008
-

What we have audited

The financial statements, included within the Annual Report and Audited Consolidated Financial Statements (the "Annual Report"), comprise:

- the Consolidated Statement of Financial Position as at 31 December 2015,
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated Statement of Changes in Net Assets Attributable to the Limited Partners for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs, and applicable law

In applying the financial reporting framework, the general partner has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, it has made assumptions and considered future events

Other matters on which we are required to report by exception

Adequacy of information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility

General Partner's remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of general partner's remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the general partner

As explained more fully in the Statement of General Partner's responsibilities in respect of the consolidated financial statements set out on page 4, the general partner is 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the members of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving this opinion, 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the general partner; and
- the overall presentation of the financial statements

We primarily focus our work in these areas by assessing the general partner's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report



Adrian Peacegood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Guernsey
1 April 2016

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
For the year ended 31 December 2015


	<i>Notes</i>	2015 EUR	2014 EUR
Income			
Dividend income		1,221,750	3,917,501
Interest income	3	2,873,929	1,558,935
Management fee income	4	330,276	1,160,584
Net changes in fair value of financial assets at fair value through profit or loss	6	17,782,253	19,438,827
Total income		22,208,208	26,075,847
Expenses			
Administration fees		95,806	93,587
Audit fees	5	39,587	28,474
Bid costs		-	200,000
Custodian fees		32,022	-
Directors' fees		55,000	77,992
Legal and professional fees		1,158,392	436,612
General Partner's Share	19	2,222,222	2,222,222
Net foreign exchange loss		2,464	3,899
Other operating expenses		545,262	99,659
Salary costs		6,788	5,486
Provision for onerous contract	17	(920,139)	6,585,689
Total expenses		3,237,404	9,753,620
Profit on ordinary activities before tax		18,970,804	16,322,227
Tax	2.13	-	-
Profit on ordinary activities after tax		18,970,804	16,322,227
Total comprehensive income for the year	13	18,970,804	16,322,227

The notes on pages 12 to 32 form part of these consolidated financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at 31 December 2015**

	<i>Notes</i>	2015 EUR	2014 EUR
Assets			
Non-current assets			
Financial assets at fair value through profit or loss			
Equity securities - unlisted	6	133,927,317	66,838,161
Loans and receivables			
Debt securities	8	39,945,652	28,535,711
Cash collateral	8	24,964,500	24,964,500
Total non-current assets		198,837,469	120,338,372
Current assets			
Receivables and prepayments	9	717,312	1,204,188
Cash and cash equivalents	10	4,482,218	5,726,550
Total current assets		5,199,530	6,930,738
Total assets attributable to the Limited Partners		204,036,999	127,269,110
Liabilities			
Non-current liabilities			
Provision for onerous contract	17	5,665,550	6,585,689
Current liabilities			
Payables and accruals	12, 19	1,107,916	1,258,395
		6,773,466	7,844,084
Net assets attributable to the Limited Partners		197,263,533	119,425,026
Limited Partners' interest represented by:			
Partners' capital	13	156,436,797	97,569,094
Partners' current accounts	13	40,826,736	21,855,932
		197,263,533	119,425,026

The consolidated financial statements were authorised for issue by the Board of Directors of the General Partner of the Fund and signed on its behalf by:


I H Y Wong
Director
1 April 2016

The notes on pages 12 to 32 form part of these consolidated financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE LIMITED PARTNERS****For the year ended 31 December 2015**

	<i>Notes</i>	2015 EUR	2014 EUR
Net assets attributable to the Limited Partners at 1 January		119,425,026	68,268,964
Capital contributions	13	63,117,703	34,833,835
Return of capital	11, 13	(4,250,000)	-
Total comprehensive income for the year		18,970,804	16,322,227
Increase in net assets attributable to the Limited Partners		77,838,507	51,156,062
Net assets attributable to the Limited Partners at 31 December		197,263,533	119,425,026

The notes on pages 12 to 32 form part of these consolidated financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP**CONSOLIDATED STATEMENT OF CASH FLOWS**
For the year ended 31 December 2015

	<i>Note</i>	2015 EUR	2014 EUR
Cash flows from operating activities			
Total comprehensive income for the year		18,970,804	16,322,227
Adjustments for:			
Interest income		(2,873,929)	(1,558,935)
Net changes in fair value of financial assets at fair value through profit or loss		(17,782,253)	(19,438,827)
Net foreign exchange loss		2,464	3,899
Provision for onerous contract		(920,139)	6,585,689
		(2,603,053)	1,914,053
Acquisition of debt securities		(14,575,129)	(24,145,564)
Acquisition of equity securities		(46,973,923)	(12,894,763)
Capital repaid from debt securities		3,165,188	1,322,896
Increase in receivables		(120,856)	(281,554)
(Decrease) / increase in payables and accruals		(152,943)	619,600
Interest received		3,481,661	783,128
Net cash flow used in operating activities		(57,779,055)	(32,682,204)
Cash flows from financing activities			
Capital contributions received	6, 13	60,784,723	34,833,835
Return of capital		(4,250,000)	-
Net cash flow generated from financing activities		56,534,723	34,833,835
Net (decrease) / increase in cash and cash equivalents		(1,244,332)	2,151,631
Cash and cash equivalents at 1 January		5,726,550	3,574,919
Cash and cash equivalents at 31 December	10	4,482,218	5,726,550

The notes on pages 12 to 32 form part of these consolidated financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2015

1. GENERAL INFORMATION

The Fund is established as a limited partnership under the laws of England. The address of its registered office is Bow Bells House, 1 Bread Street, London, EC4M 9HH.

