LLOYDS BANK EUROPEAN INFRASTRUCTURE CARRY GP LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

MEMBER OF LLOYDS BANKING GROUP

Company Number: SC390150

Directors
A Nisbet
B Savjani

Secretary
Lloyds Secretaries Limited

Registered office
Level 1 Citymark
150 Fountainbridge
Edinburgh
EH3 9PE

Bankers
Lloyds TSB Bank plc
25 Gresham Street
London
EC2V 7HN

DIRECTORS' REPORT
For the year ended 31 December 2012

The Directors, as listed on page 1, submit their report and audited financial statements of Lloyds Bank European Infrastructure Carry GP Limited ("the Company") for the year ended 31 December 2012.

Incorporation
The Company was incorporated in Scotland on 9 December 2010.

Business review and principal activity
The Company is the General Partner of the Lloyds Bank European Infrastructure Partners Carry LP ("the Partnership"), a limited partnership registered in Scotland under registration number SL008466. The Company is dormant and has not traded during the year.

Results and dividends
The Company has not traded during the year ended 31 December 2012 nor the period ended 31 December 2011. The Company received no income and incurred no expenditure and therefore made neither profit nor loss during the year ended 31 December 2012 nor the period ended 31 December 2011. The Directors do not recommend the payment of a dividend in respect of 2012 (2011: nil).

Future developments
The Company remains committed to the business of the Partnership and will continue to do so as such in the future.

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

Risk management
The key risks and uncertainties faced by the Company are managed within the framework established for the Lloyds Banking Group plc group of companies ("the Group"). During the current year and preceding period the Company was not exposed to any significant credit, market or liquidity risk. Supplementary qualitative and quantitative information is provided in Note 9 to the Financial Statements.

Going concern
As set out in Note 3 - 'Principles underlying going concern assumption' of the Notes to the Financial Statements, the Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future and consequently the going concern basis continues to be appropriate in preparing the financial statements.

Directors' indemnities
The Directors have the benefit of a contract of indemnity which constitutes a "qualifying third party indemnity provision". This contract was in force during the financial year and remains in force.

Directors and their interests
The Directors at the date of this report are as stated on page 1. The Directors dates of appointment or resignation during the year, or subsequent to the year end, are as follows:

Director	Date of appointment	Date of resignation
K M Bothwell	-	2 July 2012
A Nisbet	2 July 2012	-
G J McDonald	-	19 September 2012
P S Dickson	19 September 2012	22 May 2013
B Savjani	22 May 2013	-

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

DIRECTORS' REPORT (continued)
For the year ended 31 December 2012

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

On behalf of the Board,

A Nisbet
Director
10/9/2013
Company Number SC390150

BALANCE SHEET
As at 31 December 2012

	Note	2012 £	2011 £
Assets			
Amounts due by parent undertaking	7	1	1
Total current assets		1	1
Total assets		1	1
Equity			
Share capital	8	1	1
Total equity		1	1
Total equity and liabilities		1	1

The notes on pages 6 to 11 are an integral part of these financial statements.

For the year ending 31 December 2012 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The member has not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

Approved by the Board of Directors and signed on its behalf by:

A Nisbet
Director

10/9/ 2013

Company Number: SC390150

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2012

	Share capital £	Total equity £
Balance at 9 December 2010	-	-
Proceeds from ordinary shares issued	1	1
Transactions with owners	1	1
Balance at 1 January 2012	**1**	**1**
Profit for the year	-	-
Total Comprehensive income	-	-
Balance at 31 December 2012	**1**	**1**

The notes on pages 6 to 11 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012

1. Significant accounting policies

Lloyds Bank European Infrastructure Carry GP Limited (the "Company") is a company incorporated and domiciled in Scotland.

The financial statements were authorised for issue by the Directors on 10/9/ 2013.

(a) Financial statements
The financial statements of Lloyds Bank European Infrastructure Carry GP Limited comprise the Balance Sheet and the Statement of Changes in Equity together with the related notes to the financial statements.

(b) Statement of compliance
The 2012 statutory financial statements set out on pages 6 to 11 have been prepared in accordance with International Financial Reporting Standards ('IFRS') and interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The standards applied by the Company are those endorsed by the European Union and effective at the date the financial statements are approved by the Board. Consequently, the financial statements comply with International Financial Reporting Standards.

