

Aberdeen European Infrastructure Carry GP Limited

Directors' report and financial statements

Registered number SC390150

For the year ended 31 December 2017



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**Partnership
Accounts**

Aberdeen European Infrastructure Carry GP Limited
Directors' report and financial statements
Registered number SC390150
For the year ended 31 December 2017

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Aberdeen European Infrastructure Carry GP Limited
Directors' report and financial statements
Registered number SC390150
For the year ended 31 December 2017

Company information

Board of directors

A McCaffery (Resigned 5 February 2018)
H Clayton (Resigned 5 February 2018)
D Pinder (Resigned 5 February 2018)
P McKellar (Appointed 5 February 2018)
B Thomson (Appointed 5 February 2018)
G McCall (Appointed 5 February 2018)

Secretary

Aberdeen Asset Management PLC
10 Queen's Terrace
Aberdeen
AB10 1XL

Registered office

10 Queen's Terrace
Aberdeen
AB10 1XL

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Aberdeen European Infrastructure Carry GP Limited
Directors' report and financial statements
Registered number SC390150
For the year ended 31 December 2017

Directors' report

The Directors, as listed on page 1, submit their report and unaudited financial statements of Aberdeen European Infrastructure Carry GP Limited ("the Company") for the year to 31 December 2017.

The Company qualifies as a small company in accordance with Sections 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.

In preparing the report, the Directors have taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 and have not prepared a Strategic Report.

Incorporation

The Company was incorporated in Scotland on 9 December 2010.

Business review and principal activities

On 14 August 2017, Aberdeen Asset Management PLC ("AAM PLC"), the Company's previous ultimate parent undertaking, was party to an all-share merger with Standard Life PLC ("SL PLC"), at which point the Company's ultimate parent undertaking became Standard Life Aberdeen PLC ("SLA PLC" or, together with its subsidiaries, "the Standard Life Aberdeen Group"). As a result, the Company is a subsidiary of the Standard Life Aberdeen Group.

The Company is the General Partner of four Limited Partnerships, namely Aberdeen Infrastructure Partners II Carry LP, Aberdeen European Infrastructure Partners Carry LP, Aberdeen European Infrastructure Partners Carry II LP, and Aberdeen Infrastructure Spain Co-invest II Carry LP.

Aberdeen Infrastructure Partners II Carry LP is a limited partnership registered in Scotland under registration number SL017253 which was registered on 14 July 2014. Aberdeen European Infrastructure Partners Carry LP is a limited partnership registered in Scotland under registration number SL008466, which was registered on 22 December 2010. Aberdeen European Infrastructure Partners Carry II LP is a limited partnership registered in Scotland under registration number SL021770, which was registered on 6 August 2015. Aberdeen Infrastructure Spain Co-invest II Carry LP is a limited partnership registered in Scotland under registration number SL027275, which was registered on 22 June 2016 and remained dormant until it was subsequently dissolved on 7 December 2017.

Results and dividends

The Company has not traded in the year and made neither a profit or loss (2016: £nil). The Directors do not recommend the payment of a dividend in respect of 2017 (2016: £nil).

Future developments

The Company is dormant in the current year and has no future plans to undertake any trading activity.

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 an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The Standard Life Aberdeen Group, of which the Company is part, has an established Enterprise Risk Management framework, integrating oversight of strategic planning, operational management of the business and internal control. The Company is not exposed to significant risks in relation to its operating activities, nor does the Company perform any regulated activities.

Directors' report (continued)

Directors' indemnities

The Directors benefitted from qualifying third party indemnity provisions which were in place during the whole of the period and at the date of signing the financial statements.

Directors and their interests

The Directors who held office during the year and at the date of this report were as follows:

A McCaffery (Resigned 5 February 2018)
H Clayton (Resigned 5 February 2018)
D Pinder (Resigned 5 February 2018)
P McKellar (Appointed 5 February 2018)
B Thomson (Appointed 5 February 2018)
G McCall (Appointed 5 February 2018)

No Director has any interest in any material contract or arrangement with the Company during or at the end of the period.

Statement of Directors' responsibilities in respect of the financial statement

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 (EU). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that 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 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 its 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



P McKellar
Director
20 July 2018

Aberdeen European Infrastructure Carry GP Limited
 Directors' report and financial statements
 Registered number SC390150
 For the year ended 31 December 2017

Balance sheet

As at 31 December 2017

		2017 £	2016 £
	Note		
Assets			
Cash at bank		1	1
Total current assets		<u>1</u>	<u>1</u>
Equity			
Share capital	3	1	1
Total equity		<u>1</u>	<u>1</u>

The notes on pages 6 to 7 form an integral part of these financial statements.

For the year ended 31 December 2017, the Company was entitled to exemption from audit under Section 480 of the Companies Act 2006 relating to dormant companies.

