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# LLOYDS MONEY FUND LIMITED

Annual Report and  
Audited Financial Statements

For the year ended 30 June 2016

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## Company Information

### Registered Office

PO Box 160, 25 New Street,  
St Helier,  
Jersey, JE4 8RG,  
Channel Islands.

### Principal Place of Business

PO Box 311, 11 - 12 Esplanade,  
St Helier,  
Jersey, JE4 8ZU,  
Channel Islands.

### Directors

c/o Registered Office  
R. D. Willcox (Chairman)  
I. M. J. Hardy  
B. C. James  
B. Lysiak  
T. J. Herbert  
PO Box 87, 22 Grenville Street,  
St Helier,  
Jersey, JE4 8PX,  
Channel Islands.

### Manager and Registrar

Lloyds Investment Fund Managers Limited  
PO Box 160, 25 New Street,  
St Helier,  
Jersey, JE4 8RG,  
Channel Islands.

### Legal Advisers

In Jersey:  
Mourant Ozannes  
PO Box 87, 22 Grenville Street,  
St Helier,  
Jersey, JE4 8PX,  
Channel Islands.

### Custodian

Capita Trust Company (Jersey) Limited  
PO Box 532, 12 Castle Street,  
St Helier,  
Jersey, JE2 3RT,  
Channel Islands.

### Secretary

Lloyds Corporate Services (Jersey) Limited  
PO Box 160, 25 New Street,  
St Helier,  
Jersey, JE4 8RG,  
Channel Islands.

### Independent Auditors

PricewaterhouseCoopers CI LLP  
37 Esplanade,  
St Helier,  
Jersey, JE1 4XA,  
Channel Islands.

### Paying Agent

Lloyds Bank International Limited  
PO Box 111,  
Peveril Buildings, Peveril Square,  
Douglas, IM99 1JJ,  
Isle of Man.

## Investment Objectives and Policy

Lloyds Money Fund Limited 'the Company' is an open ended investment company registered in Jersey.

It is known as an Umbrella Fund because it can provide shareholders with a variety of investment options under the umbrella of a single Company.

The policy of the Company is to invest in deposits which are available on the euro currency markets (including deposits placed with Lloyds Banking Group) in order to achieve a competitive rate of return in capital terms so far as is commensurate with minimum risk to capital.

The Manager may not invest more than 10% of the assets of sterling currency Class with any one institution, including a member of the same group of companies as either the Manager or the Custodian. The figure may be regarded as 20% if the eligible institution has capital which has shareholders' funds of an amount most recently quoted in 'The Banker' magazine published by Financial Times Information Limited of US\$1,000,000,000 or more. In addition the Manager will ensure that at least 35% of assets within sterling currency Class are realisable within fourteen days.

The paragraph above does not apply to a deposit of less than £1,000,000.

Each currency Class has a portfolio of deposits in their respective currencies and are therefore not subject to variations in exchange rates. At the Statement of Financial Position date only the Sterling Class was in existence.

### Objective

The objective of the Company is to offer the individual and corporate investor a high degree of protection and access to wholesale money markets, whilst maintaining a competitive level of return and ready availability of funds.

## Directors' Profiles

**Ross Davey Willcox (Chairman) – Head of International Products, Retail, Customer Products, Lloyds Banking Group.**

Joined the Lloyds Banking Group in 1977 and held a number of managerial positions in the UK and Internationally. Was appointed Managing Director of the Lloyds Investment Fund Managers Limited in 1999 and is currently Chairman/Director of the Jersey based Fund Management Company. Current responsibilities include the value proposition of all investment products for International Wealth. A qualified Banker, a Fellow of the Securities & Investment Institute and a Chartered Director.

Aged 57.

**Ian Mark Jeremie Hardy – Senior Product Manager, International Products, Retail, Lloyds Banking Group.**

Joined the Lloyds Banking Group in 1981 and held a number of managerial positions before being appointed Managing Director of the Group's Guernsey based Fund Management Company in 1997 and a Director of the Company in 1998. Current responsibilities include provision of technical and regulatory advice on a range of investment products and services. Holder of an upper second class honours degree from the University of Aston in Birmingham in Business Administration and Transport Planning.

Aged 57.

**Timothy Joseph Herbert – Consultant, Mourant Ozannes.**

Jersey born and educated. M.A. in jurisprudence Trinity College Oxford 1982. Member of Middle Temple. Joined Mourant du Feu & Jeune (now Mourant Ozannes) in May 1983. Sworn in as an advocate of the Royal Court, September 1985. Tim Herbert was a partner of Mourant Ozannes from 1987 to 2012. In July 2012 he stepped down from the partnership and is now retained by Mourant Ozannes as a consultant to the firm. He has extensive experience in corporate and commercial law and mutual funds advice. Holds other external directorships and also acts as Honorary Consul for Finland.

Aged 57.

**Brian Charles James – Head of Investment Operations Jersey, Retail, Lloyds Banking Group.**

Joined the Lloyds Banking Group in 1988 and held a number of managerial positions primarily in Financial Control and Risk Management roles before being appointed as a Director of the Jersey based Fund Management Company and as a Director of the Company in 2003. Current responsibilities include leading a team of specialists delivering operational support for a range of offshore investment products and services. A Chartered Director.

Aged 55.

**Bronislaw Lysiak – Senior Manager Intermediary Sales, Lloyds Bank International Limited, Lloyds Banking Group.**

Joined the Lloyds Banking Group in 1993 and has held a number of managerial positions within a regulated personal customer environment. Current responsibilities are for sales and distribution of investment products to regulated intermediaries and institutions. Holder of an Advanced Financial Planning Certificate in Taxation, Trust and Investment Planning and Higher National Diploma in Business and Finance.

Aged 51.

## Report of the Directors

The Directors have pleasure in submitting their Annual Report together with the Audited Financial Statements for the year ended 30 June 2016. The Company is domiciled and incorporated as a limited liability company in Jersey, Channel Islands, and listed on the Channel Islands Securities Exchange Authority and on the Malta Stock Exchange.

### Results

The results for the year are set out in the financial statements on pages 10 to 37.

### Directors

The Directors of the company who were in office during the year and up to the date of signing the financial statements were:

Mr I.M.J. Hardy (appointed 22 January 1998)  
 Mr T.J. Herbert (appointed 1 January 2005)  
 Mr B.C. James (appointed 24 January 2003)  
 Mr B. Lysiak (appointed 5 June 2014)  
 Mr R.D. Willcox (appointed 4 May 2000)

As at 30 June 2016, no Shares in the Company were held by the Directors.

No Director has a service contract with the Company and no director is, or was, materially interested in any service or other contract entered into by the Company.

Mr T.J. Herbert is a consultant to Mourant Ozannes, who are the Jersey legal advisers to the Company and the Manager. Mourant Ozannes receives fees in connection with advising the Company and the Manager.

Mr I.M.J. Hardy, Mr B.C. James and Mr R.D. Willcox are Directors of Lloyds Investment Fund Managers Limited (the 'Manager') which has a management contract with the Company. Fees earned by the Manager are disclosed in these financial statements in note 7.

### Investment Activities

As a result of the continuing difficult market conditions the Annual Management Charge on the Sterling class was reduced from 0.35% to 0.2% with effect from 7 November 2014.

It is the intention that the reduction in respect of the Sterling Class is for a temporary period only and the fees will revert to the former levels when market conditions allow. Investors will be given at least 90 days' prior written notice of the ending of the reduction.

### Share Capital

The Company has an authorised share capital of US\$ 500,100 (2015: US\$500,100).

### Going Concern

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ('IFRS') on the going concern basis. The Directors have a reasonable expectation that the Money Fund Limited will continue as a going concern for 12 months from the Statement of Financial Position date.

### Change in Functional and Presentational Currency

The financial statements of the Company have been prepared in accordance with IAS21 (functional and presentational currency). IAS21 defines functional currency as "the currency of the primary economic environment in which the entity operates", and presentational currency as "the currency in which the financial statements are presented".

There is no change to the functional or presentational currency of the Sterling class, however, following the closure of the Australian dollar, Euro, New Zealand dollar and US dollar classes on 20 February 2015 the Directors agreed that from 1 July 2015 the functional and presentational currency of the Lloyds Money Fund Limited should be reflected in Sterling, as this better represents the primary economic environment in which the entity continues to operate.