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(c) Basis of preparation
The financial statements have been prepared under the historical cost basis.

The financial statements are presented in Sterling which is the Company's functional and presentation currency.

The Company has adopted the following new standards and amendments to standards which became effective for financial years beginning on or after 1 January 2012. Neither of these standards or amendments has had a material impact on these financial statements:

- *Disclosures – Transfers of Financial Assets (Amendments to IFRS 7).* Requires disclosures in respect of all transferred financial assets that are not derecognised in their entirety and transferred assets that are derecognised in their entirety but with which there is continuing involvement.

- *Deferred Tax: Recovery of Underlying Assets (Amendment to IAS 12).* Introduces a rebuttable presumption that investment property measured at fair value is recovered entirely through sale and that deferred tax in respect of such investment property is recognised on that basis.

(d) IFRS and IFRIC not yet applied
The following pronouncements may have a significant effect on the Company's financial statements but are not applicable for the year ended 31 December 2012 and has not been applied in preparing these financial statements. Save as disclosed below, the full impact of this accounting change is being assessed by the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

1. Significant accounting policies (continued)

(d) IFRS and IFRIC not yet applied (continued)

Pronouncement	Nature of change	IASB effective date
IFRS 9 *Financial Instruments* [1, 2]	Replaces those parts of IAS 39 *Financial Instruments: Recognition and Measurement* relating to the classification, measurement and derecognition of financial assets and liabilities. IFRS 9 requires financial assets to be classified into two measurement categories, fair value and amortised cost, on the basis of the objectives of the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments and eliminated the available-for-sale financial asset and held-to-maturity investment categories in IAS 39. The requirements for financial liabilities and derecognition are broadly unchanged from IAS 39.	Annual periods beginning on or after 1 January 2015.
IFRS 12 *Disclosure of Interests in Other Entities*	Requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.	Annual and interim periods beginning on or after 1 January 2013.
IFRS 13 *Fair Value Measurement*	Defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. It applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements.	Annual and interim periods beginning on or after 1 January 2013.
Amendments to IFRS 7 *Financial Instruments: Disclosures – 'Disclosures – Offsetting Financial Assets and Financial Liabilities'*	Requires an entity to disclose information to enable users of its financial statements to evaluate the effect or potential effect of netting arrangements on the entity's balance sheet.	Annual periods beginning on or after 1 January 2013.
Amendment to IAS 32 *Financial Instruments: Presentation – 'Offsetting Financial Assets and Financial Liabilities'*	Inserts application guidance to address inconsistencies identified in applying the offsetting criteria used in the standard. Some gross settlement systems may qualify for offsetting where they exhibit certain characteristics akin to net settlement.	Annual periods beginning on or after 1 January 2014.

[1] At the date of this report, this pronouncement is awaiting EU endorsement.
[2] IFRS 9 is the initial stage of the project to replace IAS 39. Future stages are expected to result in amendments to IFRS 9 to deal with changes to the impairment of financial assets measured at amortised cost and hedge accounting, as well as a reconsideration of classification and measurement. Until all stages of the replacement project are complete, it is not possible to determine the overall impact on the financial statements of the replacement of IAS 39.

(e) Trade and other receivables

Trade and other receivables are classified as current assets if collection is due within one year or less. If not, they are presented as non-current assets. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses.

(f) Share capital

Ordinary shares are classified as equity. Called up share capital is determined using the nominal value of shares that have been issued.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

2. Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based on amounts which differ from those estimates. Estimates, judgements and assumptions 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty in these financial statements, which together are deemed critical to the Company's results and financial position, are discussed below.

Critical judgements in applying the entity's accounting policies
No significant judgements have been made in the process of applying the Company's accounting policies.

Critical accounting estimates and assumptions
There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Going concern – Principles underlying going concern assumption

The Directors consider the Company to have adequate resources to continue in business for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

4. Income Statement

The Company did not trade during either the current year or prior period. Consequently, the Company has made neither profit nor loss and no Income Statement is therefore presented.