The principal activity of the Fund is to invest in Primary social and economic infrastructure projects in the EU (excluding the UK) which offer investors the opportunity to earn attractive risk adjusted returns with a low correlation to economic cycles and other investment classes for its projected 25 year life.

The Fund's investment activities are managed by the General Partner who has delegated these responsibilities to the Investment Manager, with the administration delegated to the Administrator.

The Fund's capital is represented by the net assets attributable to the Limited Partners.

These consolidated financial statements were authorised for issue by the Board of Directors of the General Partner of the Fund on 1 April 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied throughout the year, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Fund have been prepared on a going concern basis and in accordance with IFRSs. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The preparation of consolidated financial statements in accordance with IFRSs requires the use of certain critical accounting estimates. It also requires the General Partner to exercise judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 15.

The consolidated financial statements of the Fund have been prepared on a going concern basis.

(a) Standards and amendments to existing standards effective 1 January 2015

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2015 that would be expected to have a material impact on the Fund.

(b) New standards, amendments and interpretations effective after 1 January 2015 and not early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a material effect on the consolidated financial statements of the Fund, except the following set out below:

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(b) New standards, amendments and interpretations effective after 1 January 2015 and not early adopted (continued)

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. An updated version of IFRS 9 was issued on 10 November 2013. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standards retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Fund is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the required accounting period beginning on or after the date advised by the IASB. The effective mandatory date in place for IFRS 9 is 1 January 2018.

2.2 Investment entity and consolidation

2.2.1 Investment entity

The Fund has multiple unrelated investors and holds multiple investments. Ownership interests in the Fund are in form of limited partnership interests which are classified as liabilities under the provisions of IAS 32. The General Partner has determined that the Fund meets the definition of an investment entity per IFRS 10 as the following conditions exist:

- a) The Fund has obtained funds for the purpose of providing investors with professional investment management services;
- b) The Fund's business purpose, which was communicated directly to investors, is investing for capital appreciation and investment income; and
- c) The investments are measured and evaluated on a fair value basis.

2.2.1.1 Investment entity status

In determining the Fund's status as an investment entity in accordance with IFRS 10, the General Partner considered the following:

- a) The Fund has raised the commitments from a number of investors in order to raise capital to investment in private equity investments and to provide the investors management services with respect to these private equity investments;
- b) The Fund intends to generate capital and income returns from its private equity investments which will, in turn, be distributed in accordance with the LPA to the partners; and
- c) The Fund evaluates its private equity investments' performance on a fair value basis, in accordance with the policies set out in these financial statements.

Although the Fund met all three defining criteria, the General Partner has also assessed the business purpose of the Fund, the investment strategies for the private equity investments, the nature of any earnings from the private equity investments and the fair value models. The General Partner made this assessment in order to determine whether any additional areas of judgement exist with respect to the typical characteristics of an investment entity versus those of the Fund.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2015**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Investment entity and consolidation (continued)

2.2.2 Subsidiaries and consolidation

As disclosed in Note 15, the General Partner has determined that the Fund's direct subsidiaries which act as holding companies are not investment entities and act as an extension of the fund by providing investment-related services to maximise the investment return. As a result, the Fund continues to consolidate its direct subsidiaries.

The financial statements of consolidated holding company subsidiaries used to prepare these consolidated financial statements were prepared as at the Fund's reporting date.

The consolidated financial statements of the Fund comprise the financial statements of the Fund as a stand-alone entity and all consolidated holding company subsidiaries as at 31 December 2015.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Holding company subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The results of the holding company subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the acquisition date or up to the date on which control ceases, as appropriate.

Intragroup transactions, balances and intragroup gains on transactions between the Fund and its holding company subsidiaries are eliminated on consolidation. Intragroup losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

The integration of holding company subsidiaries into the consolidated financial statements is based on consistent accounting and valuation methods for similar transactions and other occurrences under similar circumstances.

Where the Fund is deemed to control an underlying portfolio company either directly or indirectly through a holding company subsidiary and whether the control be via voting rights or through the ability to direct the relevant activities in return for access to a significant portion of the variable gains and losses derived from those relevant activities, the underlying portfolio company and its results are not consolidated and are instead reflected at fair value through the profit or loss. As at 31 December 2015, the Fund is directly invested in one such portfolio company.

The Fund operates as an investment structure whereby the Fund invests and commits to invest into various portfolio companies. Total invested capital made by the Fund into the unconsolidated underlying portfolio company subsidiary during the year ended 31 December 2015 was EUR31,828,798 (2014: EUR9,433,099). As at 31 December 2015 there were no outstanding capital commitment obligations (2014: EURnil) with respect to specific portfolio company acquisitions and no amounts due to the portfolio company for unsettled purchases.