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

These financial statements were approved by the Directors on 20 July 2018 and were signed on their behalf by:


 P McKellar
 Director

Aberdeen European Infrastructure Carry GP Limited
Directors' report and financial statements
Registered number SC390150
For the year ended 31 December 2017

Statement of changes in equity

At 31 December 2017

	2017 £	2016 £
Net assets attributable to equity shareholder at 1 January	<u>1</u>	<u>1</u>
Net assets attributable to equity shareholder at 31 December	<u>1</u>	<u>1</u>

The notes on pages 6 to 7 are an integral part of these financial statements.

Aberdeen European Infrastructure Carry GP Limited
Directors' report and financial statements
Registered number SC390150
For the year ended 31 December 2017

Notes to the financial statements

1. General information

The Company was established as a limited company under the laws of Scotland. The address of its registered office is 10 Queen's Terrace, Aberdeen, AB10 1XL.

These financial statements were authorised for issue by the Directors of the Company on 20 July 2018.

2. Accounting policies

Basis of preparation

The financial statements of Aberdeen 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.

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

The 2017 statutory financial statements are 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 the period presented, unless otherwise stated.

Disclosure of impact of new and future accounting standards

(a) Standards and amendments to existing standards effective 1 January 2017

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2017 that have a material impact on the Company's financial results.

(b) New standards, amendments and interpretations effective after 1 January 2017 and not early adopted

The standards detailed beneath are effective for accounting periods beginning on or after 1 January 2018. They will have no recognition or measurement impact on the Statement of Financial Position:

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and liabilities. The standard replaces IAS 39 Financial Instruments: Recognition and Measurement and requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost.

IFRS 15, 'Revenue from Contracts with Customers', specifies how a company should recognise revenue, as well as requiring those companies to provide users of financial statements with more informative and relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

Critical accounting estimates and judgements

There are no critical accounting estimates or judgements which are material to the financial statements.

Going concern

The Directors are satisfied that the Company has sufficient financial resources to continue as a going concern for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Notes to the financial statements (continued)

3. Share capital

	2017 £	2016 £
Authorised, called up and unpaid shares		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

4. Financial risk management

The Company's financial instruments expose it to specific risks. The significance of these risks to the company is explained beneath.

Liquidity risk

Liquidity risk reflects an enterprise's inability to raise funds to meet commitments. The company does consider itself to have significant exposure to liquidity risk.

Fair values

The fair values of financial assets and liabilities together with the carrying amounts shown in the balance sheet are as follows:

	Carrying amount 2017 £	Fair value 2017 £	Carrying amount 2016 £	Fair value 2016 £
Cash at bank	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Offsetting

The Company has no financial assets or financial liabilities, which are subject to offsetting or similar agreements.

5. Related parties

The Company has no related party relationships with fellow group subsidiaries.

6. Immediate and ultimate parent undertakings

The Company's immediate parent company is Aberdeen Alternatives (Holdings) Limited and its ultimate parent company is SLA PLC, which is incorporated in the United Kingdom and registered in Scotland. The results of the Company are consolidated in the Group accounts of AAM PLC, which is the smallest group that the results are consolidated within, which are available to the public and may be obtained from 10 Queen's Terrace, Aberdeen, AB10 1XL. From 14th August 2017 the results of the Company are also consolidated in the Group accounts of SLA PLC, which are available to the public and may be obtained from 30 Lothian Road, Edinburgh, EH1 2DH.

Aberdeen European Infrastructure Partners Carry II
LP

Annual report and financial statements

Partnership Registration SL021770

For the year ended 31 December 2017

**COMPANIES HOUSE
EDINBURGH**

28 SEP 2018

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Partnership information

General Partner Aberdeen European Infrastructure Carry GP Limited
10 Queen's Terrace
Aberdeen
AB10 1XL

Directors of General Partner A McCaffery (Resigned 5 February 2018)
H Clayton (Resigned 5 February 2018)
D Pinder (Resigned 5 February 2018)
P McKellar (Appointed 5 February 2018)
B Thomson (Appointed 5 February 2018)
G McCall (Appointed 5 February 2018)

Registered Office 10 Queen's Terrace
Aberdeen
AB10 1XL

Report of the General Partner

The General Partner presents its annual report and financial statements for Aberdeen European Infrastructure Partners Carry II LP (the "Partnership") for the year ended 31 December 2017.

In preparing this report, the General Partner has taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 and has not prepared a strategic report.

Limited partnership

The Partnership was established on 6 August 2015 and is registered as a limited partnership in Scotland under the Limited Partnerships Act 1907, with registration number SL021770.

Business review and principal activity

The Partnership's principal activity is to invest as a carried interest partner in two Limited Partnerships (the "Funds"), namely Aberdeen European Infrastructure Partners II LP, with registration number 016100; and Aberdeen European Infrastructure Co-Invest II LP, with registration number 016762. The limited partnerships are registered in England under the Limited Partnerships Act 1907. There are no plans to change the principal activity of the Partnership.

