

**Report of the Directors and
Financial Statements
for the year ended 31 December 2011
for
Amber Infrastructure Limited**

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for the year ended 31 December 2011**

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Amber Infrastructure Limited

Company Information for the year ended 31 December 2011

DIRECTORS.	G J Frost H L Blaney M J Gregory
SECRETARY	Ms A E Woods
REGISTERED OFFICE.	Two London Bridge London SE1 9RA
REGISTERED NUMBER.	06818708 (England and Wales)
SENIOR STATUTORY AUDITOR.	Jeremy Young
AUDITORS:	Ernst & Young LLP Statutory Auditor London

Amber Infrastructure Limited (Registered number: 06818708)

Report of the Directors for the year ended 31 December 2011

The directors present their report with the financial statements of Amber Infrastructure Limited ("the company") for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an operating company that is part of a wider group, ("Amber Group") involved in financial advisory and asset management

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements which comprise the profit and loss account on page 5 and the balance sheet on page 6

During the year, the company entered into a working capital loan agreement with Meret Investments Limited (£236,444). This was assessed at year end and due to the uncertainty of future cashflows and the future of Meret Investments Limited, the directors have agreed to write this amount off to the Profit and Loss Account in the year

PRINCIPLE RISKS AND UNCERTAINTIES

The company's results are dependent upon the underlying performance of the rest of the Amber Group of companies, including the ability of group companies to continue to generate sufficient income to cover group costs including those of Amber Infrastructure Limited

The Group's results would be affected by the impact on management and advisory fee income from changes in the performance of the funds it advises, in particular International Public Partnerships Limited. The fund's performance may be affected by external market events that impact on the value of the fund's investments, for example changes in long-term gilt interest rates, foreign exchange rates and inflation rates or from changes in the underlying performance and development of the fund's investments

FUTURE DEVELOPMENTS

The directors are not aware of any current activities of the company that are expected to impact the future development of the company in the foreseeable future on the basis that the Group has continued to benefit from long-term contractual agreements for the provision of fund management and asset management services

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence by meeting its liabilities as they fall due for the foreseeable future on the basis that the Amber Group has continued to benefit from long-term contractual agreements for the provision of fund management and asset management services. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

DIVIDENDS

The profit for the financial year of £3,761,176 (2010 £6,606,180) has been transferred to reserves. The directors authorised the payment of a dividend of £2,233,125 (2010 £5,942,751)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report

G J Frost
H L Blaney
M J Gregory

Amber Infrastructure Limited (Registered number: 06818708)

Report of the Directors for the year ended 31 December 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a 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.

ON BEHALF OF THE BOARD



G J Frost - Director

Date

26.9.12

Report of the Independent Auditors to the Members of Amber Infrastructure Limited

We have audited the financial statements of Amber Infrastructure Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 Report of the Directors for the financial year 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime.



Jeremy Young (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
London

Date 27 September 2012

Amber Infrastructure Limited (Registered number: 06818708)

Profit and Loss Account for the year ended 31 December 2011

	Notes	2011 £	2010 £
TURNOVER		17,346,449	14,374,219
Administrative expenses		<u>(12,228,395)</u>	<u>(10,180,663)</u>
		5,118,054	4,193,556
Other operating income		<u>43,479</u>	<u>41,454</u>
OPERATING PROFIT	3	5,161,533	4,235,010
Income from current asset investments		172,743	-
Interest receivable and similar income		<u>21,351</u>	<u>85,556</u>
		5,355,627	4,320,566
Amounts written off investments	4	<u>(236,443)</u>	-
		5,119,184	4,320,566
Interest payable and similar charges	5	<u>-</u>	<u>(11)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,119,184	4,320,555
Tax on profit on ordinary activities	6	<u>(1,358,008)</u>	<u>2,285,625</u>
PROFIT FOR THE FINANCIAL YEAR		<u>3,761,176</u>	<u>6,606,180</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

Amber Infrastructure Limited (Registered number: 06818708)