The Fund primarily invests into the portfolio companies by purchasing, directly, the unlisted /private equity and debt securities of these unlisted private companies. The portfolio companies pay cash interest or accrue interest in-kind on the debt held by the Fund and repay debt based on the terms of the respective agreements. Cash dividends may be paid based on the portfolio company's operating results and are at the discretion of the Board of Directors of the respective portfolio companies which are then paid up to the Fund directly or through the relevant holding company. There are no amounts due or accrued for preferred dividend or in-kind returns based on any of the shareholder agreements.

Movements in the fair value of the Fund's portfolio company and the existence of unfunded commitments may expose the Fund to potential losses.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2.3 Associates

An associate is an entity over which the Fund has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Investments that are held as part of the Fund's investment portfolio are carried in the balance sheet at fair value even though the Fund may have significant influence over those companies. This treatment is permitted by IAS 28, 'Investment in associates', which allows investments that are held by Investment Entities to be recognised and measured as at fair value through profit or loss and accounted for in accordance with IAS 39 and IFRS 13, with changes in fair value recognised in the statement of comprehensive income in the period of the change.

2.3 Foreign currency translation

(a) Functional and presentation currency

The operating and investing activities of the Fund is denominated in Euro. As such the performance of the Fund is measured and reported in Euro. The General Partner considers Euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the Fund. The consolidated financial statements are presented in Euro, the Fund's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency assets and liabilities, other than financial assets and liabilities at fair value through profit or loss, are translated into the functional currency using the exchange rate prevailing at the Consolidated Statement of Financial Position date.

Foreign exchange gains and losses arising from translation are included in the Consolidated Statement of Comprehensive Income.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Consolidated Statement of Comprehensive Income within "Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss".

2.4 Financial assets and financial liabilities at fair value through profit or loss

(a) Classification

The Fund classifies its investments in equity securities as financial assets at fair value through profit or loss. This category has two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

2.4 Financial assets and financial liabilities at fair value through profit or loss (continued)

(a) Classification (continued)

(I) Financial assets and liabilities held for trading

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

The Fund did not hold any financial assets or liabilities for trading as at 31 December 2015.

(II) Financial assets and liabilities designated at fair value through profit or loss at inception

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy.

The Fund's policy requires the Investment Manager to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

(b) Recognition, derecognition and measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Consolidated Statement of Comprehensive Income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Consolidated Statement of Comprehensive Income within 'Net changes in fair value of financial assets and liabilities at fair value through profit or loss' in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the Consolidated Statement of Comprehensive Income within 'Dividend income' when the Fund's right to receive payment is established (see note 2.11).

(c) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. The fair value of equity securities is calculated using discounted cash flow models based on future profitability forecasts. In summary, the valuation model will include the review of operational performance against plan and other general operational risk indicators.

The valuation methodology employed is based on a discounted cash flow analysis of the future expected equity and loan note cash flows (including all fee income). The fair value for each investment is derived from the present value of the investment's expected future cash flows, using reasonable assumptions and forecasts and an appropriate discount rate. The Investment Manager exercises its judgment in assessing the expected future cash flows from each investment. Each investee company produces detailed concession life financial models. The Fund's share of those cash flows are then extracted and a discount rate applied. The discount rate applied is subject to the appropriate risk free rate e.g. Indexed Linked Gilts and the projects' performance and risks (e.g. liquidity, currency risks, market appetite) including any risks to project earnings (e.g. predictability and covenant of the concession income), all of which may be differentiated by project phase.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2015**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- (i) those that the Fund intends to sell immediately or in the short-term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;
- (ii) those that the Fund upon initial recognition designates as available for sale; or
- (iii) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are initially recognised at fair value which is the cash consideration to originate or purchase the loan including any transaction costs and measured subsequently at amortised cost using the effective interest rate method. Loans and receivables are reported in the Consolidated Statement of Financial Position as 'Debt securities' and 'Cash collateral'. Interest on loans is included in the Consolidated Statement of Comprehensive Income and is reported as 'Interest income'. In case of an impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognised in the Consolidated Statement of Comprehensive Income as 'Impairment to loans and receivables'. If in a subsequent period, there is objective evidence that the Fund will be able to collect all debt securities and cash collateral, the impairment to loans and receivables is reversed through the Consolidated Statement of Comprehensive Income.

A provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due to be received. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount to be received is impaired. Once a financial asset or a Fund of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective interest rate method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument - or, when appropriate, a shorter period - to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the General Partner estimates cash flows considering all contractual calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

As at the years ended 31 December 2015 and 2014, the carrying amount of the receivables approximate their fair value.

2.6 Receivables and prepayments

Receivables are initially recognised at fair value and measured subsequently at amortised cost using the effective interest rate method. Prepayments are assets paid in advance and amortised over the relevant period.