### Independent Auditors

PricewaterhouseCoopers CI LLP were reappointed as Independent Auditors at the Annual General Meeting held on 18 November 2015 and have indicated their willingness to remain in office.

### Prospectus

Copies of the Prospectus dated November 2014, together with a supplement dated February 2015 are available, free of charge, on application to the Manager. Alternatively they can be accessed on our website at <http://international.lloydsbank.com/international-investments/funds/>.

### Management and Administration Providers

The names and addresses of management and administration providers are stated on page 2.

### Comparatives Tables

The Performance Record (Unaudited) and Net Asset Value per Share tables (Unaudited) are stated on page 38.

## Report of the Directors (continued)

### Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS). The Directors are required by the Companies (Jersey) Law 1991 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company for that year and are in accordance with applicable laws. In preparing these financial statements the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991 and the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended).

They are also responsible for the safeguarding of the assets of the Company which includes the appointment of a duly qualified Custodian. The Directors must also ensure that they or their duly appointed agents take reasonable steps for the prevention and detection of fraud, error and non compliance with law and regulations.

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

So far as the Directors are aware, there is no relevant audit information of which the Company's Auditors are unaware, and each Director has taken all the steps that he ought to have taken as Director, in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

### Information Exchange

Jersey has entered into a number of information exchange agreements with the authorities of other jurisdictions. These include requirements set out under the European Union Savings Tax Directive (EUSD), Foreign Account Tax Compliance Act (FATCA) in the United States of America and UK Crown Dependencies Inter Governmental Agreements.

Shareholders should be aware that information on their investment may be shared with the relevant authorities, and may be passed to the tax authorities in their country of residence, citizenship or residence for tax purposes. For the avoidance of doubt this information may include (but not be limited to) details of shareholder names, addresses, unique identifiers (such as tax or

national insurance numbers), amount of investment, redemption or sale proceeds and dividend payments.

### Financial Risk Management

The Directors have taken into consideration the financial risk management of the Company, this has been disclosed in Note 18 of the financial statements.

### General Information

The Company is an open ended investment Company with variable capital and shareholders are not liable for the debts of the Company.

The Company holds a certificate as a recognized Umbrella Fund under the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended), and holds a permit under Article 7 of the Collective Investment Funds (Jersey) Law, 1988. The Company is listed on the Channel Islands Securities Exchange Authority (the "CISEA") and on the Malta Stock Exchange.

The market value per Share of the assets of each Class (in the base currency of that Class) was as follows:

Class	30 June 2016	1 July 2015
Sterling	52.646	52.578

The latest prices can be viewed on our website.  
<http://international.lloydsbank.com/international-investments/funds/prices/>

### Website

The Directors have selected Lloyds Bank International Limited's website as the host website for the Company's financial statements and believe this selection to be a reasonable one; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Information published on the internet is accessible in many countries. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board  
Lloyds Corporate Services (Jersey) Limited  
Secretary

22 September 2016



## Report of the Manager

### Economic outlook

The Bank of England has warned there is evidence that risks it identified related to Brexit are emerging. The Bank has eased special capital requirements for banks, potentially freeing up £150bn for lending. Eight major banks have also agreed with George Osborne to provide more lending to households and businesses and the chancellor signed a letter with Barclays, HSBC, Santander UK, Virgin Money, Metro Bank, Royal Bank of Scotland, Nationwide and Lloyds for the banks to make extra capital available. The Bank's change to capital buffers could help if uncertainty from the leave vote causes the economy to slow down and banks to be more cautious.

Although Mr Carney made it clear that the economic risks were still very visible and indeed some, such as sterling's slump, were beginning to "materialise", preparation ahead of the referendum was now paying off and he used the word "positive" for some of the effects seen post the Big Vote.

Financial markets had remained stable, government and business borrowing costs even for the battered banks had fallen and the decline in the pound had provided a boost for exporters and businesses that earned revenues overseas. Investors may be concerned with profitability and economic growth, what they didn't seem so worried about was the resilience of the whole system, which can be a much more toxic issue as anyone who went through the 2008 crisis will attest.

The Financial Planning Committee ("FPC") said there were risks apparent in the commercial property market, with vital foreign inflows falling by 50% in the first three months of 2016. It also flagged concern over the high level of UK household indebtedness and the vulnerability to higher unemployment and borrowing costs for some households. House prices could also come under pressure, particularly if buy-to-let investors abandon the market.

The FPC said that banks were now well capitalised and that the Bank of England would postpone demands for £5.7bn of extra financing to be held on the banks' balance sheets, known as the "countercyclical capital buffer". The Bank would reduce the level of the buffer set to be introduced next year from the planned 0.5% of a banks' lending "exposure" to 0%. The 0% rate could be maintained until at least June next year. Given that banks leverage their lending, the FPC said the buffer reduction would allow banks to increase credit supply to households and businesses by £150bn. The FPC also said it was acting to reduce any "fragility" in the financial markets and was ready to move further if necessary.

The Financial Stability Report said that maintaining foreign investment, necessary to support the UK's historically high current account deficit, could become harder following the decision to leave the European Union because of a "prolonged period of uncertainty". The measures of the Bank of England ("BoE") are really about aligning the Bank's position in case the UK economy enters a downturn. Markets are going to be reassured by this pro-activity. The BoE is not waiting for anything bad to happen but rather acting in case it does. It also means that both halves of the BoE: the Monetary Policy Committee and Financial Policy Committee are pulling in the same direction.

### UK Interest Rates

UK interest rates have been cut from 0.5% to 0.25%, a record low and the first cut since 2009. The BoE has also signalled that rates could go lower if the economy worsens and announced additional measures to stimulate the UK economy, including a £100bn scheme to force banks to pass on the low interest rate to households and businesses. It will also buy £60bn of UK Government Bonds and £10bn of Corporate Bonds. Governor Mark Carney said there was scope to cut the interest rate further. He said that a majority of the nine-member MPC backed another cut if subsequent data showed the economy was deteriorating.

Mr Carney also took a tough stance on banks and the introduction of its Term Funding Scheme. This will lend directly to banks at rates close to the new 0.25% base rate to encourage them to pass on the lower interest rates to businesses and households. The governor said that banks have "no excuse" not to pass on the lower borrowing costs to customers and will be charged a penalty if they fail to do so. The Bank also announced the biggest cut to its growth forecasts since it started making them in 1993. It has reduced its growth prediction for 2017 from the 2.3% it was expecting in May to 0.8%.

The decision to cut interest rates to 0.25% was approved unanimously by all nine members of the MPC and is the first change in interest rates since March 2009. The £60bn bond-buying programme, which increases quantitative easing to £435bn, was approved by a vote of 6-3, with Kristin Forbes, Ian McCafferty and Martin Weale preferring to wait until more concrete data is available rather than relying on surveys. The corporate bond-buying scheme was opposed by one member: Kristin Forbes.

The corporate bond-buying scheme will purchase up to £10bn of bonds issued by companies outside the financial sector. Only companies considered to be contributing to the UK economy will be eligible. More details of the scheme will be released in September.

The extensive series of measures was revealed with the central bank predicting that inflation would rise above its 2% target as a result of the falling value of the pound. The MPC meeting on 15 September will be the last one before it moves to only meeting eight times a year, meaning that they will meet again on 3 November, although it can call an extra meeting before then if it wants to.

A majority of MPC members said that if the economy performed as they expected in the coming months, they would support cutting interest rates again before the end of the year to their lowest possible level of "close to, but a little above, zero".

*This report is solely for information purposes and is not intended to be and should not be construed as an offer or recommendation to buy and sell investments, nor shall it form the basis or part of any contract to be relied upon in any way.*

Lloyds Investment Fund Managers Limited

22 September 2016

## Report of the Custodian to the Members of Lloyds Money Fund Limited

### Statement of Custodian's Responsibilities.

The Custodian is required under the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended) (the 'Rules') to ensure that, inter alia, it:

- satisfies itself that the sale, issue, repurchase, redemption, cancellation and valuation of shares in the Company are carried out in accordance with the Rules; and
- takes into its custody all the assets of the Company and holds them in trust for the shareholders in accordance with the Rules; and
- enquires into the conduct of the Company in each annual accounting year and reports thereon to shareholders in a report, which shall contain the matters prescribed by the Rules. The Report of the Custodian is included in this Annual Report.