Principal risks and uncertainties

The key risks and uncertainties faced by the Partnership are managed within the framework established by the General Partner. Exposures to market risk, investment risk, credit risk, liquidity risk and capital risk arise in the normal course of the Partnership's business. These risks are discussed, and supplementary qualitative and quantitative information is provided, in note 5. The Partnership's liquidity risk is managed by the General Partner.

Results

During the year, the Partnership did not trade and made neither a profit nor loss (Period to December 2016: €nil). No dividend is recommended in respect of 2017 (Period to December 2016: €nil).

Key performance indicators (KPIs)

Given the straightforward nature of the business, the General Partner is of the opinion that analysis using KPIs is not necessary for the understanding of the development, performance or position of the business.

Going concern

The General Partner considers that the Partnership has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the General Partner has taken into account all available information, including existing limited partner capital and future operating and liquidity requirements. Consequently the going concern basis is appropriate when preparing the financial statements.

Directors' indemnities

The Directors of the General Partner benefited from qualifying third party indemnity provisions, which were in place during the financial year and at the date of signing the financial statements.

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

The General Partner is responsible for preparing the financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the general partner to prepare partnership financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the general partner has elected to prepare the partnership financial statements in accordance with IFRSs as adopted by the EU and applicable law, as opposed to United Kingdom Generally Accepted Accounting Practice as set out in the Limited Partnership Agreement, to ensure that these financial statements are prepared on a consistent basis with its linked entities.

Report of the General Partner (continued)

Statement of General Partner's responsibilities in respect of the financial statements (continued)

Under company law the general partner 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 partnership. In preparing these financial statements, the general partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

The general partner is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the partnership and to prevent and detect fraud and other irregularities.

The Directors have elected to waive the audit requirement in relation to the annual accounts.

Signed on behalf of Aberdeen European Infrastructure Carry GP Limited by:



Gillian McCall
Director
27 September 2018

Statement of financial position

At 31 December 2017

	Note	2017 €	2016 €
Assets			
Non-current assets			
Financial assets at fair value through profit and loss	3	794	794
Current assets			
Cash and cash equivalents		-	581
Total assets		<u>794</u>	<u>1,375</u>
Liabilities			
Current liabilities			
Payables	4	-	581
Net assets		<u>794</u>	<u>794</u>
Represented by:			
Limited Partners' capital		<u>794</u>	<u>794</u>
		<u>794</u>	<u>794</u>

There is no comprehensive income for the current and preceding financial year. Accordingly, no statement of comprehensive income has been presented.

The notes on pages 7 to 10 form part of these financial statements.

These financial statements were authorised for issue by the Board of Directors of the General Partner of the Partnership on its behalf by:



Gillian McCall
Director
27 September 2018

Statement of changes in net assets attributable to the Limited Partners

At 31 December 2017

	2017	2016
	€	€
Net assets attributable to the Limited Partners at 6 August 2015 / 1 January 2017	794	-
Limited Partners' capital contribution	-	794
Net assets attributable to the Limited Partners at 31 December	794	794

The notes on pages 7 to 10 form part of these financial statements.

Statement of cash flows

For the year ended 31 December 2017

	2017 €	Period to December 2016 €
Cash flows from operating activities		
Net profit before tax	-	-
(Decrease) / increase in payables	<u>(581)</u>	<u>581</u>
Cash used in operations	(581)	581
 Net (decrease) / increase in cash and cash equivalents	 (581)	 581
Cash and cash equivalents at 1 January / 6 August	<u>581</u>	<u>-</u>
 Cash and cash equivalents at 31 December	 <u>-</u>	 <u>581</u>

The notes on pages 7 to 10 form part of these financial statements.

Notes to the financial statements

1. General information

The Partnership was established as a limited partnership under the laws of Scotland. The address of its registered office is 10 Queen's Terrace, Aberdeen, AB10 1XL. The Partnership is managed by the General Partner.

These financial statements were authorised for issue by the Board of Directors of the General Partner on 27 September 2018.

2. 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 current year and prior period, unless otherwise stated.

Basis of preparation

The financial statements of the Partnership have been prepared in accordance with IFRSs as adopted by the European Union, as determined by the General Partner. The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with IFRSs as adopted by the European Union requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Partnership's accounting policies. There are currently no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

The Partnership's capital is denominated in Euro. The performance of the Partnership is measured and reported to the investors in Euro. The General Partner considers Euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Euro, the Partnership's functional and presentational currency. The Pound to Euro exchange rate at 31 December 2017 is 1.1265 (2016: 1.1715)

Disclosure impact of new and future accounting standards

(a) Standards and amendments to existing standards effective 1 January 2017

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2017 that have a material impact on the Partnership's financial results.

(b) New standards, amendments and interpretations effective after 1 January 2017 and not early adopted

The standards detailed beneath are effective for accounting periods beginning on or after 1 January 2018. They will have no recognition or measurement impact on the Statement of Financial Position. The disclosure impact on the financial statements is yet to be assessed:

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and liabilities. The standard replaces IAS 39 Financial Instruments: Recognition and Measurement and requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost.

