Aberdeen European Infrastructure Carry Limited

Directors' report and financial statements

Registered number SC390152

For the year ended 30 September 2015

Contents

Directors' report

The Directors present their annual report and audited financial statements for the year ended 30 September 2015.

Aberdeen European Infrastructure Carry Limited ("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 this 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.

Business review and principal activities
The Company was acquired as part of the Infrastructure business from Lloyds Banking Group PLC ("LBG") in the prior period and acts as an investment holding company.

The Company has investments in Aberdeen European Infrastructure Partners Carry Limited Partnership, Aberdeen Infrastructure Partners II Carry Limited Partnership and Aberdeen European Infrastructure Partners Carry II Limited Partnership.

Results and dividends
The results for the year are set out on page 5 and show the Company made a loss after tax of £2,411 (2014: £1).

The directors do not recommend the payment of a final dividend (2014: £nil). There were no interim dividends paid during the year (2014: £nil).

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

A McCaffery
H Clayton
D Pinder (appointed 20 August 2015)

All the directors benefited from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

Principal risks and uncertainties
The Company is exposed to specific financial risks detailed in note 8. The Company operates under the Aberdeen Asset Management PLC ("the Aberdeen Group") risk management framework where the oversight and implementation of risk strategy for the Company and the Group is managed at an executive level through the risk management committee, together with the risk, compliance, legal and internal audit departments.

General information
The address of the Company's registered office is 10 Queens Terrace, Aberdeen, AB10 1XL.

Disclosure of information to auditor
The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' report (continued)

Auditor
Pursuant to Section 487 of the Companies Act 2006, the auditor was deemed to be reappointed and therefore KPMG Audit Plc continued in office for the financial period 1 October 2014 to 30 September 2015.

Following a tender process for the audit of Aberdeen Asset Management PLC and its subsidiaries that took place in 2015, it was recommended that PricewaterhouseCoopers LLP be appointed as auditor for the Aberdeen Asset Management Group of entities effective for periods ending on or after 1 October 2015.

As a result KPMG Audit Plc will be resigning as the Company's auditor for the financial year commencing 1 October 2015 and PricewaterhouseCoopers LLP will seek appointment instead.

By order of the Board

A McCaffery
Director
3 March 2016

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 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

Independent auditor's report to the members of Aberdeen European Infrastructure Carry Limited

We have audited the financial statements of Aberdeen European Infrastructure Carry Limited for the year ended 30 September 2015 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union ("IFRSs").

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

EJefferis

Emily Jefferis (Senior Statutory Auditor)
For and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
37 Albyn Place
Aberdeen
AB10 1JB
Date: 14 March 2016

Income statement
For the year ended 30 September 2015

	Note	Year ended 30 September 2015 £	Period ended 30 September 2014 £
Administration expenses	2	(3,031)	(1)
Other expenses		(3,031)	(1)
Loss on ordinary activities before taxation		(3,031)	(1)
Tax credit on loss on ordinary activities	3	620	-
Loss for the financial year/period		(2,411)	(1)
Loss attributable to:			
Equity shareholder		(2,411)	(1)
		(2,411)	(1)

The operating loss arises from continuing operations.

The notes on pages 10 to 15 form part of these financial statements.

Statement of comprehensive income

For the year ended 30 September 2015

	Note	Year ended 30 September 2015 £	Period ended 30 September 2014 £
Loss for the year/period		**(2,411)**	(1)
Other comprehensive loss:			
Items that may be subsequently reclassified to profit or loss:			
Currency translation movements	*4*	(12)	(9)
Other comprehensive loss for the year/period		(12)	(9)
Total comprehensive loss for the year/period		(2,423)	(10)
Attributable to:			
Equity shareholder		(2,423)	(10)
Total comprehensive loss for the year/period		(2,423)	(10)

The notes on pages 10 to 15 form part of these financial statements.

Balance sheet
At 30 September 2015

	Note	2015 £	2014 £
Assets			
Non-current assets			
Investments	4	**434**	164
Total non-current assets		**434**	164
Current assets			
Cash and cash equivalents	5	**71**	73
Total current assets		**71**	73
Total assets		**505**	237
Equity			
Share capital	7	**250**	250
Available for sale reserve		**(22)**	(10)
Retained earnings		**(2,416)**	(5)
Total equity		**(2,188)**	235
Liabilities			
Current liabilities			
Trade and other payables	6	**2,693**	2
Total current liabilities		**2,693**	2
Total liabilities		**2,693**	2
Total equity and liabilities		**505**	237

The notes on pages 10 to 15 form part of these financial statements.