### Report of the Custodian to the Members of Lloyds Money Fund Limited.

In accordance with Article 2.06 of the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended) (the 'Rules'), Capita Trust Company (Jersey) Limited, has acted throughout the year as independent Custodian to the Company.

In accordance with Article 7.08 of the Rules we confirm, in our capacity as the Custodian, that we have enquired into the conduct of the Company for the year ended 30th June 2016 and in our opinion, to the best of our knowledge having made such enquiry, the affairs of the Company have been conducted in all material respects for the year then ended:

- in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association, by prospectuses and by all Orders for the time being in force under Article 11 of the Collective Investment Funds (Jersey) Law 1988 (as amended) (the 'Law'); and
- otherwise in accordance with the provisions of the Memorandum and Articles of Association and the Law.

Capita Trust Company (Jersey) Limited,  
Custodian  
12 Castle Street,  
St Helier,  
Jersey JE2 3RT  
Channel Islands

22 September 2016

## Report of the Independent Auditors to the Members of Lloyds Money Fund Limited

We have audited each of the accompanying financial statements of Lloyds Money Fund Limited (“the Company”) and the separate financial statements of the Fund listed below (together “the Financial Statements”). The Financial Statements comprise the statements of financial position as of 30 June 2016 and the statements of comprehensive income, statements of changes in net assets attributable to holders of participating redeemable preference shares, and the cash flow statements for the year then ended and a summary of significant accounting policies and other explanatory information.

The Fund is Sterling.

### Directors’ responsibility for the Financial Statements

The directors are responsible for the preparation of the Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of Jersey law 1991 and the Collective Investment Funds (Recognised Funds)(Rules)(Jersey)Order 2003 (as amended). The directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

### Auditors’ responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company and the Funds as of 30 June 2016, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991 and the Collective Investment Funds (Recognized Funds) (Rules)(Jersey)Order 2003 (as amended).

### Report on other legal and regulatory requirements

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. The other information comprises the company information, the investment objectives and policy, the directors’ profiles, the report of the directors, report of the manager, the report of the custodian to the members of Lloyds Money Fund Limited, the performance record, the net asset value per share, the notice of meeting and the form of proxy.

In our opinion the information given in the report of the directors is consistent with the Financial Statements.

This report, including the opinion, has been prepared for and only for the Company’s members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991, and part 4 of the Rules Schedule 3 of the Collective Investment Funds (Recognized Funds) (Rules)(Jersey)Order 2003 (as amended) and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Rebecca Brewer,  
For and on behalf of PricewaterhouseCoopers CI LLP,  
Chartered Accountants,  
Jersey, Channel Islands  
22 September 2016

The maintenance and integrity of the Lloyds Money Fund Limited (<http://international.lloydsbank.com/international-investments/funds/uk/>) website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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

## Statements of Financial Position

As at 30 June 2016

	Notes	Company £	Sterling £
<b>Assets</b>			
Cash and cash equivalents	8	6,454,751	6,454,751
Receivables:	8		
7 days or under		7,136,628	7,136,628
8 days to 14 days		5,107,138	5,107,138
15 days to 1 month		6,083,617	6,083,617
1 month to 3 months		8,194,030	8,194,030
		26,521,413	26,521,413
Creations receivable		155	155
Accrued income and other debtors	4	290,443	9,337
<b>Total Assets</b>		33,266,762	32,985,656
<b>Equity</b>			
Deferred share capital	14	64	—
<b>Total Equity</b>		64	—
Accrued expenses and other creditors	5	11,160	11,160
Nominal Shares	14	281,042	—
<b>Total Liabilities*</b>		292,202	11,160
Net assets attributable to holders of participating redeemable preference shares	16	32,974,496	32,974,496
<b>Total Liabilities and Equity</b>		33,266,762	32,985,656

\* Excluding net assets attributable to holders of participating redeemable preference shares

The financial statements on pages 10 to 37 were approved by the Board of Directors on 22 September 2016 and are signed on their behalf by:

R.D. Willcox  
B. C. James } Directors

The notes on pages 22 to 37 form an integral part of these financial statements.



## Statements of Financial Position (continued)

As at 30 June 2015

	Notes	Company US\$	Sterling £	Australian AU\$ (closed 20 February 2015)
<b>Assets</b>				
Cash and cash equivalents	8	9,683,778	6,157,430	—
Receivables:	8			
7 days or under		—	—	—
8 days to 14 days		15,293,165	9,724,159	—
15 days to 1 month		22,527,235	14,323,942	—
1 month to 3 months		4,725,685	3,004,827	—
		42,546,085	27,052,928	—
Creations receivable		1,216	773	—
Accrued income and other debtors	4	389,073	9,075	—
<b>Total Assets</b>		52,620,152	33,220,206	—
<b>Equity</b>				
Deferred share capital	14	100	—	—
<b>Total Equity</b>		100	—	—
Cancellation payable		169,065	107,500	—
Accrued expenses and other creditors	5	36,724	23,351	—
Nominal Shares	14	374,701	—	—
<b>Total Liabilities*</b>		580,490	130,851	—
Net assets attributable to holders of participating redeemable preference shares	16	52,039,562	33,089,355	—
<b>Total Liabilities and Equity</b>		52,620,152	33,220,206	—

\* Excluding net assets attributable to holders of participating redeemable preference shares

The notes on pages 22 to 37 form an integral part of these financial statements.

## Statements of Financial Position (continued)

As at 30 June 2015

	Euro € (closed 20 February 2015)	New Zealand NZ\$ (closed 20 February 2015)	US Dollar US\$ (closed 20 February 2015)
<b>Assets</b>			
Cash and cash equivalents	—	—	—
Receivables:			
7 days or under	—	—	—
8 days to 14 days	—	—	—
15 days to 1 month	—	—	—
1 month to 3 months	—	—	—
Creations receivable	—	—	—
Accrued income and other debtors	—	—	—
<b>Total Assets</b>	—	—	—
<b>Equity</b>			
Deferred share capital	—	—	—
<b>Total Equity</b>	—	—	—
Cancellation payable	—	—	—
Accrued expenses and other creditors	—	—	—
Nominal Shares	—	—	—
<b>Total Liabilities*</b>	—	—	—
Net assets attributable to holders of participating redeemable preference shares	—	—	—
<b>Total Liabilities and Equity</b>	—	—	—

\* Excluding net assets attributable to holders of participating redeemable preference shares

## Statements of Comprehensive Income

For the year ended 30 June 2016

	Notes	Company	Sterling
		£	£
<b>Operating profit/ (loss)</b>			
Investment income		168,859	168,859
Other income	6	744	744
Operating expenses	7	(122,451)	(122,451)
Increase in net assets attributable to holders of participating redeemable preference shares from operations		47,152	47,152

For the year ended 30 June 2015

	Notes	Company	Sterling	Australian
		US\$	£	AU\$
				(closed 20 February 2015)
<b>Operating profit/ (loss)</b>				
Investment income		902,285	332,123	202,690
Unclaimed distributions	6	—	—	—
Operating expenses	7	(489,253)	(228,777)	(77,016)
Increase/(Decrease) in net assets attributable to holders of participating redeemable preference shares from operations		413,032	103,346	125,674

The notes on pages 22 to 37 form an integral part of these financial statements.



## Statements of Comprehensive Income

For the year ended 30 June 2015

	Euro	New Zealand	US Dollar
	€	NZ\$	US\$
	(closed 20 February 2015)	(closed 20 February 2015)	(closed 20 February 2015)
<b>Operating profit/ (loss)</b>			
Investment income	1,530	252,090	6,557
Unclaimed distributions	—	—	—
Operating expenses	4,502	(63,087)	(19,649)
Increase/(Decrease) in net assets attributable to holders of participating redeemable preference shares from operations	6,032	189,003	(13,092)

The notes on pages 22 to 37 form an integral part of these financial statements.