IFRS 15, 'Revenue from Contracts with Customers', specifies how a company should recognise revenue, as well as requiring those companies to provide users of financial statements with more informative and relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Financial instruments

Classification

The Partnership classifies its investment interests as financial assets at fair value through profit or loss. Payables are classified as other financial liabilities.

Recognition, derecognition and measurement

Payables are initially recognised at fair value and subsequently stated at amortised cost using the effective interest rate method. As the payables are short-term in nature, the carrying value approximates to the amortised cost. Payables are derecognised when the obligation under the liability is discharged, cancelled or expires.

Purchases and sales of investments are recognised on trade date, the date on which the Partnership commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Partnership has transferred substantially all risks and rewards of ownership.

Financial assets 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 Partnership has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Fair value measure adjustments are presented in the statement of comprehensive income as they arise.

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 the investment interest is approximate to the total capital contributed.

Offsetting

The Partnership has no financial assets or financial liabilities, which are subject to offsetting or similar agreements.

3. Financial assets at fair value through profit and loss

	2017	2016
	€	€
Aberdeen European Infrastructure Partners II LP	636	636
Aberdeen European Infrastructure Co-Invest II LP	158	158
	<u>794</u>	<u>794</u>

4. Payables

	2017	2016
	€	€
Payables to group companies	<u>-</u>	<u>581</u>

Amounts payable to group companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the financial statements (continued)

5. Financial risk management

This note presents information about the Partnership's exposure to financial risks, primarily in relation to its interests in the Funds. This investment is structured at the outset to minimise financial risks of acquiring and holding the investment.

Market risk

Market risk arises from fluctuations in the fair value of future cash flows of a financial instrument because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. As the Partnership's investment represents carried interest in the Funds, which is not dependent on market prices and is denominated in Australian Dollar, market risk is not considered to be significant.

Credit risk

Credit risk is the risk that one party to a financial instrument will be unable or unwilling to meet a commitment that it has entered into with the Partnership. The main concentration of credit risk to which the Partnership is exposed arises from the Partnership's investment holding, which is not considered to be significant. Cash and cash equivalents are held with an A rated financial institution.

The maximum exposure to credit risk over financial assets is the carrying value of those assets in the Statement of financial position. As at 31 December 2017, the Partnership did not have any overdue or impaired balances.

Investment risk

Investment risk arises from the Partnership's exposure to its investment. The General Partner 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. Further information about the Partnership's sensitivity to changes in the fair value of equity investments is set out below.

At the reporting date, the carrying value of investments amounted to €794 (Period to December 2016: €794). 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 impact on the statement of comprehensive income of a 10% decline in the fair value of the investments held would be to decrease profit for the year by €79 (Period to December 2016: €79).

Liquidity risk

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they fall due. The General Partner'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 Partnership's activity is funded by long-term funding, and hence the Limited Partners do not have the option to withdraw their investment in the Partnership. The Partnership is exposed to limited liquidity risk.

The Partnership's investment is in funds for which there is no active market and, therefore, such an investment could take time to realise and there is no assurance that the valuations placed on the investment would be achieved from any such sale process.

Capital risk management

The capital structure of the Partnership consists of Limited Partners' capital. The General Partner's policy when managing capital is to safeguard the Partnership'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 Partnership may call undrawn capital from the Limited Partners. The Partnership is not subject to externally imposed capital requirements. There were no changes in the Partnership's approach to capital management during the year.

Notes to the financial statements (continued)

5. Financial risk management (continued)

Fair value estimation

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 financial instruments measured at fair value through profit and loss are level 3 (2016: level 3) financial instruments. The fair value of these financial instruments is the total capital contributed by the Limited Partners. There were no transfers between the hierarchies detailed above during the year.

6. Related party transactions

The General Partner, and Directors of the General Partner, received no remuneration in respect of their services to the Partnership. The emoluments of the Directors were paid by a fellow group undertaking, which made no recharge to the Partnership. The Partnership has no employees.

There were no transactions with the General Partner during the year.

Aberdeen European Infrastructure Partners Carry LP

Annual report and financial statements

Partnership Registration SL008466

For the year ended 31 December 2017

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28 SEP 2018

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Partnership information

General Partner Aberdeen European Infrastructure Carry GP Limited
10 Queens Terrace
Aberdeen
AB10 1XL

Directors of General Partner A McCaffery (Resigned 5 February 2018)
H Clayton (Resigned 5 February 2018)
D Pinder (Resigned 5 February 2018)
P McKellar (Appointed 5 February 2018)
B Thomson (Appointed 5 February 2018)
G McCall (Appointed 5 February 2018)

Registered office 10 Queen's Terrace
Aberdeen
AB10 1XL

Report of the General Partner

The General Partner presents its annual report and financial statements for Aberdeen European Infrastructure Partners Carry LP (the "Partnership") for the year ended 31 December 2017.

In preparing this report, the General Partner has taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 and has not prepared a strategic report.

Limited partnership

The Partnership was established on 23 December 2010 and is registered as a limited partnership in Scotland under the Limited Partnerships Act 1907, with registration number SL008466.