These financial statements were approved by the board of directors on 3 March 2016 and were signed on its behalf by:

A McCaffery
Director

Statement of changes in equity

At 30 September 2015

	Share capital	Retained earnings	Available for sale reserve	Total equity
	£	£	£	£
Balance at 1 January 2014	250	(4)	(1)	245
Loss after taxation for the period	-	(1)	-	(1)
Other comprehensive losses for the period	-	-	(9)	(9)
Balance at 1 October 2014	250	(5)	(10)	235
Loss after taxation for the year	-	(2,411)	-	(2,411)
Other comprehensive losses for the year	-	-	(12)	(12)
Balance at 30 September 2015	**250**	**(2,416)**	**(22)**	**(2,188)**

The notes on pages 10 to 15 form part of these financial statements.

Cash flow statement

For the year ended 30 September 2015

	Note	Year ended 30 September 2015 £	Period ended 30 September 2014 £
Cash flows from operating activities			
Operating loss before tax		(2,411)	(1)
Adjustments for non-cash transactions:			
Increase in trade and other payables		2,691	1
Cash used in operations		280	-
Cash flows from investing activities			
Investment in Carry limited partnerships		(282)	-
Net cash paid from investing activities		(282)	-
Cash flows from financing activities			
Proceeds from sale of investments		-	11
Net cash received from financing activities		-	11
Net (decrease)/increase in cash and cash equivalents		(2)	11
Cash and cash equivalents at 1 October/1 January		73	62
Cash and cash equivalents at 30 September	5	71	73

The notes on pages 10 to 15 are an integral part of these financial statements.

Notes to the financial statements

1. Accounting policies

Basis of preparation

The financial statements comprise the Income statement, Statement of comprehensive income, Balance sheet, Statement of changes in equity and Cash flow statement together with the related notes to the financial statements.

The financial statements are presented in pounds sterling which is the Company's functional and presentational currency.

The 2015 statutory financial statements set out on pages 5 to 15 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 IFRS.

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.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' report.

As the Company holds net current liabilities at 30 September 2015, it is reliant on the support of the ultimate parent company, Aberdeen Asset Management PLC ("AAM PLC"), to meet its liabilities as they fall due within the next 12 months. The directors have received a letter of support from the directors of AAM PLC to provide such support.

The directors, having assessed the responses of the directors of the Company's parent AAM PLC, to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Aberdeen Asset Management Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of the company's ultimate parent undertaking, AAM PLC, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's Balance sheet when the Company becomes a party to the contractual provisions of the instrument. Equity shares are classified as available-for-sale financial instruments. They are initially recognised at fair value plus directly related incremental transaction costs and subsequently carried on the Balance sheet at fair value. Unrealised gains or losses arising from changes in the fair values are recognised in the Statement of comprehensive income and accumulated in the available-for-sale reserve until the financial asset is either sold or matures, at which time the previously unrecognised gains and losses are reclassified from other comprehensive income to other operating income in the Income statement. Impairment losses are recognised immediately in the Income statement as impairment on investment securities. Income from available-for-sale assets is credited to investment income in the period in which they occur.

Remaining financial assets and liabilities are classified as 'other financial assets' and 'other financial liabilities' and are measured at fair value net of transaction costs.

Notes to the financial statements (continued)

1. Accounting policies (continued)

Foreign currency translation
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in thousands of pounds sterling, which is the Company's presentational and functional currency.

Assets and liabilities in foreign currencies are translated into pounds sterling at the exchange rates ruling at the Balance sheet date. Revenue transactions have been translated at rates of exchange ruling at the time of the respective transactions. Any exchange differences are dealt with in that part of the Income statement in which the underlying transaction is reported.

2. Administration expenses

	Year ended 30 September 2015 £	Period ended 30 September 2014 £
Profit on ordinary activities before taxation is stated after charging:		
Foreign exchange losses	1	1
Auditor remuneration:		
Statutory audit	3,030	-

Amounts paid to the Company's auditor in respect of 2014 have been borne by another group company. Amounts paid in relation to other services provided to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, AAM PLC.

The Company employed no staff in the current or previous period. The Directors did not receive any emoluments for their services to the Company during either period. The emoluments of the Directors, who are also Directors of and paid by Aberdeen Asset Managers Limited and Aberdeen Infrastructure Asset Managers Limited, fellow subsidiary companies, are disclosed in those accounts.

3. Taxation

Current year/period tax charge

	Year ended 30 September 2015 £	Period ended 30 September 2014 £
Current tax:		
Current tax credit on losses for the year/ period	620	-
Total taxation	620	-

Notes to the financial statements (continued)

3. Taxation (continued)

Reconciliation of tax charge

The UK tax rate for the year is 20.5% (2014: 21.66%). The tax rate was reduced from 21% to 20% effective from 1 April 2015 (23% to 21% effective from 1 April 2014). The tax assessed for the year is lower than (2014: same as) the standard rate of corporation tax in the UK of 20.5%. The differences are explained below.