The Company has no employees. The Directors, who are considered to be key management, received no remuneration in respect of their services to the Company. The emoluments of the Directors are paid by a fellow group undertaking on behalf of the ultimate parent, Lloyds Banking Group plc, which makes no recharge to the Company. The Directors are also directors of a number of other subsidiaries of Lloyds Banking Group and are also substantially engaged in managing their respective business areas within Lloyds Banking Group. Given this, it is not possible to make an accurate apportionment of Directors' emoluments in respect of their services to each of the subsidiaries. Accordingly, these financial statements include no emoluments in respect of the Directors.

The total emoluments of the Directors are included in the financial statements of the ultimate parent company, Lloyds Banking Group plc.

There is no taxation on the results of the Company for the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

5. Statement of Comprehensive Income

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

6. Statement of Cash Flows

The Company has no cash flows in either the current financial year or the prior period therefore no Statement of Cash Flows is presented.

7. Amounts due by parent undertaking

	2012 £	2011 £
Uberior Fund Holdings Limited - unpaid share capital	**1**	1

8. Share capital

	Ordinary shares 2012 £	Ordinary shares 2011 £
In issue at 31 December – unpaid	**1**	1

At 31 December 2012, the issued share capital comprised 1 (2011: 1) ordinary share of £1 each.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

9. Financial instruments

The Company's financial instruments comprise an amount due by Uberior Fund Holdings Limited.

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk, foreign exchange risk and equity risk) and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management within Lloyds Banking Group ("the Group") is carried out by a central treasury department (Group Treasury). Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Group provides written principles for overall risk management, as well as written policies concerning specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit risk
Credit risk is the risk of financial loss from a counterparty's failure to settle financial obligations as they fall due. Credit exposures arise in the normal course of the Company's business, from trade and other receivables with other Group companies. As such, the Company does not consider itself to have any significant exposure to credit risk.

The table below sets out the maximum exposure to credit risk at the balance sheet date.

	Note	**2012** £	2011 £
On balance sheet			
Amounts due by parent undertaking	7	**1**	1

Trade and other receivables are carried at amortised cost, whereby an indication of impairment would result in an immediate write down of the carrying value. These instruments have an internal credit rating of satisfactory (2011: satisfactory) as they consist of an inter-company balance with a fellow subsidiary of Lloyds Banking Group plc. At the reporting date this balance was not considered past due or impaired.

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 (foreign exchange risk)
- Equity markets (equity risk)

Interest rate risk
Interest rate risk exists where the Company's financial assets and liabilities have interest rates set under different bases or which reset at different times. The Company does not have any interest bearing assets or liabilities therefore does not consider itself to have any interest rate exposure.

Foreign exchange risk
Foreign exchange risk arises on monetary financial assets and borrowings denominated in a currency other than Sterling. The main operations of the Company are denominated in Sterling therefore the Company does not have any exposure to foreign exchange risk.

Equity risk
Equity risk arises from investments in listed and unlisted equity shares. The Company has no listed or unlisted equity shares therefore no sensitivity to equity risk is considered to exist.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

9. Financial instruments (continued)

Liquidity risk
Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at excessive cost. This risk can arise from mismatches in the timing of cash flows relating to assets, liabilities and off-balance sheet instruments. Overall liquidity of the Lloyds Banking Group is managed centrally. As the Company has no liabilities it does not have any exposure to liquidity risk.

Fair Values
The carrying value of the Company's financial asset is viewed as a reasonable approximation of fair value.

10. Related parties

The Company's immediate parent undertaking is Uberior Fund Holdings Limited.

The Company has a related party balance with its immediate parent, as disclosed in Note 7 to the Financial Statements. The Company has no other transactions with related parties.

11. Parent undertakings

As at 31 December 2012 the Company's immediate parent company was Uberior Fund Holdings Limited. The ultimate parent undertaking and controlling party is Lloyds Banking Group plc (formerly Lloyds TSB Group), a company incorporated in Scotland. Lloyds Banking Group plc is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2012. The annual report and accounts of Lloyds Banking Group plc are available from 25 Gresham Street, London, EC2V 7HN. Bank of Scotland plc is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The annual report and accounts of Bank of Scotland plc can be obtained from The Mound, Edinburgh EH1 1YZ.