Business review and principal activity

The Partnership's principal activity is to invest as a carried interest partner in Aberdeen European Infrastructure Partners LP (the "Fund"), a limited partnership registered in Scotland under the Limited Partnerships Act 1907. There are no plans to change the principal activity of the Partnership.

Principal risk and uncertainties

The key risks and uncertainties faced by the Partnership are managed within the framework established by the General Partner. Exposures to market risk, investment risk, credit risk, liquidity risk and capital risk arise in the normal course of the Partnership's business. These risks are discussed, and supplementary qualitative and quantitative information is provided, in note 4. The Partnership's liquidity risk is managed by the General Partner.

Results

During the year, the Partnership did not trade and made neither a profit nor loss (2016: €nil). No dividend is recommended in respect of 2017 (2016: €nil).

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the General Partner is of the opinion that analysis using KPIs is not necessary for the understanding of the development, performance or position of the business.

Going concern

The General Partner considers that the Partnership has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the General Partner has taken into account all available information, including existing limited partner capital and future operating and liquidity requirements. Consequently the going concern basis is appropriate when preparing the financial statements.

Directors' indemnities

The Directors of the General Partner benefited from qualifying third party indemnity provisions, which were in place during the financial year and at the date of signing the financial statements.

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

The General Partner is responsible for preparing the financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the general partner to prepare partnership financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the general partner has elected to prepare the partnership financial statements in accordance with IFRSs as adopted by the EU and applicable law, as opposed to United Kingdom Generally Accepted Accounting Practice as set out in the Limited Partnership Agreement, to ensure that these financial statements are prepared on a consistent basis with its linked entities.

Report of the General Partner (continued)

Statement of General Partner's responsibilities in respect of the financial statements (continued)

Under company law the general partner 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 partnership. In preparing these financial statements, the general partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

The general partner is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the partnership and to prevent and detect fraud and other irregularities.

The Directors have elected to waive the audit requirement in relation to the annual accounts.

Signed on behalf of Aberdeen European Infrastructure Carry GP Limited by:



Gillian McCall
Director
27 September 2018

Statement of financial position

At 31 December 2017

	Note	2017 €	2016 €
Assets			
Non-current assets			
Financial assets at fair value through profit and loss	3	556	556
Current assets			
Receivables	4	68	-
Total Assets		<u>624</u>	
Liabilities			
Current liabilities			
Overdraft		68	-
Net assets attributable to the Limited Partners		<u>556</u>	<u>556</u>
Represented by:			
Limited Partners' capital		<u>556</u>	<u>556</u>
		<u>556</u>	<u>556</u>

There is no comprehensive income for the current or preceding financial year. Accordingly, no statement of comprehensive income has been presented.

The notes on pages 7 to 10 form part of these financial statements.

These financial statements were authorised for issue by the Board of Directors of the General Partner of the Partnership on its behalf by:



Gillian McCall
Director
27 September 2018

Statement of changes in net assets attributable to the Limited Partners

At 31 December 2017

	2017 €	2016 €
Net assets attributable to the Limited Partners at 1 January	<u>556</u>	<u>556</u>
Net assets attributable to the Limited Partners at 31 December	<u>556</u>	<u>556</u>

The notes on pages 7 to 10 form part of these financial statements.

Statement of cash flows

For the year ended 31 December 2017

	2017 €	2016 €
Cash flows from operating activities		
Net profit before tax	-	-
(Increase) in receivables	(68)	-
Cash used in operations	<u>(68)</u>	<u>-</u>
 Net (decrease) in cash and cash equivalents	 (68)	 -
Cash and cash equivalents at 1 January	<u>-</u>	<u>-</u>
Cash and cash equivalents at 31 December	<u>(68)</u>	<u>-</u>

The notes on pages 7 to 10 form an integral part of these financial statements.

Notes to the financial statements

1. General information

The Partnership was established as a limited partnership under the laws of Scotland. The address of its registered office is 10 Queen's Terrace, Aberdeen, AB10 1XL. The Partnership is managed by the General Partner.

These financial statements were authorised for issue by the Board of Directors of the General Partner on 27 September 2018.

2. 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 current and prior year, unless otherwise stated.

Basis of preparation

The financial statements of the Partnership have been prepared in accordance with IFRSs as adopted by the European Union, as determined by the General Partner. The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with IFRSs as adopted by the European Union requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Partnership's accounting policies. There are currently no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

The Partnership's capital is denominated in Euro. The performance of the Partnership is measured and reported to the investors 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 Partnership. The financial statements are presented in Euro, the Partnership's functional and presentational currency. The Pound to Euro exchange rate at 31 Dec 2017 is 1.1265.

Disclosure impact of new and future accounting standards

(a) Standards and amendments to existing standards effective 1 January 2017

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2017 that have a material impact on the Partnership's financial results.