	Year ended 30 September 2015 £	Period ended 30 September 2014 £
Loss before tax	**(3,031)**	(1)
Tax credit (2015: 20.5%, 2014: 21.66%)	**621**	-
Non taxable costs	**(1)**	-
Total tax credit for the year/period	**620**	-

Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

4. Investments

The movement in equity securities can be summarised as follows:

	2015 £	2014 £
At 1 October/1 January	**164**	184
Additions	**282**	-
Disposals	**-**	(11)
Movement in currency translation	**(12)**	(9)
At 30 September	**434**	164

5. Cash and cash equivalents

	2015 £	2014 £
Cash at bank	**71**	73

6. Trade and other payables

	2015 £	2014 £
Amounts due to group undertakings	**2,692**	-
Other liabilities	**1**	2
	2,693	2

Notes to the financial statements (continued)

7. Called up share capital

	2015	2014
	£	£
Allotted, called up and fully paid:		
250 ordinary shares of £1 each	250	250

8. Financial instruments

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), liquidity risk and capital 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.

Credit risk
Credit risk is the risk of financial loss from counterparty's failure to settle financial obligations as they fall due. Credit exposures arise in the normal course of the Company's business.

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

	Note	2015 £	2014 £
On balance sheet:			
Cash and cash equivalents	5	71	73
		71	73

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)

At the reporting date, the Company does not consider itself to have any significant exposure to market risk.

Liquidity risk
Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations when 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 and liabilities.

Liquidity risk is managed by the Company in conjunction with capital risk as described below. The table below sets out the cash flows payable by the Company in respect of financial liabilities, by remaining contractual undiscounted repayments of principal and interest at the balance sheet date.

Notes to the financial statements (continued)

8. Financial instruments (continued)

Liquidity risk (continued)

As at 30 September 2015	**Up to 1 year £**	**1-3 years £**	**Total £**
On balance sheet			
Trade and other payables	(2,693)	-	(2,693)
Total liabilities	(2,693)	-	(2,693)

As at 30 September 2014	Up to 1 year £	1-3 years £	Total £
On balance sheet			
Trade and other payables	(2)	-	(2)
Total liabilities	(2)	-	(2)

Capital risk

Capital risk is the risk of the Company having a sub-optimal amount of capital. A capital exposure arises where the Company has insufficient capital resources to support its strategic objectives and plans.

The Company's objectives when managing capital are as follows:

- To safeguard the Company's ability to continue as a going concern, so that it can provide returns to the Group;
- To have available the necessary financial resources to allow the Company to invest in areas that may deliver future benefits to the Group; and
- To maintain sufficient financial resources to mitigate against risks and unforeseen events.

The Company is reliant on the support of its ultimate parent company, AAM PLC, to meet its liabilities as they fall due within the next 12 months.

Fair values

The fair values together with the carrying amounts shown in the balance sheet are as follows:

	Note	**Carrying amount 2015 £**	**Fair value 2015 £**	Carrying amount 2014 £	Fair value 2014 £
Equity securities – available for sale	*4*	**434**	**434**	164	164
Cash and cash equivalents	*5*	**71**	**71**	73	73
Trade and other payables	*6*	**(2,693)**	**(2,693)**	(2)	(2)
		(2,188)	**(2,188)**	235	235

Notes to the financial statements (continued)

8. Financial instruments (continued)

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

- **Equity securities**

The fair value of unlisted equity securities classified as available-for-sale is calculated in accordance with the International Private Equity Venture Capital guidelines. For fund investments, the capital account value per the most recent fund manager report is taken and then adjusted for any specific disagreement in relation to the valuation of underlying investments.

- **Cash and cash equivalents**

The fair value of cash and cash equivalents repayable on demand is considered to be equal to their carrying value.

- **Trade and other receivables/payables**

For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

The following table provides an analysis of financial instruments and their fair value level.

	Note	**Level 2 2015 £**	**Total 2015 £**	Level 2 2014 £	Total 2014 £
Equity securities – available for sale	*4*	**434**	**434**	164	164

Financial instruments not listed above are level 1 financial instruments.

Offsetting

The Company has the legal right to offset amounts due to and from the same counterparties within the Aberdeen Group.

9. Related parties

Amounts due to other group companies relate to audit fees paid and investments made into limited partnerships by other group companies on behalf of the Company.

10. Immediate and ultimate parent undertaking

The Company's immediate parent is Aberdeen Alternatives (Holdings) Limited and ultimate parent undertaking and controlling party is AAM PLC, which is the largest and smallest group into which the results are consolidated. The accounts of AAM PLC are available to the public and may be obtained from 10 Queens Terrace, Aberdeen, AB10 1YG.