## Statements of Changes in Net Assets Attributable to Holders of Participating Redeemable Preference Shares

For the year ended 30 June 2016

	Company £	Sterling £
Net assets attributable to holders of participating redeemable preference shares as at 1 July	33,089,355	33,089,355
Creation of participating redeemable preference shares issued	9,785,300	9,785,300
Redemption of participating redeemable preference shares	(9,947,311)	(9,947,311)
Net (decrease) from share transactions	(162,011)	(162,011)
Increase in net assets attributable to holders of participating redeemable preference shares from operations	47,152	47,152
Movement in currency translation	—	—
Net assets attributable to holders of participating redeemable preference shares as at 30 June	32,974,496	32,974,496

For the year ended 30 June 2015

	Company US\$	Sterling £	Australian AU\$ (closed 20 February 2015)
Net assets attributable to holders of participating redeemable preference shares as at 1 July	175,345,066	74,013,392	12,527,301
Creation of participating redeemable preference shares issued	16,508,690	7,738,523	4,241,447
Redemption of participating redeemable preference shares	(122,970,450)	(48,765,906)	(16,894,422)
Net (decrease) from share transactions	(106,461,760)	(41,027,383)	(12,652,975)
Increase/ (decrease) in net assets attributable to holders of participating redeemable preference shares from operations	413,032	103,346	125,674
Movement in currency translation	(17,256,776)	—	—
Net assets attributable to holders of participating redeemable preference shares as at 30 June	52,039,562	33,089,355	—

The notes on pages 22 to 37 form an integral part of these financial statements.

## Statements of Changes in Net Assets Attributable to Holders of Participating Redeemable Preference Shares

For the year ended 30 June 2015

	Euro € (closed 20 February 2015)	New Zealand NZ\$ (closed 20 February 2015)	US Dollar US\$ (closed 20 February 2015)
Net assets attributable to holders of participating redeemable preference shares as at 1 July	7,205,139	14,216,565	14,657,683
Creation of participating redeemable preference shares issued	181,705	—	416,450
Redemption of participating redeemable preference shares	(7,392,876)	(14,405,568)	(15,061,041)
Net (decrease) from share transactions	(7,211,171)	(14,405,568)	(14,644,591)
Increase/ (decrease) in net assets attributable to holders of participating redeemable preference shares from operations	6,032	189,003	(13,092)
Movement in currency translation	—	—	—
Net assets attributable to holders of participating redeemable preference shares as at 30 June	—	—	—

The notes on pages 22 to 37 form an integral part of these financial statements.

## Cash Flow Statements

For the year ended 30 June 2016

	Company	Sterling
	£	£
<b>Cash flows from operating activities</b>		
Investment income received	169,341	169,341
Operating expenses paid	(134,642)	(134,642)
Net Movement in deposit placements	531,515	531,515
Net cash inflow from operating activities	566,214	566,214
<b>Cash flows from financing activities</b>		
Proceeds received from issue of participating redeemable preference shares	9,785,918	9,785,918
Payments on redemption of participating redeemable preference shares	(10,054,811)	(10,054,811)
Net cash from financing activities	(268,893)	(268,893)
Net increase in cash and cash equivalents	297,321	297,321
Cash and cash equivalents as at 1 July	6,157,430	6,157,430
Movement in currency translation	—	—
Cash and cash equivalents as at 30 June	6,454,751	6,454,751

The notes on pages 22 to 37 form an integral part of these financial statements.



## Cash Flow Statements (continued)

For the year ended 30 June 2015

	Company US\$	Sterling £	Australian AU\$ (closed 20 February 2015)
<b>Cash flows from operating activities</b>			
Investment income received	958,581	347,133	218,725
Operating expenses paid	(606,426)	(256,076)	(92,958)
Net Movement in deposit placements	94,608,669	33,273,458	12,271,365
Net cash inflow from operating activities	94,960,824	33,364,515	12,397,132
<b>Cash flows from financing activities</b>			
Proceeds received from issue of participating redeemable preference shares	16,528,815	7,750,230	4,241,447
Payments on redemption of participating redeemable preference shares	(123,241,588)	(48,754,190)	(16,939,006)
Net cash (outflow) from financing activities	(106,712,773)	(41,003,960)	(12,697,559)
Net (decrease) in cash and cash equivalents	(11,751,949)	(7,639,445)	(300,427)
Cash and cash equivalents as at 1 July	27,405,758	13,796,875	300,427
Movement in currency translation	(5,970,031)	—	—
Cash and cash equivalents as at 30 June	9,683,778	6,157,430	—

The notes on pages 22 to 37 form an integral part of these financial statements.

## Cash Flow Statements (continued)

For the year ended 30 June 2015

	Euro € (closed 20 February 2015)	New Zealand NZ\$ (closed 20 February 2015)	US Dollar US\$ (closed 20 February 2015)
<b>Cash flows from operating activities</b>			
Investment income received	1,933	274,491	7,419
Operating expenses paid	(13,257)	(92,086)	(35,500)
Net Movement in deposit placements	5,208,685	13,761,870	14,536,335
Net cash inflow from operating activities	5,197,361	13,944,275	14,508,254
<b>Cash flows from financing activities</b>			
Proceeds received from issue of participating redeemable preference shares	181,705	—	416,450
Payments on redemption of participating redeemable preference shares	(7,437,937)	(14,405,568)	(15,233,693)
Net cash outflow from financing activities	(7,256,232)	(14,405,568)	(14,817,243)
Net (decrease) in cash and cash equivalents	(2,058,871)	(461,293)	(308,989)
Cash and cash equivalents as at 1 July	2,058,871	461,293	308,989
Movement in currency translation	—	—	—
Cash and cash equivalents as at 30 June	—	—	—

The notes on pages 22 to 37 form an integral part of these financial statements.

## Notes to the Financial Statements

For the year ended 30 June 2016

### 1. The Company

The Company is domiciled and incorporated as a limited liability company in Jersey, Channel Islands, United Kingdom under the Companies (Jersey) Law 1991. It is listed on the Channel Islands Securities Exchange Authority and on the Malta Stock Exchange. Full details of the Company, Investment Objectives and Policy and Report of the Directors are stated on pages 2 to 6.

### 2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ('IFRS') on the going concern basis. The Company is an open ended investment Company which until 20 February 2015 comprised five currency classes, these being Australian Dollar, Euro, New Zealand Dollar, Sterling and US Dollar. Since the closure of the New Zealand Dollar, US Dollar, Australian Dollar and Euro classes of the Fund the Directors consider that preparing these accounts on a going concern basis remains appropriate.

The policies set out below have been consistently applied to all years presented and all share classes.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss and in accordance with the Companies (Jersey) Law 1991 and with the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended). Jersey is not part of the United Kingdom ('UK') and the Company is not regulated by the Financial Conduct Authority ('FCA') or the Prudential Regulation Authority ('PRA') of the UK.

The capital of the Company comprises of one class of shares relating to a single portfolio ("Class") consisting of bank deposits, cash and other sundry assets and liabilities. These financial statements present the statements of financial position, statements of comprehensive income, statements of changes in net assets attributable to holders of participating redeemable preference shares, cash flow statements, notes to the financial statements, performance records and net asset value per share tables. At the Statement of Financial Position date there was one Class in existence; Sterling. The Directors may from time to time create further Classes (Funds).

The net assets attributable to holders of participating redeemable preference shares are classified as financial liabilities and therefore, in the opinion of the Directors, the Capital of the Company is only represented by the Deferred Shares. Details of Deferred Shares, Participating shares and Nominal shares are disclosed in Notes 3 and 13.

#### Significant accounting estimates and judgements

The Company makes assumptions and estimates that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The accounting policies deemed significant to the Company's results and financial position, based upon materiality and significant judgements and estimates, are discussed in the following notes. See Note 3 for further details on what are considered to be the significant accounting estimates and judgements.

### 3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated in the following text:

The Directors also monitor new standards and ensure that they are applied when relevant.

#### 3. Adoption of new and revised IFRS's

##### 3.1 Standards, amendments and interpretations effective for the current period

The following new standards, amendments and interpretations have been adopted in these financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: The Company has applied the amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities for the first time in the current period.

The amendments address issues that have arisen in the context of applying the consolidation exemption for investment entities.

The Company did not control any entities during the period or the prior year and as a result, the investment entities amendments have had no impact on the Company.

Amendments to IAS 28 Investments in Associates and Joint Ventures: The Company has applied the amendments to IAS 28 Investments in Associates and Joint Ventures for the first time in the current period.