(b) New standards, amendments and interpretations effective after 1 January 2017 and not early adopted

The standards detailed beneath are effective for accounting periods beginning on or after 1 January 2018. They will have no recognition or measurement impact on the Statement of Financial Position. The disclosure impact on the financial statements is yet to be assessed:

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and liabilities. The standard replaces IAS 39 Financial Instruments: Recognition and Measurement and requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost.

IFRS 15, 'Revenue from Contracts with Customers', specifies how a company should recognise revenue, as well as requiring those companies to provide users of financial statements with more informative and relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Financial instruments

Classification

The Partnership classifies its investment interests as financial assets at fair value through profit or loss.

Recognition, derecognition and measurement

Receivables are initially recognised at fair value which is the cash consideration to originate or purchase the receivable including any transaction costs and measured subsequently at amortised cost using the effective interest rate method. As the receivables are short-term in nature, the carrying value approximates to the amortised cost.

Purchases and sales of investments are recognised on trade date, the date on which the Partnership commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Partnership has transferred substantially all risks and rewards of ownership.

Financial assets 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 Partnership has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Fair value measure adjustments are presented in the statement of comprehensive income as they arise.

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 the investment interest approximates to the total capital contributed.

Offsetting

The Partnership has no financial assets or financial liabilities, which are subject to offsetting or similar agreements.

3. Financial assets at fair value through profit and loss

	2017 €	2016 €
Aberdeen European Infrastructure Partners LP	<u>556</u>	<u>556</u>

4. Receivables

	2017 €	2016 €
Receivables from group companies	<u>68</u>	<u>-</u>

Amounts receivable from group companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

5. Financial risk management

This note presents information about the Partnership's exposure to financial risks, primarily in relation to its interests in the Fund. This investment is structured at the outset to minimise financial risks of acquiring and holding the investment.

Notes to the financial statements (continued)

5. Financial risk management (continued)

Market risk

Market risk arises from fluctuations in the fair value or future cash flows of a financial instrument because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. As the Partnership's investment represents carried interest in the Fund, which is not dependent on market prices and is denominated in Euro, market risk is not considered to be significant.

Credit risk

Credit risk is the risk that one party to a financial instrument will be unable or unwilling to meet a commitment that it has entered into with the Partnership. The main concentration of credit risk to which the Partnership is exposed arises from the Partnership's investment holding, which is not considered to be significant.

The maximum exposure to credit risk over financial assets is the carrying value of those assets in the Statement of financial position. As at 31 December 2017, the Partnership did not have any overdue or impaired balances.

Investment risk

Investment risk arises from the Partnership's exposure to its investment. The General Partner 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. Further information about the Partnership's sensitivity to changes in the fair value of equity investments is set out below.

At the reporting date, the carrying value of investments amounted to €556 (2016: €556). 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 impact on the statement of comprehensive income of a 10% decline in the fair value of the investments held would be to decrease profit for the year by €56 (2016: €56).

Liquidity risk

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they fall due. The General Partner'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 Partnership's activity is funded by long-term funding, and hence the Limited Partners do not have the option to withdraw their investment in the Partnership. The Partnership is exposed to limited liquidity risk.

The Partnership's investment is in a fund for which there is no active market and, therefore, such an investment could take time to realise and there is no assurance that the valuations placed on the investment would be achieved from any such sale process.

Capital risk management

The capital structure of the Partnership consists of Limited Partners' capital. The General Partner's policy when managing capital is to safeguard the Partnership'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 Partnership may call undrawn capital from the Limited Partners. The Partnership is not subject to externally imposed capital requirements. There were no changes in the Partnership's approach to capital management during the year.

Fair value estimation

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 financial instruments measured at fair value through profit and loss are level 3 (2016: level 3) financial instruments. The fair value of these financial instruments is the total capital contributed by the Limited Partners. There were no transfers between the hierarchies detailed above during the year.

Notes to the financial statements (continued)

6. Related party transactions

The General Partner, and Directors of the General Partner, received no remuneration in respect of their services to the Partnership. The emoluments of the Directors were paid by a fellow group undertaking, which made no recharge to the Partnership. The Partnership has no employees.

There were no transactions with the General Partner during the year (2016: € nil).

Aberdeen Infrastructure Partners II Carry LP

Annual report and financial statements

Partnership Registration SL017253

For the year ended 31 December 2017

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28 SEP 2018

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Partnership information

General Partner Aberdeen European Infrastructure Carry GP Limited
10 Queens Terrace
Aberdeen
AB10 1XL

Directors of General Partner A McCaffery (Resigned 5 February 2018)
H Clayton (Resigned 5 February 2018)
D Pinder (Resigned 5 February 2018)
P McKellar (Appointed 5 February 2018)
B Thomson (Appointed 5 February 2018)
G McCall (Appointed 5 February 2018)

Registered office 10 Queen's Terrace
Aberdeen
AB10 1XL

Report of the General Partner

The General Partner presents its annual report and financial statements for Aberdeen Infrastructure Partners II Carry LP (the "Partnership") for the year ended 31 December 2017.