2.7 Cash and cash equivalents

Cash and cash equivalents consist of cash balances that are freely available and other cash balances with an original maturity of three months or less.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Distributions payable to the Limited Partners

Proposed distributions to the Limited Partners are recognised in the Consolidated Statement of Comprehensive Income when they are appropriately authorised and no longer at the discretion of the Fund. This typically occurs when a proposed distribution is ratified at a General Partner's meeting. The distribution is recognised as a finance cost in the Consolidated Statement of Comprehensive Income. Any capital returned is recognised in the Consolidated Statement of Changes in Net Assets Attributable to the Limited Partners.

2.9 Provision for onerous contract

Where the Fund has a current commitment to make a future investment, this obligation is unavoidable and full recovery of any amounts advanced may not be recovered in the future. Where a future commitment is not considered to be fully recoverable this is considered to be an onerous contract under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. As part of General Partner's fair value assessment of financial assets, the General Partner will recognise in the Consolidated Statement of Comprehensive Income a provision for any potential future losses to be incurred under these contracts.

If in a subsequent period, there is objective evidence that the Fund will be able to recover its commitments, the provision for onerous contracts is reversed through the Consolidated Statement of Comprehensive Income.

2.10 Payables and accruals

Payables and accruals are initially recognised at fair value and subsequently stated at amortised cost using the effective interest rate method. Payables and accruals are derecognised when the obligation under the liability is discharged or cancelled or expires.

2.11 Interest income, dividend income and management fee income

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents, debt securities and cash collateral at amortised cost.

Dividend income and management fee income are recognised when the right to receive payment is established.

2.12 Expenses

Expenses are recognised on an accruals basis.

2.13 Taxation

Any tax liability arising on the activity of the Fund will be borne by the investors either directly or indirectly. The Fund's subsidiaries are subject to Dutch corporation tax at 20% on profits up to EUR200,000 and 25% on any profits in excess of this (2014: 20%).

3. INTEREST INCOME

	2015 EUR	2014 EUR
From cash and cash equivalents	106	-
From debt securities	2,243,459	910,081
From cash collateral	630,364	648,854
	2,873,929	1,558,935

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

4. MANAGEMENT FEE INCOME

	2015 EUR	2014 EUR
Management fee Income	330,276	1,160,584

Management fee income is receivable from certain project companies recognised based on the Sponsors' Commitment Agreement, in accordance with the terms and conditions of the Management Services Agreement 3(a) and 4(a) of Schedule 6.

5. AUDITORS' REMUNERATION

Fees payable to the Fund's Independent Auditors for the audit of the Fund's annual accounts for the year ended 31 December 2015 were EUR39,587 (2014: EUR28,474).

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 EUR	2014 EUR
Equity securities - unlisted	133,927,317	66,838,161

Net changes in financial assets at fair value through profit or loss

	2015 EUR	2014 EUR
As at 1 January	66,838,161	34,504,571
Additions	49,306,903	12,894,763
Net changes in fair value of financial assets at fair value through profit or loss	17,782,253	19,438,827
As at 31 December	133,927,317	66,838,161

Change in unrealised gain for Level 3 assets held as at year end and included in net changes in fair value of financial assets at fair value through profit or loss	17,782,253	19,438,827
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	2015		2014	
	Fair value EUR	% of net assets	Fair value EUR	% of net assets
Equity securities - unlisted	133,927,317	67.89	66,838,161	55.97

During the year Investors contributed EUR2,332,980 of capital commitments directly to the underlying project companies, M6 Tolna B.V and M6 Duna B.V.. As this amount was paid directly to the investment companies which are not consolidated, this amount will not appear in the Consolidated Statement of Cash Flows.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2015

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**Unconsolidated subsidiaries**

Subsidiary name	Country of Incorporation	Proportion of ownership 2015	Proportion of ownership 2014
Organizacion y Gestion de Infraestructuras Hospitalarias	Spain	82.49%	82.49%
M5 Tolna BV	Netherlands	55.08%	0%

7. INVESTMENTS IN SUBSIDIARIES

The subsidiaries of the Fund are as follows:

Subsidiary	Principal activity	Date of Incorporation	Country of Incorporation	Holding %
Coöperatief Aberdeen Infrastructure B.A.	Investment holding and investment related services	25 June 2012	Netherlands	100
Aberdeen Infrastructure (HoldCo) B.V.	Investment holding and investment related services	19 July 2011	Netherlands	100

8. LOANS AND RECEIVABLES

	2015 EUR	2014 EUR
Debt securities - unlisted	39,945,652	28,535,711
Cash collateral	24,964,500	24,964,500
	<u>64,910,152</u>	<u>53,500,211</u>

As an associate in a Private Finance Initiative between a project company and private investors, a subsidiary of the Fund provided EUR24,964,500 of cash collateral to finance, design, build, equip and maintain a new Magistrates' Court.