The Company had no Associates or Joint Ventures during the period or the prior year and as a result, the investment entities amendments have had no impact on the Company.

##### 3.2 The following New and revised standards, amendments and interpretations have been published but are not yet effective:

- IFRS 9, 'Financial Instruments' (effective from 1 January 2018).
- IFRS 15, 'Revenue from contracts with customers' (effective 1 January 2017).

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

#### Functional currency and presentational currency

The financial statements of the Company have been prepared in accordance with IAS21 (functional and presentational currency). IAS21 defines functional currency as "the currency of the primary economic environment in which the entity operates", and presentational currency as "the currency in which the financial statements are presented".



## Notes to the Financial Statements (continued)

For the year ended 30 June 2016

### 3. Summary of Significant Accounting Policies (continued)

#### Functional currency and presentational currency (continued)

There is no change to the functional or presentational currency of the Sterling class, however, following the closure of the Australian dollar, Euro, New Zealand dollar and US dollar classes on 20 February 2015 the Directors agreed that from 1 July 2015 the functional and presentational currency of the Lloyds Money Fund Limited should be reflected in Sterling, as this better represents the primary economic environment in which the entity continues to operate.

Prior to 1 July 2015 the Directors had adopted US dollars as the functional and presentational currency.

#### Segmental reporting

The Company, at the statement of financial position date is organised into one main business segment, focusing on achieving returns by investing in sterling denominated bank deposits, all assets and liabilities are valued in sterling, the Company has no exposure to currencies other than sterling with the exception of the Capital of the Company which has a nominal value of US\$0.01 per share (see note 3 - Share Capital).

The Company issues Shares which are allocated to the currency Class selected by the investor. A separate account is maintained for each Class, to which proceeds of issue, the income arising from those proceeds and expenses are allocated. Upon redemption shareholders are entitled to their proportion of the net assets held in the Class in which their Shares have been designated.

A Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Preference Shares and Cash Flow Statement have been appropriately prepared for each Class as well as for the Company as a whole.

#### Foreign currency translation

Assets and liabilities are translated at the rate of exchange ruling at the statement of financial position date. The currency profits or losses arising on translation, together with currency profit or losses realised during the year, are recognised in the statement of comprehensive income.

Share premium and share capital transactions are translated into US dollars at the exchange rate ruling at the time of the transaction.

#### Cash at bank

Cash balances are current account balances held at call with a maturity of 3 months or less.

#### Receivables

Receivables are currency deposits with fixed or determinable payment dates. Receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method ('EIR'). This is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant year. The EIR is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability, or, when appropriate, a shorter period.

#### Revenue recognition

Bank interest is recognised in the statement of comprehensive income on a time proportionate basis using the EIR method.

#### Share capital

- (i) The Deferred Shares have been subscribed for by the Manager and are 'non participating'. The holders thereof are entitled only to income arising on the assets represented by the Deferred Shares. These Shares are classified as equity share capital in the statement of financial position.
- (ii) Shares may be issued as either participating redeemable preference shares ('Participating Shares') or Nominal Shares. Participating Shares are redeemable at the shareholder's option and are classified as financial liabilities. Each holder of a Participating Share is entitled, on a poll, to one vote for each Participating Share held.
- (iii) Nominal Shares have been accounted for in accordance with the Companies (Jersey) Law 1991 and corresponding amounts have been included in receivables and financial liabilities.

Shares are deemed to be in issue at the date of allotment although if necessary declarations are not received by the Company, such allotment may be cancelled.

A Nominal Share will be created when a Participating Share is cancelled. A Nominal Share will be cancelled when a Participating Share is created until the number of Nominal Shares falls to zero.

- (iv) Both issued Nominal and Participating Shares have a nominal value of US\$ 0.01 per Share.

Details of the Company's share capital and transactions during the year are shown in Note 14.

#### Share premium

The premium on issue and redemption of Participating Shares is accounted for within the Share premium account which forms part of the net assets attributable to holders of participating redeemable preference Shares. Upon redemption the premium payable is debited to the share premium account of each currency Class. In the event that redemptions during the year take the share premium account into a negative position, sufficient monies will be transferred from reserves to cover said position. Details are shown in Note 15.

#### Administration and audit fees

Administration and audit fees are allocated to each Class based on the average net asset values. As the Company is now only represented by Sterling Class, all administration and audit fees are borne by the Sterling Class.

#### Accrued income and expenses

Accrued income and expenses are recognised initially at fair value and subsequently stated at amortised cost using the EIR.

## Notes to the Financial Statements (continued)

For the year ended 30 June 2016

### 4. Accrued Income and Other Debtors

	Company £	Sterling £	
<b>As at 30 June 2016</b>			
Accrued Income	9,337	9,337	
Nominal Shares	281,042	—	
Other debtors	64	—	
Total accrued income and other debtors	290,443	9,337	
	Company US\$	Sterling £	Australian AU\$ (closed 20 February 2015)
<b>As at 30 June 2015</b>			
Accrued Income	14,272	9,075	—
Nominal Shares	374,701	—	—
Other debtors	100	—	—
Total accrued income and other debtors	389,073	9,075	—

### 5. Accrued Expenses and Other Creditors

	Company £	Sterling £	
<b>As at 30 June 2016</b>			
Due to Manager	7,138	7,138	
Due to Custodian	1,834	1,834	
Other Creditors	2,188	2,188	
Total accrued expenses and other creditors	11,160	11,160	
	Company US\$	Sterling £	Australian AU\$ (closed 20 February 2015)
<b>As at 30 June 2015</b>			
Due to Manager	12,113	7,702	—
Due to Custodian	3,139	1,996	—
Other Creditors	21,472	13,653	—
Total accrued expenses and other creditors	36,724	23,351	—

## Notes to the Financial Statements (continued)

For the year ended 30 June 2016

## 4. Accrued Income and Other Debtors

	Euro € (closed 20 February 2015)	New Zealand NZ\$ (closed 20 February 2015)	US Dollar US\$ (closed 20 February 2015)
<b>As at 30 June 2015</b>			
Accrued Income	—	—	—
Nominal Shares	—	—	—
Other debtors	—	—	—
Total accrued income and other debtors	—	—	—

## 5. Accrued Expenses and Other Creditors

	Euro € (closed 20 February 2015)	New Zealand NZ\$ (closed 20 February 2015)	US Dollar US\$ (closed 20 February 2015)
<b>As at 30 June 2015</b>			
Due to Manager	—	—	—
Due to Custodian	—	—	—
Other Creditors	—	—	—
Total accrued expenses and other creditors	—	—	—

## Notes to the Financial Statements (continued)

For the year ended 30 June 2016

## 6. Other Income

	Company	Sterling	
As at 30 June 2016	£	£	
Unclaimed distributions	744	744	
As at 30 June 2015	Company US\$	Sterling £	Australian AU\$ (closed 20 February 2015)
Unclaimed distributions	—	—	—

## 7. Operating Expenses

		Company	Sterling	
Year ended 30 June 2016		£	£	
Payable to the Manager:				
Annual management fees	10	71,788	71,788	
Payable to the Custodian:				
Custodian fees	11	20,639	20,639	
Other expenses:				
Administration expenses		27,324	27,324	
Audit fee		2,700	2,700	
<b>Total expenses</b>		<b>122,451</b>	<b>122,451</b>	
<b>Total Expense Ratio*</b>			<b>0.34%</b>	
Year ended 30 June 2015		Company US\$	Sterling £	Australian AU\$ (closed 20 February 2015)
Payable to the Manager:				
Annual management fees	10	390,746	170,184	65,977
Payable to the Custodian:				
Custodian fees	11	73,996	37,762	4,446
Other expenses:				
Administration expenses		10,226	16,831	4,793
Audit fee		14,285	4,000	1,800
<b>Total expenses</b>		<b>489,253</b>	<b>228,777</b>	<b>77,016</b>
<b>Total Expense Ratio*</b>			<b>0.35%</b>	<b>N/A</b>

\* Total Expense Ratio ("TER"), represents the management fee and all other operating expenses (broken down above), expressed as an annualised percentage of the average daily net asset values for the year ended 30 June.

The TER is no longer considered meaningful for the closed Classes (Australian Dollar, Euro, New Zealand Dollar and US Dollar Classes). As a consequence, the TER is only disclosed for the Sterling Class.