In preparing this report, the General Partner has taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 and has not prepared a strategic report.

Limited partnership

The Partnership was established on 14 July 2014 and is registered as a limited partnership in Scotland under the Limited Partnerships Act 1907, with registration number SL017253.

Business review and principal activity

The Partnership's principal activity is to invest as a carried interest partner in Aberdeen Infrastructure Partners II LP (the "Fund"), a limited partnership registered in England under the Limited Partnerships Act 1907. There are no plans to change the principal activity of the Partnership.

Principal risks and uncertainties

The key risks and uncertainties faced by the Partnership are managed within the framework established by the General Partner. Exposures to market risk, investment risk, credit risk, liquidity risk and capital risk arise in the normal course of the Partnership's business. These risks are discussed, and supplementary qualitative and quantitative information is provided, in note 6. The Partnership's liquidity risk is managed by the General Partner.

Results

During the year, the Partnership did not trade and made neither a profit nor loss (2016: €nil). No dividend is recommended in respect of 2017 (2016: €nil).

Key performance indicators (KPIs)

Given the straightforward nature of the business, the General Partner is of the opinion that analysis using KPIs is not necessary for the understanding of the development, performance or position of the business.

Going concern

The General Partner considers that the Partnership has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the General Partner has taken into account all available information, including existing limited partner capital and future operating and liquidity requirements. Consequently the going concern basis is appropriate when preparing the financial statements.

Directors' indemnities

The Directors of the General Partner benefited from qualifying third party indemnity provisions, which were in place during the financial year and at the date of signing the financial statements.

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

The General Partner is responsible for preparing the financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the general partner to prepare partnership financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the general partner has elected to prepare the partnership financial statements in accordance with IFRSs as adopted by the EU and applicable law, as opposed to United Kingdom Generally Accepted Accounting Practice as set out in the Limited Partnership Agreement, to ensure that these financial statements are prepared on a consistent basis with its linked entities.

Report of the General Partner (continued)

Statement of General Partner's responsibilities in respect of the financial statements (continued)

Under company law the general partner 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 partnership. In preparing these financial statements, the general partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

The general partner is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the partnership and to prevent and detect fraud and other irregularities.

The Directors have elected to waive the audit requirement in relation to the annual accounts.

Signed on behalf of Aberdeen European Infrastructure Carry GP Limited by:



Gillian McCall
Director
27 September 2018

Statement of financial position

At 31 December 2017

	Note	2017 €	2016 €
Assets			
Non-current assets			
Financial assets at fair value through profit and loss	3	250	250
Current assets			
Cash and cash equivalents		-	154
Receivables	4	35	34
Total Assets		<u>285</u>	<u>438</u>
Liabilities			
Current liabilities			
Payables	5	-	188
Overdraft		35	-
Net assets attributable to the Limited Partners		<u>250</u>	<u>250</u>
Represented by:			
Limited Partners' capital		<u>250</u>	<u>250</u>
		<u>250</u>	<u>250</u>

There is no comprehensive income for the current or preceding financial year. Accordingly, no statement of comprehensive income has been presented.

The notes on pages 7 to 10 form part of these financial statements.

These financial statements were authorised for issue by the Board of Directors of the General Partner of the Partnership on its behalf by:



Gillian McCall
Director
27 September 2018

Statement of changes in net assets attributable to the Limited Partners

At 31 December 2017

	2017	2016
	€	€
Net assets attributable to the Limited Partners at 1 January	250	250
Limited Partners' capital contribution	<u>-</u>	<u>-</u>
Net assets attributable to the Limited Partners at 31 December	<u>250</u>	<u>250</u>

The notes on pages 7 to 10 form part of these financial statements.

Statement of cash flows

For the year ended 31 December 2017

	2017 €	2016 €
Cash flows from operating activities		
Net profit before tax	-	-
(Increase) \ decrease in receivables	(1)	154
Decrease in payables	(188)	-
Cash used in operations	<u>(189)</u>	<u>154</u>
 Net increase \ (decrease) in cash and cash equivalents	 (189)	 154
Cash and cash equivalents at 1 January	<u>154</u>	<u>-</u>
Cash and cash equivalents at 31 December	<u>(35)</u>	<u>154</u>

The notes on pages 7 to 10 form an integral part of these financial statements.

Notes to the financial statements

1. General information

The Partnership was established as a limited partnership under the laws of Scotland. The address of its registered office is 10 Queen's Terrace, Aberdeen, AB10 1XL. The Partnership is managed by the General Partner.

These financial statements were authorised for issue by the Board of Directors of the General Partner on 27 September 2018.

2. 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 current and prior year, unless otherwise stated.

Basis of preparation

The financial statements of the Partnership have been prepared in accordance with IFRSs as adopted by the European Union, as determined by the General Partner. The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with IFRSs as adopted by the European Union requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Partnership's accounting policies. There are currently no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

The Partnership's capital is denominated in Euro. The performance of the Partnership is measured and reported to the investors in Euro. The General Partner considers Euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Euro, the Partnership's functional and presentational currency. The Pound to Euro exchange rate at 31 Dec 2017 is 1.1265 (2016: 1.1715).