The cash collateral was provided in full on 15 February 2012 for a period of 7 years, and returns interest at a rate of 3-month EURIBOR (determined 2 business days prior to the start of each calculation period) plus a margin as per Schedule 2 to the collateral agreement.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 December 2015****8. LOANS AND RECEIVABLES (CONTINUED)****Movements in debt securities**

	2015 EUR	2014 EUR
As at 1 January	53,500,211	30,677,543
Additions	14,575,129	24,145,564
Loan repayments	(3,165,188)	(1,322,896)
As at 31 December	64,910,152	53,500,211

9. RECEIVABLES AND PREPAYMENTS

	2015 EUR	2014 EUR
Due from investment	375,557	-
Interest receivable	311,800	919,532
Management fee income receivable	27,523	277,523
Prepaid other fees	1,521	2,237
VAT receivable	911	4,896
	717,312	1,204,188

10. CASH AND CASH EQUIVALENTS

	2015 EUR	2014 EUR
Cash at bank	4,482,218	5,726,550

11. DISTRIBUTIONS TO THE LIMITED PARTNERS

Capital returned during the year amounted to EUR4,250,000 (2014: EURnil).

12. PAYABLES AND ACCRUALS

	2015 EUR	2014 EUR
Amounts due to a related party	21,000	21,000
Amounts due to the General Partner	555,556	1,111,111
Administration fees	47,695	23,032
Audit fees	37,309	26,703
Directors' fees	-	15,000
Other operating expenses	11,459	9,573
Legal and professional fees	116,210	51,976
Other taxes	318,687	-
	1,107,916	1,258,395

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**
For the year ended 31 December 2015**13. NET ASSETS ATTRIBUTABLE TO THE LIMITED PARTNERS**

	Partners' capital EUR	Partners' current accounts EUR	Total EUR
As at 1 January 2015	97,569,094	21,855,932	119,425,026
Capital contributions	63,117,703	-	63,117,703
Return of capital	(4,250,000)	-	(4,250,000)
Total comprehensive income for the year	-	18,970,804	18,970,804
As at 31 December 2015	156,436,797	40,826,736	197,263,533

	Partners' capital EUR	Partners' current accounts EUR	Total EUR
As at 1 January 2014	62,735,259	5,533,705	68,268,964
Capital contributions	34,833,835	-	34,833,835
Total comprehensive income for the year	-	16,322,227	16,322,227
As at 31 December 2014	97,569,094	21,855,932	119,425,026

During the year Investors contributed EUR2,332,980 of capital commitments directly to the underlying project companies, M6 Tolna B.V and M6 Duna B.V.. As this amount was paid directly to the investment companies which are not consolidated, this amount will not appear in the Consolidated Statement of Cash Flows.

14. FINANCIAL RISK MANAGEMENT**14.1 Financial risk factors**

The objective of the Fund's financial risk management is to manage and control the risk exposures of its investment portfolio. The General Partner has overall responsibility for overseeing the management of financial risks. The review and management of financial risks are performed by the Investment Manager, which has documented procedures designed to identify, monitor and manage the financial risks to which the Fund is exposed. This note presents information about the Fund's exposure to financial risks, its objectives, policies and processes for managing risk and the Fund's management of its financial resources.

The Fund owns a portfolio of investments predominantly in the subordinated loan notes and ordinary equity of private finance initiative companies. These companies are structured at the outset to minimise financial risks of acquiring and holding the investment. The Fund primarily focuses its risk management on the direct financial risks of acquiring and holding the portfolios, but continues to monitor the indirect financial risks of the underlying projects through representation, where appropriate, on the Boards of the project companies and the receipt of regular financial and operational performance reports.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.1.1 Market risk

Market risk is defined as the potential loss in value or earnings of the Fund arising from changes in external market factors such as:

- interest rates (interest rate risk);
- foreign exchange rates (currency risk); and
- equity markets (other price risk).

The investments are susceptible to market price risk arising from uncertainties about future values of the instruments. The Fund has an Investment Manager who provides the General Partner with investment recommendations. The Investment Manager's recommendations are reviewed by the General Partner before the investment decisions are implemented.

The performance of the investments held by the Fund are monitored by the Investment Manager on a monthly basis and reviewed by the General Partner on a quarterly basis.

(a) Price risk

Returns from the Fund's investments are affected by the price at which they are acquired. The value of these investments will be a function of the discounted value of their expected future cash flows, and as such will vary with, inter alia, movements in interest rates, market prices and the competition for such assets.

(b) Currency risk

The projects in which the Fund invests conduct their business and pay interest, dividends and principal in Euro. The Fund monitors its foreign exchange exposures using its near-term and long-term cash flow forecasts. The Fund's policy is not to use foreign exchange hedging. The Fund's liabilities denominated in Pound Sterling at their carrying amount are summarised below:

	2015 EUR	2014 EUR
Liabilities		
Pound Sterling		
Monetary liabilities	54,726	39,064

The table below summarises the sensitivity of the Fund's monetary liabilities to changes in foreign exchange movements at 31 December 2015. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by 5% to Euro, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

	2015 EUR	2014 EUR
Liabilities		
Pound Sterling		
Monetary liabilities	2,736	1,953

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.1 Financial risk factors (continued)

14.1.1 Market rate risk (continued)

(c) Interest rate risk

The Fund invests in subordinated loan notes of project companies, with fixed and variable interest rate coupons. Where floating rate debt is owned, the primary risk is that the Fund's cash flows will be subject to variation depending upon changes to base interest rates. The portfolio's cash flows are continually monitored and re-forecasted both over the near future and the long-term (over the whole period of projects' concessions) to analyse the cash flow returns from investments.