## Notes to the Financial Statements (continued)

For the year ended 30 June 2016

### 6. Other Income

As at 30 June 2015	Euro € (closed 20 February 2015)	New Zealand NZ\$ (closed 20 February 2015)	US Dollar US\$ (closed 20 February 2015)
Unclaimed distributions	—	—	—

### 7. Operating Expenses

Year ended 30 June 2015	Euro € (closed 20 February 2015)	New Zealand NZ\$ (closed 20 February 2015)	US Dollar US\$ (closed 20 February 2015)
Payable to the Manager:			
Annual management fees	3,005	59,185	16,484
Payable to the Custodian:			
Custodian fees	2,382	4,004	4,738
Other expenses:			
Administration expenses	(11,689)	(2,302)	(4,073)
Audit fee	1,800	2,200	2,500
<b>Total expenses</b>	<b>(4,502)</b>	<b>63,087</b>	<b>19,649</b>
<b>Total Expense Ratio*</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

\* Total Expense Ratio ("TER"), represents the management fee and all other operating expenses (broken down above), expressed as an annualised percentage of the average daily net asset values for the year ended 30 June.

The TER is no longer considered meaningful for the closed Classes (Australian Dollar, Euro, New Zealand Dollar and US Dollar Classes). As a consequence, the TER is only disclosed for the Sterling Class.

## Notes to the Financial Statements (continued)

For the year ended 30 June 2016

## 8. Cash and Cash Equivalents / Receivables

Balances were held with the following banks as at 30 June 2016

	Equivalent credit rating*	Company £	Sterling £
<b>Receivables</b>			
Bank of Montreal	Aa3	4,040,685	4,040,685
BNP Paribas	A1	6,174,220	6,174,220
Royal Bank of Scotland Group	Ba1	6,139,049	6,139,049
Standard Chartered	Aa3	6,029,108	6,029,108
UBS	Aa3	4,138,351	4,138,351
<b>Total Deposits</b>		26,521,413	26,521,413
Cash at bank Lloyds Banking Group	A1	6,454,751	6,454,751
<b>Total</b>		32,976,164	32,976,164

\*As at 30 June 2016

Balances were held with the following banks as at 30 June 2015

	Equivalent credit rating**	Company US\$	Sterling £	Australian AU\$ (closed 20 February 2015)
<b>Receivables</b>				
ABN Amro	Aa3	9,572,582	6,086,727	—
Bank of Montreal	A1	9,676,108	6,152,554	—
BNP Paribas	Baa2	8,093,284	5,146,114	—
Royal Bank of Scotland Group	Aa3	4,722,214	3,002,620	—
UBS	A2	10,481,897	6,664,913	—
<b>Total Deposits</b>		42,546,085	27,052,928	—
Cash at bank Lloyds Banking Group	A1	9,683,778	6,157,430	—
<b>Total</b>		52,229,863	33,210,358	—

\*\*As at 30 June 2015

## Notes to the Financial Statements (continued)

For the year ended 30 June 2016

## 8. Cash and Cash Equivalents / Receivables

Balances were held with the following banks as at 30 June 2015

Receivables	Equivalent credit rating**	Euro	New Zealand	US Dollar
		€	NZ\$	US\$
		(closed 20 February 2015)	(closed 20 February 2015)	(closed 20 February 2015)
ABN Amro	Aa3	—	—	—
Bank of Montreal	A1	—	—	—
BNP Paribas	Baa2	—	—	—
Royal Bank of Scotland Group	Aa3	—	—	—
UBS	A2	—	—	—
<b>Total Deposits</b>		—	—	—
Cash at bank Lloyds Banking Group	A1	—	—	—
<b>Total</b>		—	—	—

\*\*As at 30 June 2015

## Notes to the Financial Statements (continued)

For the year ended 30 June 2016

### 9. Contingent Liabilities

The Company has no current or foreseeable contingent liabilities.

### 10. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial or operating decisions. The following are considered by the Directors of the Company to be related parties:

- The Manager, Lloyds Investment Fund Managers Limited.
- Key management personnel

The fees received by the Manager are set out in Note 7. Details of amounts due to the Manager at the end of the year are shown in Note 5.

All investor share transactions in the Company are facilitated through the manager, the aggregate values of which are set out in the statement of changes in net assets attributable to holders of participating redeemable preference shares on pages 16 and 17.

#### (a) Management fees

The Manager of the Company, Lloyds Investment Fund Managers Limited, is part of the Lloyds Bank Group of companies. The Manager is entitled to a daily fee equal to an annual rate not exceeding 1.5% of the net assets of the relevant Class.

In view of the low level of interest rates available in sterling the Manager agreed to temporarily reduce its management fee as follows.

Class	Effective Date	Previous Rate	Current Rate
Sterling	7 Nov 14	0.35%	0.20%

It is the intention that the reduction in respect of the Sterling Class is for a temporary period only and the fees will revert to the former levels when market conditions allow. Investors will be given at least 90 days' prior written notice of the ending of the reduction.

#### (b) Key management personnel

The following Directors of the Company at 30 June 2016 are employees of Lloyds Banking Group: I.M.J Hardy, B.C.James, B. Lysiak and R.D.Willcox. T.J. Herbert is a consultant to Mourant Ozannes, who are the Jersey legal advisers to the Company and the Manager.

I.M.J Hardy, B.C.James and R.D.Willcox are Directors of the Manager, Lloyds Investment Fund Managers Limited.

#### (c) Directors' Fees

Directors who are employees of the Lloyds Banking Group do not receive Directors' fees. All other Directors currently receive a fee of £5,000 per annum (2015: £5,000 per annum).

#### (d) Cash and cash equivalents

There is a current deposit held with Lloyds Banking Group. Lloyds Investment Fund Managers Limited, who act as Manager and Registrar, and Lloyds Corporate Services (Jersey) Limited, who act as Secretary are part of the Lloyds Banking Group of companies. Refer to Note 8 for more details.

### 11. Custodian

The fees received by the Custodian are set out in Note 7. Details of amounts due to the Custodian at the end of the year are shown in Note 5.

The Custodian is entitled to an annual fee payable monthly by the Company, in respect of each Class, equal to an annual rate not exceeding 0.2% of the net assets of the relevant Class. In respect of Sterling Class the Custodian currently levies a daily fee at the reduced rate of 0.0575% per annum of the net assets of that Class.

The Custodian is entitled to reimbursement by each currency Class of its expenses in connection with its duties as Custodian and to make transaction charges to cover the cost of effecting settlement of bank deposits and cash.

### 12. Controlling Party

In the opinion of the directors, there is no ultimate controlling party of the Company as defined by International Accounting Standard (IAS) 24 Related Party Disclosures.

### 13. Commissions

The Company does not pay or receive any commissions in respect of any business introduced or placed.



## Notes to the Financial Statements (continued)

For the year ended 30 June 2016

### 14. Share Capital

	30 June 2016		30 June 2015	
	Shares	US\$		US\$
<b>Authorised Share Capital:</b>				
100 Deferred Shares of US\$1 each	100	100		100
50,000,000 Unclassified Shares of US\$0.01 each	500,000	500,000		500,000
	500,100	500,100		500,100
	30 June 2016		30 June 2015	
	Shares	Value US\$	Shares	Value US\$
<b>Issued Share Capital</b>				
Deferred Shares	100	100	100	100
Total issued Share Capital (Sterling equivalent)		64		N/A
<b>Nominal Shares:</b>				
Balance brought forward	37,470,250	374,701	36,169,306	361,692
Creations	189,061	1,891	1,483,202	14,832
Redemptions	(186,061)	(1,861)	(182,258)	(1,823)
Balance carried forward	37,473,250	374,731	37,470,250	374,701
Total Nominal Shares (Sterling equivalent)		281,042		N/A
<b>Participating Shares in issue</b>	30 June 2016		30 June 2015	
	Shares	Value US\$	Shares	Value US\$
<b>Class</b>				
Sterling	626,343	6,263	629,343	6,296
Total US Dollar	626,343	6,263	629,343	6,296
	Shares	£	Shares	£
Total Company (Sterling equivalent)	626,343	4,685	629,343	4,002

