

**LLOYDS BANK EUROPEAN
INFRASTRUCTURE CARRY LIMITED**

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD 9 DECEMBER 2010 TO 31 DECEMBER 2011

MEMBER OF LLOYDS BANKING GROUP



Company Number SC390152

Directors

P S Dickson
G J McDonald

Secretary

Lloyds Secretaries Limited

Registered office

Level 1
Citymark
150 Fountainbridge
Edinburgh
EH3 9PE

REPORT OF THE DIRECTORS

The Directors, as listed on page 1, submit their report and unaudited financial statements of Lloyds Bank European Infrastructure Carry Limited ("the Company") for the period 9 December 2010 to 31 December 2011. The Company is dormant and has not traded during the period.

Incorporation

The Company was incorporated in Scotland on 9 December 2010.

Activity and review of business

The Company was dormant during the period.

Income Statement for the period 9 December 2010 to 31 December 2011

The Company has not traded during the period 9 December 2010 to 31 December 2011. Company received no income and incurred no expenditure and therefore made neither profit nor loss during the period.

Future developments

On January 30th 2012 the Company invested in Lloyds Bank European Infrastructure Partners Carry LP ("the Partnership"). The Company remains committed to the business of the Partnership and will continue to be 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.

Going concern

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

Directors' indemnities

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 period and remains in force.


Directors and their interests

The Directors at the date of this report are as stated on page 1. Dates of appointments and resignations during the period from incorporation to date were as follows:

| Director | Date of appointment | Date of resignation |
|------------------|---------------------|---------------------|
| R G Connon | 9 December 2010 | 20 December 2010 |
| J A T Rutherford | 9 December 2010 | 20 December 2010 |
| K M Bothwell | 20 December 2010 | 2 July 2012 |
| G J McDonald | 20 December 2010 | - |
| P S Dickson | 2 July 2012 | - |

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

By Order of the Board,



P S Dickson
Director

30 August 2012

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

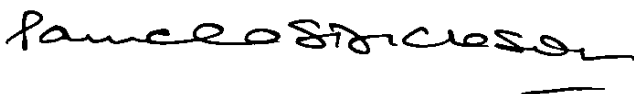
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply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

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

Each of the directors, whose names are listed on page 1 of the Report and Financial Statements confirm that:

- to the best of each Director's knowledge that the company's financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

By Order of the Board,



P S Dickson
Director

30 AUGUST 2012

Company Number SC390152

Registered Office: Level 1, Citymark, 150 Fountainbridge, Edinburgh, EH3 9PE

BALANCE SHEET**Company Number: SC390152****As at 31 December 2011**

| | Note | 2011 £ |
|-------------------------------------|-------------|-------------------|
| Assets | | |
| Amounts due by parent undertaking | 6 | <u>1</u> |
| Total current assets | | <u>1</u> |
| Total assets | | <u>1</u> |
| Equity | | |
| Issued capital | 7 | <u>1</u> |
| Total equity | | <u>1</u> |
| Total equity and liabilities | | <u>1</u> |

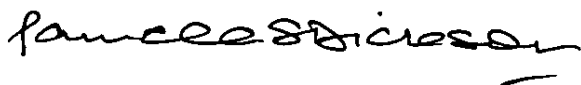
The accompanying notes on pages 6 to 8 form part of these financial statements.

For the year ending 31 December 2011 the Company was entitled to exemption from the audit under section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the Company to obtain an audit of its financial statements for the period in question in accordance with section 476.

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

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



P S Dickson
Director

30 AUGUST 2012

STATEMENT OF CHANGES IN EQUITY**As at 31 December 2011**

| | Share capital £ | Total equity £ |
|------------------------------------|--------------------------------|-------------------------------|
| Balance at 9 December 2010 | - | - |
| Transactions with owners | | |
| Proceeds from share issue | 1 | 1 |
| Transactions with owners | <u>1</u> | <u>1</u> |
| Balance at 31 December 2011 | <u>1</u> | <u>1</u> |

The accompanying notes on pages 6 to 8 form part of these financial statements.

Notes to the financial statements

1. Significant accounting policies

Lloyds Bank European Infrastructure Carry Limited is a company domiciled in Scotland.

The financial statements were authorised for issue by the Directors on 26 AUGUST 2012.

(a) Financial statements

The financial statements of Lloyds Bank European Infrastructure Carry 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 2011 statutory financial statements set out on page 4 to 8 have been prepared in accordance with International Financial Reporting Standards ('IFRS') and interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') as adopted by the European Union (EU). The standards applied by the Company are those endorsed by the European Union and effective at the date the financial statements are approved by the Board. Consequently, the financial statements comply with International Financial Reporting Standards.

(c) Basis of preparation

The financial statements have been prepared under the historical cost basis and in accordance with Companies Act 2006 applicable to companies reporting under IFRS.

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 2011. None of these standards or amendments have had a material impact on these financial statements:

- Improvements to IFRSs (issued May 2010). Amends IFRS 7 Financial Instruments: Disclosure to require further disclosures in respect of collateral held by the Company as security for financial assets and sets out minor amendments to other IFRS standards as part of the annual improvements process.
- IAS 24 Related Party Disclosures (Revised). Simplifies the definition of a related party and provides a partial exemption from the requirement to disclose transactions and outstanding balances with the government and government-related entities. The Company has utilised this exemption which requires disclosure of significant transactions only with the government and government-related entities.

(d) IFRS and IFRIC not yet applied

The following pronouncements will be relevant to the Company but are not effective at 31 December 2011 and have not been applied in preparing these financial statements. The full impact of these accounting changes is being assessed by the Company.

| Pronouncement | Nature of change | IASB effective date |
|--|---|--|
| IFRS 12 <i>Disclosure of Interests in Other Entities</i> | 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 periods beginning on or after 1 January 2013. |

Notes to the financial statements (continued)**2. Going concern – Principles underlying going concern assumption**

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

3. Income Statement

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

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 Wholesale Division of 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, the 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.

4. Statement of Comprehensive Income

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

5. Statement of Cash Flows

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

6. Amounts due by parent undertaking

| | 2011 £ |
|--|-----------|
| Uberior Fund Holdings Limited – unpaid share capital | <u>1</u> |

7. Share capital

| | Ordinary shares 2011 £ |
|----------------------------------|---------------------------------|
| In issue at 31 December – unpaid | <u>1</u> |

At 31 December 2011, the authorised share capital comprised 1 £1 Ordinary Shares.

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)**8. 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 6. The Company has no other transactions with related parties.

9. Parent undertakings

As at 31 December 2011 the Company's immediate parent company was Uberior Fund Holdings Limited. The company regarded by the directors as the ultimate parent undertaking and controlling party is Lloyds Banking Group plc which is incorporated in Scotland. Lloyds Banking Group plc has produced consolidated accounts for the year ended 31 December 2011. Copies of the annual report and accounts of Lloyds Banking Group plc for the year ended 31 December 2011 may be obtained from Lloyds Banking Group's head office at 25 Gresham Street, London EC2V 7HN.