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The Fund holds debt securities and cash collateral that expose the Fund to fair value interest rate risk. The Fund's policy requires the Investment Manager to manage this risk by reviewing fluctuations of the interest rate sensitivity gap of financial assets and liabilities on a quarterly basis and the Investment Manager of the Fund to review on a quarterly basis.

If interest rates on debt securities and cash collateral had been lower on average by 75 basis points over the year, with all other variables held constant, the decrease in net assets attributable to members would have been EUR224,341 (2014: EUR385,507). If interest rates on debt securities and cash collateral had been higher on average by 75 basis points over the year, the increase in net assets attributable to members would amount to EUR224,341 (2014: EUR385,507). The Fund considers that 75 basis points is the maximum exposure to a decrease or increase in interest rates that could occur in the foreseeable future, although unlikely.

The Fund has an indirect exposure to changes in interest rates through its investment in project companies, which are in part financed by senior debt. Senior debt financing of project companies is generally either through floating rate debt or fixed interest rate bonds. Where senior debt is financed through floating rate debt, the projects typically have concession length hedging arrangements in place, which are monitored by the project companies' managers, finance parties and boards of directors.

(d) Inflation risk

The Fund's project companies are generally structured so that contractual income and costs are either wholly or partially linked to specific inflation, where possible, to minimise the risks of a mismatch between income and costs due to movements in inflation indexes. The Fund's overall cash flows are estimated to partially vary with inflation. The effect of these inflation changes do not always immediately flow through to the Fund's cash flows as there is a time lag due to financial models only being updated on a 6 monthly basis.

14.1.2 Credit risk

Credit risk is the risk that a counterparty of the Fund will be unable or unwilling to meet a commitment that it has entered into with the Fund. The Fund's direct counterparties are the project companies in which it makes investments. The Fund's near term cash flow forecasts are used to monitor the timing of cash receipts from project counterparties. Underlying the cash flow forecasts are project company cash flow models, which are regularly updated by project companies for the purposes of demonstrating the projects' ability to pay interest and dividends based on a set of detailed assumptions. Many of the Fund's investments and their subsidiary entities generally receive revenue from government departments, public sector or local authority clients. Therefore a significant portion of the Fund's revenue arises from counterparties of good financial standing.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.1 Financial risk factors (continued)

14.1.2 Credit risk (continued)

The Fund is also reliant on the projects' subcontractors continuing to perform their service delivery obligations such that revenues to projects are not disrupted. The Fund has a subcontractor counterparty monitoring procedure in place. The credit standing of subcontractors is reviewed and the risk of default estimated for each significant counterparty position. Monitoring is ongoing and period end positions are reported to the Investment Manager on a quarterly basis.

No classes within trade and other receivables contain impaired assets. The maximum exposure to credit risk over financial assets is the carrying value of those assets in the Consolidated Statement of Financial Position and as set out below:

	2015 EUR	2014 EUR
Debt securities - unlisted	39,945,652	28,535,711
Cash collateral	24,964,500	24,964,500
Receivables	715,791	1,201,951
Cash and cash equivalents	4,482,218	5,726,550
Total	70,108,161	60,428,712

The cash investments of the Fund are limited to financial institutions of a suitable credit quality.

As at 31 December 2015, the Fund did not record any overdue and impaired balance, with the exception of one investment in which a provision for onerous contract has been recognised as disclosed in note 17. The table below sets out the internal credit rating of equity securities and debt securities:

	2015 %	2014 %
Internal rating – better than satisfactory	-	-
Internal rating – satisfactory risk	100	100
Internal rating – viable but monitoring	-	-
Internal rating – high risk	-	-

The main concentration of credit risk to which the Fund is exposed arises from the Fund's investments in debt securities. However, this risk is spread over 6 debt securities of different investments.

The clearing and depository operations for the Fund's security transactions are concentrated with the Bankers. The Bankers are members of a major securities exchange. At 31 December 2015, all cash and cash equivalents are placed with the Bankers. The credit ratings as at 31 December 2015 for the banks were as follows: Lloyds - A, Citco - A; and Sabadell - BB+.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's credit risk exposure on a monthly basis, and the General Partner reviews it on a quarterly basis.

14.1.3 Equity risk

Equity risk arises from the Fund's exposure to unlisted equity shares. The Fund undertakes a full assessment of each entity's potential for value creation prior to entering into a new transaction. Thereafter, the performance of each investment is continually monitored and action taken as deemed appropriate in the circumstances. Further information about the Fund's sensitivity to changes in the fair value of equity investments is set out below.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2015**

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.1.3 Equity risk (continued)

At the reporting date the carrying value of equity investments amounted to EUR133,927,317 (2014: EUR66,838,161). For investments carried at fair value through profit or loss, changes in fair value would have a direct impact on total comprehensive income for the year. The table below sets out the sensitivity of total comprehensive income for the year to a 10% change in fair value of equity investments as at the Consolidated Statement of Financial Position date.