Disclosure impact of new and future accounting standards

(a) Standards and amendments to existing standards effective 1 January 2017

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2017 that have a material impact on the Partnership's financial results.

(b) New standards, amendments and interpretations effective after 1 January 2017 and not early adopted

The standards detailed beneath are effective for accounting periods beginning on or after 1 January 2018. They will have no recognition or measurement impact on the Statement of Financial Position. The disclosure impact on the financial statements is yet to be assessed:

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and liabilities. The standard replaces IAS 39 Financial Instruments: Recognition and Measurement and requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost.

IFRS 15, 'Revenue from Contracts with Customers', specifies how a company should recognise revenue, as well as requiring those companies to provide users of financial statements with more informative and relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Financial instruments

Classification

The Partnership classifies its investment interests as financial assets at fair value through profit or loss. Receivables are classified as loans and receivables and payables are classified as other financial liabilities.

Recognition, derecognition and measurement

Receivables are initially recognised at fair value which is the cash consideration to originate or purchase the receivable including any transaction costs and measured subsequently at amortised cost using the effective interest rate method. As the receivables are short-term in nature, the carrying value approximates to the amortised cost. Payables are initially recognised at fair value and subsequently stated at amortised cost using the effective interest rate method. As the payables are short-term in nature, the carrying value approximates to the amortised cost. Payables are derecognised when the obligation under the liability is discharged, is cancelled or expires.

Purchases and sales of investments are recognised on trade date, the date on which the Partnership commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Partnership has transferred substantially all risks and rewards of ownership.

Financial assets 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 Partnership has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Fair value measure adjustments are presented in the statement of comprehensive income as they arise.

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 the investment interest approximates to the total capital contributed.

Offsetting

The Partnership has no financial assets or financial liabilities, which are subject to offsetting or similar agreements.

3. Financial assets at fair value through profit and loss

	2017 €	2016 €
Aberdeen Infrastructure Partners II LP	<u>250</u>	<u>250</u>

4. Receivables

	2017 €	2016 €
Receivables from group companies	<u>35</u>	<u>34</u>

Amounts receivable from group companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the financial statements (continued)

5. Payables

	2017 €	2016 €
Payables to group companies	-	188

Amounts payable to group companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

6. Financial risk management

This note presents information about the Partnership's exposure to financial risks, primarily in relation to its interests in the Fund. This investment is structured at the outset to minimise financial risks of acquiring and holding the investment.

Market risk

Market risk arises from fluctuations in the fair value of future cash flows of a financial instrument because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. As the Partnership's investment represents carried interest in the Fund, which is not dependent on market prices and is denominated in Euro, market risk is not considered to be significant.

Credit risk

Credit risk is the risk that one party to a financial instrument will be unable or unwilling to meet a commitment that it has entered into with the Partnership. The main concentration of credit risk to which the Partnership is exposed arises from the Partnership's investment holding, which is not considered to be significant. Cash and cash equivalents are held with an A rated financial institution.

The maximum exposure to credit risk over financial assets is the carrying value of those assets in the Statement of Financial Position. As at 31 December 2017, the Partnership did not have any overdue or impaired balances.

Investment risk

Investment risk arises from the Partnership's exposure to its investment. The General Partner 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. Further information about the Partnership's sensitivity to changes in the fair value of equity investments is set out below.

At the reporting date, the carrying value of investment amounted to €250 (2016: €250). 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 impact on the statement of comprehensive income of a 10% decline in the fair value of the investments held would be to decrease profit for the year by €25 (2016: €25).

Liquidity risk

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they fall due. The General Partner'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 Partnership's activity is funded by long-term funding, and hence the Limited Partners do not have the option to withdraw their investment in the Partnership. The Partnership is exposed to limited liquidity risk.

The Partnership's investment is in a fund for which there is no active market and, therefore, such an investment could take time to realise and there is no assurance that the valuations placed on the investment would be achieved from any such sale process.

Notes to the financial statements (continued)

6. Financial risk management (continued)

Capital risk management

The capital structure of the Partnership consists of Limited Partners' capital. The General Partner's policy when managing capital is to safeguard the Partnership'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 Partnership may call undrawn capital from the Limited Partners. The Partnership is not subject to externally imposed capital requirements. There were no changes in the Partnership's approach to capital management during the year.

Fair value estimation

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 financial instruments measured at fair value through profit and loss are level 3 (2016: level3) financial instruments. The fair value of these financial instruments is the total capital contributed by the Limited Partners. There were no transfers between the hierarchies detailed above during the year.

7. Related party transactions

The General Partner, and Directors of the General Partner, received no remuneration in respect of their services to the Partnership. The emoluments of the Directors were paid by a fellow group undertaking, which made no recharge to the Partnership. The Partnership has no employees.

There were no transactions with the General Partner during the year (2016: £nil).