## Notes to the Financial Statements (continued)

For the year ended 30 June 2016

## 14. Share Capital (continued)

Issued Share Capital	Shares	Company	Sterling	
		£	£	
Participating redeemable preference shares of US 1 cent each fully paid as at 1 July	629,343	4,002	4,002	
Issued during the year	186,061	1,861	1,861	
Redeemed during the year	(189,061)	(1,891)	(1,891)	
Transfer from share premium		713	713	
Participating redeemable preference shares as at 30 June	626,343	4,685	4,685	
Deferred shares of US\$1 each fully paid	100	64	64	
<b>Total as at 30 June 2016</b>	<b>626,443</b>	<b>4,749</b>	<b>4,749</b>	

  

	Shares	Company	Sterling	Australian
		US\$	£	AU\$ (closed 20 February 2015)
Participating redeemable preference shares of US 1 cent each fully paid as at 1 July	1,930,287	19,305	5,982	1,960
Issued during the year	182,258	1,823	1,474	246
Redeemed during the year	(1,483,202)	(14,832)	(9,280)	(2,206)
Transfer from share premium	—	—	5,826	—
Participating redeemable preference shares as at 30 June	629,343	6,296	4,002	—
Deferred shares of US\$1 each fully paid	100	100	—	—
<b>Total as at 30 June 2015</b>	<b>629,443</b>	<b>6,396</b>	<b>4,002</b>	<b>—</b>

## 15. Share Premium

The share premium arises on the participating redeemable preference shares of US 1 cent each fully paid

	Company	Sterling	
	£	£	
As at 1 July	—	—	
Issued during the year	9,783,442	9,783,442	
Redeemed during the year	(9,945,421)	(9,945,421)	
Transfer of accumulated income	162,692	162,692	
Transfer to share capital	(713)	(713)	
<b>As at 30 June 2016 (Sterling equivalent)</b>	<b>—</b>	<b>—</b>	

  

	Company	Sterling	Australian
	US\$	£	AU\$ (closed 20 February 2015)
As at 1 July	23,493,355	15,098,323	—
Issued during the year	16,505,799	7,737,049	4,241,202
Redeemed during the year	(122,871,532)	(48,756,627)	(16,892,216)
Transfer of accumulated income	82,872,378	25,927,081	12,651,014
Transfer to share capital	—	(5,826)	—
<b>As at 30 June 2015</b>	<b>—</b>	<b>—</b>	<b>—</b>

## Notes to the Financial Statements (continued)

For the year ended 30 June 2016

## 14. Share Capital (continued)

	Euro	New Zealand	US Dollar
	€	NZ\$	US\$
	(closed 20 February 2015)	(closed 20 February 2015)	(closed 20 February 2015)
Participating redeemable preference shares of US 1 cent each fully paid as at 1 July	2,761	2,594	2,417
Issued during the year	33	—	69
Redeemed during the year	(2,794)	(2,594)	(2,486)
Transfer from share premium	—	—	—
Participating redeemable preference shares as at 30 June	—	—	—
Deferred shares of US\$1 each fully paid	—	—	—
<b>Total as at 30 June 2015</b>	<b>—</b>	<b>—</b>	<b>—</b>

## 15. Share Premium

	Euro	New Zealand	US Dollar
	€	NZ\$	US\$
	(closed 20 February 2015)	(closed 20 February 2015)	(closed 20 February 2015)
As at 1 July	—	—	—
Issued during the year	181,671	—	416,381
Redeemed during the year	(7,390,082)	(14,402,974)	(15,058,555)
Transfer of accumulated income	7,208,411	14,402,974	14,642,174
Transfer to share capital	—	—	—
<b>As at 30 June 2015</b>	<b>—</b>	<b>—</b>	<b>—</b>

## Notes to the Financial Statements (continued)

For the year ended 30 June 2016

## 16. Net assets attributable to holders of participating redeemable preference shares

	Notes	Company	Sterling	
		£	£	
<b>As at 30 June 2016</b>				
Share capital	14	4,685	4,685	
Share premium	15	—	—	
Accumulated income		32,969,811	32,969,810	
Net assets attributable to holders of participating redeemable preference shares (Sterling equivalent)		32,974,496	32,974,496	
		Company	Sterling	Australian
		US\$	£	AU\$
				(closed 20 February 2015)
<b>As at 30 June 2015</b>				
Share capital	14	6,296	4,002	—
Share premium	15	—	—	—
Accumulated income		52,006,188	33,085,353	—
Currency Translation reserve		27,078	—	—
Net assets attributable to holders of participating redeemable preference shares		52,039,562	33,089,355	—

## Notes to the Financial Statements (continued)

For the year ended 30 June 2016

## 16. Net assets attributable to holders of participating redeemable preference shares

As at 30 June 2015	Euro € (closed 20 February 2015)	New Zealand NZ\$ (closed 20 February 2015)	US Dollar US\$ (closed 20 February 2015)
Share capital	—	—	—
Share premium	—	—	—
Accumulated income	—	—	—
Currency Translation reserve	—	—	—
Net assets attributable to holders of participating redeemable preference shares	—	—	—

## 17. Taxation

In accordance with International Accounting Standard (IAS) 12 Income Taxes, investment income is shown gross of withholding tax. No withholding tax has been suffered by the Company during the year.

The Company is liable to be charged at a tax rate of 0% under Schedule D of the Income Tax (Jersey) Law 1961, as amended (the 'Income Tax Law') in respect of

- (i) the income or profits of any trade carried on by the Company in Jersey or elsewhere,
- (ii) any interest of money, whether yearly or otherwise, or other annual payment paid to the Company, whether such payment is made within or outside of Jersey,
- (iii) dividends and other distributions of a company regarded as resident in Jersey paid to the Company,
- (iv) income arising to the Company from securities outside of Jersey and
- (v) any other income of the Company that is not derived from the ownership or disposal of land in Jersey.

It is not expected that the Company will be in receipt of income charged to tax under any Schedule under Income Tax Law other than Schedule D. As such the Company is no longer subject to the payment of tax in Jersey.

## 18. Financial risk management

**Strategy in using financial instruments**

The Company's investment objective is to offer the individual and corporate investor a high degree of protection and access to wholesale money markets, whilst maintaining a competitive level of return and ready availability of funds. These objectives are achieved through the placement of cash deposits in the respective base currency of the Class. The holding of deposits and investment activities pursuant to these objectives involve certain risks. Events may occur that would result in a reduction in the Company's net assets.

The Company's assets and liabilities comprise financial instruments, which may include:

- Investments in fixed-interest bank deposits, held in accordance with the Company's investment policies and objectives; and
- short-term debtors and creditors that arise directly from its investing activities.

Set out on the following pages are descriptions of the principal risks associated with the Company's activities, together with the manner in which it manages these risks.

## Notes to the Financial Statements (continued)

For the year ended 30 June 2016

### 18. Financial risk management (continued)

#### Interest rate risk

The Company invests in fixed rate bank deposits up to a maximum maturity of six months. The maturity profile at the year end is disclosed in the statement of financial position. Any changes to the interest rates for fixed rate bank deposits available in the market may result in the Manager being unable to secure similar returns on the maturity of these deposits. In accordance with the Company's policy, the Manager monitors the Fund's overall interest rate sensitivity on a daily basis, and the Board of Directors reviews it on a quarterly basis.

At the year end all receivables were placed at fixed rates. All cash at bank was held on call in Lloyds Banking Group bank accounts.

Year end weighted average effective interest rate:

Class	%
Sterling	0.38

The table below summarises the impact of increases/ (decreases) in the market interest rates on the cash assets held by the Company at 30 June 2016. The analysis is based on the assumption that the market interest rates increase/ (decrease) by 1% with all other variables held constant. This represents the Managers best estimate of a reasonable possible shift in the interest rates, having regard to historical volatility of those rates. The analysis also assumes that the movement in the portfolio is directly correlated with market interest rates.

#### Foreign currency risk

As shareholders invest in and redeem specific currency Classes the Company's aggregated statements of financial position, aggregated income statements, aggregated statements of changes in net assets attributable to holders of participating redeemable preference shares and aggregated cash flow statements are used for aggregation purposes only.