Effect of equity fair values on total comprehensive income for the year:

	2015 EUR	2014 EUR
Effect of 10% increase in fair value of equities	13,392,732	6,683,816
Effect of 10% decrease in fair value of equities	(13,392,732)	(6,683,816)

14.1.4 Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient financial resources and liquidity to meet its liabilities when due. The Fund's activity is funded by long-term funding, as it is closed ended and hence investors do not have the option to redeem their investment in the Fund. The Fund is exposed to limited liquidity risk. The Fund's liquidity risk management is delegated to the Investment Manager.

The Fund's investments are generally in private companies in which there is no listed market and, therefore, such investment would take time to realise and there is no assurance that the valuations placed on the investments would be achieved from any such sale process.

The Fund manages its liquidity risk by a combination of (i) contractual uncalled committed capital, which can be called with 14 days notice and used to fund investments and pay management fees and (ii) maintaining cash levels to fund short term operating expenses. As at 31 December 2015 the amount for undrawn commitments was EUR60,035,981 (2014: EUR124,622,322).

The Fund operates as an investment structure whereby the Fund invests and commits to invest into various portfolio companies. Total invested capital made by the Fund into the unconsolidated underlying portfolio company subsidiary during the year ended 31 December 2015 was EUR31,828,798 (2014: EUR9,433,099). As at 31 December 2015 there were no outstanding capital commitment obligations (2014: EURnil) with respect to specific portfolio company acquisitions and no amounts due to the portfolio company for unsettled purchases.

14.2 Capital risk management

The capital structure of the Fund consists of partners' capital and partners' current accounts.

The General Partner's policy when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for the Limited Partners and to sustain the future development of the business. In order to maintain or adjust the capital structure, the Fund may call undrawn capital from the Limited Partners or raise medium/long-term third party debt. Neither the Fund nor any of its subsidiaries are subject to externally imposed capital requirements.

There were no changes in the Fund's approach to capital management during the year.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.3 Fair value estimation

The Fund uses the income approach which discounts the expected cash flows attributable to each asset at an appropriate rate to arrive at fair values. In determining the discount rate, regard is given to risk free rates, the specific risks of each investment and the evidence of recent transactions. A detailed discounted cash flow valuation methodology is disclosed on Note 2.4 (c).

For Instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The models used to determine fair values are validated and reviewed by the Investment Manager and approved by the General Partner periodically.

The carrying value less impairment provision of receivables, payables and accruals are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

Fair value hierarchy

The fair value hierarchy consists of the following three levels:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' input requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2015**

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.3 Fair value estimation (continued)

The following table analyses, within the fair value hierarchy, the Fund's investments measured at fair value:

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
As at 31 December 2015				
Equity securities - unlisted	-	-	133,927,317	133,927,317
As at 31 December 2014				
Equity securities - unlisted	-	-	66,838,161	66,838,161

There were no transfers between Level 1 and Level 2 during the year. Reconciliations of Level 3 balances are disclosed in the relevant notes as indicated below. The effect of different economic assumptions on the fair value of the Level 3 assets is disclosed in this Note 14.

The following summarises the valuation techniques and input used for equity securities categorised in Level 3 as at 31 December 2015 and 2014.

	Fair value EUR	Valuation technique	Significant unobservable input	Weighted average input
As at 31 December 2015				
Equity securities - unlisted	133,927,317	Discounted cash flow	Cost of capital	9.24%
		Reasonable possible shift (absolute value)	Change in valuation EUR	
As at 31 December 2015				
Equity securities - unlisted		5% decrease in discount rate	6,992,249	
	Fair value EUR	Valuation technique	Significant unobservable input	Weighted average input
As at 31 December 2014				
Equity securities - unlisted	66,838,161	Discounted cash flow	Cost of capital	9.89%
		Reasonable possible shift (absolute value)	Change in valuation EUR	
As at 31 December 2014				
Equity securities - unlisted		5% decrease in discount rate	5,901,287	

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.3 Fair value estimation (continued)

The change in valuation disclosed in the above table shows the direction a decrease in the respective input variable would have on the valuation result. For equity securities decreases in cost of capital would lead to an increase in estimated value.

No interrelationships between unobservable input used in the Fund's valuation of its Level 3 equity securities have been identified.

The Fund has recognised unrealised gains of EUR17,782,253 on its Level 3 investments, these are included in the Consolidated Statement of Comprehensive Income as net changes in fair value of financial assets through profit or loss.

14.4 Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

15. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The General Partner makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

(a) Fair value of equity securities

The Fund may, from time to time, hold financial instruments that are not quoted in active markets such as the unlisted equity securities. Fair values of such instruments are determined by using valuation techniques (see Note 14.3). Where valuation techniques are used to determine fair values, they are validated and reviewed by the Investment Manager and approved by the General Partner periodically.

(b) Provisions

During the year, the Fund reversed a provision of EUR920,139 for an onerous contract provision. This represents the General Partner's best estimate of the potential losses to be incurred in this contract.

(c) Consolidation of subsidiaries

With the Fund's adoption and application of the Amendments to IFRS 10, IFRS 12 and IAS 27 on Investment entities, whilst the General Partner considers the Fund to be an investment entity, the General Partner has determined that the Fund's subsidiaries are not investment entities and act as extension of the Fund by providing investment-related services to maximise the investment return. As a result, the Fund continues to consolidate its subsidiaries as disclosed in note 2.2.2.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2015**

16. FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables EUR	Designated at fair value through profit or loss EUR	Total EUR
As at 31 December 2015			
Assets			
Equity securities - unlisted	-	133,927,317	133,927,317
Debt securities - unlisted	39,945,652	-	39,945,652
Cash collateral	24,964,500	-	24,964,500
Receivables	715,791	-	715,791
Cash and cash equivalents	4,482,218	-	4,482,218
	70,108,161	133,927,317	204,035,478

	Loans and receivables EUR	Designated at fair value through profit or loss EUR	Total EUR
As at 31 December 2014			
Assets			
Equity securities - unlisted	-	66,838,161	66,838,161
Debt securities - unlisted	28,535,711	-	28,535,711
Cash collateral	24,964,500	-	24,964,500
Receivables	1,201,951	-	1,201,951
Cash and cash equivalents	5,726,550	-	5,726,550
	60,428,712	66,838,161	127,266,873

	Other financial liabilities at amortised cost EUR	Liabilities at fair value through profit or loss EUR	Total EUR
As at 31 December 2015			
Liabilities			
Payables and accruals	1,107,916	-	1,107,916

As at 31 December 2014			
Liabilities			
Payables and accruals	1,258,395	-	1,258,395

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

17. PROVISION

During 2014, a provision previously recognised totalling EUR6,585,689 for an onerous contract under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' relating to the Paris Justice Court's subordinated debt commitment. The Directors of the General Partner assessed the fair value of the project and recognised this provision, which represented their best estimate of the potential losses to be incurred under this contract. At 31 December 2015, the Directors of the General Partner have assessed the fair value of the project, which has resulted in a reversal of EUR920,139.

18. FAIR VALUE MEASUREMENT

For the year ended 31 December 2015

EUR

Change in unrealised gain from financial assets and liabilities at fair value through profit or loss:

Investments in equity securities

17,782,253

17,782,253

Change in unrealised (loss) from financial assets and liabilities at fair value

Investments in equity securities

-

-

Total net realised gain/(loss) from financial assets and liabilities at fair value through profit or loss:

-

Total net change in unrealised gain/(loss) from financial assets and liabilities at fair value through profit or loss:

17,782,253

Total net realised and net change in unrealised from financial assets and liabilities at fair value through profit or loss:

17,782,253

For the year ended 31 December 2014

Change in unrealised gain from financial assets and liabilities at fair value

Investments in equity securities

19,438,827

19,438,827

Total net realised gain/(loss) from financial assets and liabilities at fair value through profit or loss:

-

Total net change in unrealised gain/(loss) from financial assets and liabilities at fair value through profit or loss:

19,438,827

Total net realised and net change in unrealised from financial assets and liabilities at fair value through profit or loss:

19,438,827

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2015

19. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The General Partner is entitled to receive the General Partner's Share, which is calculated at a certain percentage per annum on total commitments, reduced by deducting transaction fees, investment related fees, directors' fees etc. earned by the General Partner, Investment Manager or associates of either, paid in two parts by the project company.

During the year, the General Partner charged EUR2,222,222 (2014: EUR2,222,222) in respect of General Partner's Share, of which EUR555,556 (2014: EUR1,111,111) was outstanding at the end of the year.

As at 31 December 2015 an amount of EUR21,000 (2014: EUR21,000) was due to a related party Aberdeen Infrastructure Investments (No 4) Limited.

20. ULTIMATE CONTROLLING PARTY

The Directors of the General Partner do not consider there to be any one ultimate controlling party.

21. UNDRAWN COMMITMENTS

As at 31 December 2015 the Fund had undrawn commitments from the Limited Partners of EUR60,035,981 (2014: EUR124,622,322).

22. SUBSEQUENT EVENTS

On 2 March 2016, the Fund purchased 489,200 shares in Hospitais Concessionados, SGPS, S.A. The purchase was made through its subsidiary Aberdeen Infrastructure (Holdco) B.V. The fund has a total commitment to the aforementioned investment of EUR41,020,452.

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

3 Related parties (continued)

Company	2015 \$000	2014 \$000
Assets		
SC Transport Leasing 1 LTD - non interest bearing	52	52
	52	52

4 Ultimate holding and parent undertaking of larger group of which the Partnership is a member

The Partnership was formed in the UK under the Limited Partnerships Act 1907 on 25 March 2009. The largest group in which the results of the Partnership are consolidated is that headed by Standard Chartered PLC, and the smallest group is that headed by Standard Chartered Bank. The consolidated financial statements of these companies are available to the public and may be obtained from their registered office located at 1 Basinghall Avenue, London, EC2V 5DD.