#### Counter-party risk

Certain transactions that the Company enters into exposes it to the risk that the counter-party will not settle on the investment after the Company and the Manager have fulfilled their responsibilities. The Company places deposits only with banks that have been approved by the Manager as an acceptable counterparty (see Note 7 for the credit rating of the institutions with which the deposits are held). In addition, limits are set as to the maximum exposure of each class (20%) to any bank that may exist at any time, these limits are reviewed regularly and are subject to annual renewal.

The risk to Shareholders is that we will not have enough cash to cover redemptions. To counter this risk each Fund's cash is managed to meet its liabilities. Where investments cannot be realised in time to meet any redemptions of Participating Shares, each Fund may borrow up to 10% of its value to ensure settlement of its liabilities.

End of Year	Class	Cash Assets (base currency)	Cash 1% Movement in interest rate
30.06.16	Sterling	32,976,164	329,762
30.06.15	Sterling	33,089,355	332,104

## Notes to the Financial Statements (continued)

For the year ended 30 June 2016

### 18. Financial risk management (continued)

#### Capital risk management

The net assets attributable to holders of participating redeemable preference shares are classified as financial liabilities and therefore, in the opinion of the Directors, the Capital of the Company is only represented by the Deferred Shares. Details of Deferred Shares are shown in note 3 and 14. Due to the nature and requirement for Deferred Shares the Directors have decided that no active capital risk management is required.

#### Fair value estimation

The fair value estimation required by IFRS 13 is not applicable to the Sterling Class as there are no financial instruments measured at fair value.

#### Liquidity risk

The main liquidity risk of the Company is the redemption of any shares investors wish to sell from time to time. To counter this risk the Company maintains at least 35% of each Class in deposits realisable within fourteen days.

In accordance with the Company's policy, the Manager monitors the liquidity position of the Sterling Class on a daily basis, and the Board of Directors reviews it on a quarterly basis. The liquidity profile is stated within the statements of financial position on pages 10 to 13.

The Manager may with prior agreement of the Custodian and Directors suspend the repurchase of shares for a period not exceeding 28 days.

The following table analyses the Company's financial liabilities into relevant maturity groups based on the remaining period at the statement of financial position date to the contractual maturity date. The carrying value of the liabilities approximates to fair value at 30 June.

	Less than 1 Month	1 - 3 Months	Total
	£	£	£
<b>As at 30 June 2016</b>			
Share Capital	33,255,602	—	33,255,602
Cancellations	—	—	—
Accrued expenses	8,972	2,188	11,160
Total financial liabilities	33,264,574	2,188	33,266,762
<b>As at 30 June 2015</b>	US\$	US\$	US\$
Share Capital	52,414,363	—	52,414,363
Cancellations	169,065	—	169,065
Accrued expenses	15,252	21,472	36,724
Total financial liabilities	52,598,680	21,472	52,620,152

### 19. Events After the Year End Date

There has not arisen in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material nature likely in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in subsequent financial years.

## Performance Record (Unaudited)

For the year ended 30 June 2016

Shares in the Fund were first offered to the public on the 23 November 1983 at an offer price of £10.00 per share.

Calendar Year/ Period	Highest Offer Price	Lowest Bid Price
2012	52.414	52.325
2013	52.483	52.415
2014	52.525	52.470
2015	52.618	52.525
To 30 June 2016	52.646	52.618

## Net Asset Value per Share (Unaudited)

For the year ended 30 June 2016

Year	Net Asset Value of Fund	Net Asset Value per Share	No. of Shares in Issue
30.06.12	58,737,140	52.380	1,121,356
30.06.13	82,273,547	52.440	1,568,916
30.06.14	74,013,392	52.494	1,409,947
30.06.15	33,089,355	52.578	629,343
30.06.16	32,974,496	52.646	626,344



## Notice of Meeting (Unaudited)

Notice is hereby given that the 33rd Annual General Meeting of Lloyds Money Fund Limited will be held at: 11-12 Esplanade, St. Helier, Jersey, on Wednesday 16 November 2016 at 10.00 a.m. for the following purposes:

### Agenda

#### Ordinary Business

1. To appoint the Chairman of the meeting.
2. To read the convening notice.
3. RESOLUTION 1.

To receive and if deemed appropriate, adopt the Annual Report and Audited Financial Statements of the Company for the year ended 30th June 2016.

#### 4. RESOLUTION 2.

To consider, and if deemed appropriate, re-elect Ross Davey Willcox as a Director of the Company.

#### 5. RESOLUTION 3.

To consider, and if deemed appropriate, re-elect Ian Mark Jeremie Hardy as a Director of the Company.

#### 6. RESOLUTION 4.

To consider, and if deemed appropriate, re-elect Timothy Joseph Herbert as a Director of the Company.

#### 7. RESOLUTION 5.

To consider, and if deemed appropriate, re-elect Brian Charles James as a Director of the Company.

#### 8. RESOLUTION 6.

To consider, and if deemed appropriate, re-elect Bronislaw Lysiak as a Director of the Company.

#### 9. RESOLUTION 7.

To re-appoint PricewaterhouseCoopers CI LLP as Auditors of the Company for the ensuing year and to authorise the Directors to agree their remuneration.

#### 10. RESOLUTION 8.

To fix the remuneration of each of the Directors at a maximum of £5,000 per annum.

### NOTES:

A Member entitled to attend and vote at this Meeting may appoint one or more Proxies to attend and, on a poll, vote instead of him. A Proxy need not be a Member of the Company. To be valid, completed proxy forms must be deposited at the Company's principal place of business not less than 48 hours before the appointed time for holding the meeting, or any adjournment thereof.

In the case of joint holders the vote of the senior shall be accepted to the exclusion of the votes of the other joint holder(s).

The quorum requirement is two members present in person or by proxy. If a quorum is not present, the meeting shall stand adjourned to Wednesday 23 November 2016 at 10.00 a.m. at the same venue and at such adjourned meeting the shareholder's present in person or by proxy shall be the quorum.

By Order of the Board  
Lloyds Corporate Services (Jersey) Limited,  
Secretary,  
PO Box 160, 25 New Street, St. Helier,  
Jersey JE4 8RG,  
Channel Islands.

22 September 2016

Lloyds Money Fund Limited Form of Proxy (Unaudited)

BLOCK LETTERS PLEASE.

FULL NAME(S) .....

ADDRESS .....

I/We being a Member(s) of the above named Company hereby appoint the Chairman of the Meeting ..... (see Note 1.) as my/our proxy to attend and vote for me/us on my/our behalf at the 33rd Annual General Meeting of the Company to be held on Wednesday 16 November 2016 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy to vote on the resolutions as follows:

Ordinary Resolutions:

1. To receive and if deemed appropriate, adopt the Annual Report and Audited Financial Statements of the Company for the year ended 30th June 2016.
2. To consider, and if deemed appropriate, re-elect Ross Davey Willcox as a Director of the Company.
3. To consider, and if deemed appropriate, re-elect Ian Mark Jeremie Hardy as a Director of the Company.
4. To consider, and if deemed appropriate, re-elect Timothy Joseph Herbert as a Director of the Company.
5. To consider, and if deemed appropriate, re-elect Brian Charles James as a Director of the Company.
6. To consider, and if deemed appropriate, re-elect Bronislaw Lysiak as a Director of the Company.
7. To re-appoint PricewaterhouseCoopers CI LLP as Auditors and to authorise the Directors to agree their remuneration.
8. To fix the remuneration of each of the Directors at a maximum of £5,000 per annum.

FOR	AGAINST

NOTES:

1. If you wish to appoint another person to be your proxy instead of the Chairman of the Meeting, you should delete the words "the Chairman of the Meeting", and write the name of your proxy in the space provided and initial the alteration.
2. Except as otherwise indicated by you, the proxy will vote, or abstain from voting, at the meeting or any adjournment thereof as the proxy thinks fit.
3. In the case of a corporation, the form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.
5. To be valid, forms of proxy must reach the principal place of business of the Company, P.O. Box 311, 11-12 Esplanade, St. Helier, Jersey JE4 8ZU, Channel Islands, not later than 48 hours before the time appointed for the meeting (or any adjourned meeting). Any power of attorney or other authority under which the form of proxy is signed must be sent with the form of proxy.

Signature ..... Date .....

For more information please go to [http://international.lloydsbank.com/  
international-investments/funds](http://international.lloydsbank.com/international-investments/funds) or call us on 01534 845 555

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