Balance Sheet 31 December 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	8	299,546	317,821
CURRENT ASSETS			
Debtors	9	3,262,933	7,310,040
Investments	10	3,415,973	3,415,973
Cash in hand		<u>11,030,423</u>	<u>2,195,240</u>
		17,709,329	12,921,253
CREDITORS			
Amounts falling due within one year	11	<u>(9,835,047)</u>	<u>(6,582,623)</u>
NET CURRENT ASSETS		<u>7,874,282</u>	<u>6,338,630</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,173,828	6,656,451
PROVISIONS FOR LIABILITIES	13	<u>(4,659)</u>	<u>(15,333)</u>
NET ASSETS		<u>8,169,169</u>	<u>6,641,118</u>
CAPITAL AND RESERVES			
Called up share capital	14	1	1
Profit and loss account	15	<u>8,169,168</u>	<u>6,641,117</u>
SHAREHOLDER'S FUNDS	17	<u>8,169,169</u>	<u>6,641,118</u>

The financial statements were approved by the Board of Directors on 26.9.12 and were signed on its behalf by

G J Frost - Director

H L Blaney - Director

Amber Infrastructure Limited (Registered number: 06818708)

Notes to the Financial Statements for the year ended 31 December 2011

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable UK accounting standards

Turnover

Turnover represents fees, excluding value added tax, received for undertaking its principal activity and are recognised when the company obtains the right for consideration in exchange for its performance of services. Turnover represents activity in the UK

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is provided over the life of the contract to write off the cost less the estimated residual value of each asset over its expected useful economic life as follows

Office Furniture & Fittings - over 4 years

Equipment - over 4 years

Computer Equipment - over 4 years

Taxation

Current tax, including United Kingdom Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

In accordance with FRS 19 'Deferred Tax', deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are not discounted

Current Asset Investments

Current asset investments are stated at cost less provision for any impairment in value

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Amber Infrastructure Limited (Registered number: 06818708)

Notes to the Financial Statements - continued for the year ended 31 December 2011

1 ACCOUNTING POLICIES - continued

Cash flow statement and related party disclosure

The company is a wholly owned subsidiary of Amber Infrastructure Group Holdings Limited and is included in its consolidated financial statements, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company has taken advantage of the exemption under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Amber Infrastructure Group Holdings Limited group and that are wholly owned by the ultimate controlling party.

2 STAFF COSTS

	2011 £	2010 £
Wages and salaries	7,239,394	6,083,476
Social security costs	<u>1,321,533</u>	<u>818,495</u>
	<u>8,560,927</u>	<u>6,901,971</u>

The average monthly number of employees during the year was as follows

	2011 No's	2010 No's
Employees	42	38
Directors	<u>3</u>	<u>3</u>
	<u>45</u>	<u>41</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Depreciation - owned assets	128,201	120,688
Auditors' remuneration - audit work	<u>61,400</u>	<u>52,777</u>
Directors' remuneration	<u>930,000</u>	<u>1,035,000</u>

Information regarding the highest paid director is as follows

	2011 £	2010 £
Emoluments	<u>340,000</u>	<u>360,000</u>

4 AMOUNTS WRITTEN OFF INVESTMENTS

	2011 £	2010 £
Amounts written off on loans	<u>236,443</u>	<u>-</u>

The amount written off during the year relates to Meret Investments Limited

Amber Infrastructure Limited (Registered number: 06818708)

Notes to the Financial Statements - continued for the year ended 31 December 2011

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Other interest payable	<u>-</u>	<u>11</u>

6 TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows

	2011 £	2010 £
Current tax		
UK corporation tax	1,368,682	(2,303,122)
Deferred tax	<u>(10,674)</u>	<u>17,497</u>
Tax on profit on ordinary activities	<u>1,358,008</u>	<u>(2,285,625)</u>

Factors affecting the tax charge/(credit)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>5,119,184</u>	<u>4,320,555</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010 - 28%)	1,356,584	1,209,755
Effects of		
Accelerated capital allowances	15,363	15,509
Group relief received for nil payment	-	(1,211,486)
Prior year adjustment	-	(2,303,122)
Dividend income not taxable	(45,777)	(23,870)
Expenses not deductible for tax purposes	<u>42,512</u>	<u>10,092</u>
Current tax charge/(credit)	<u>1,368,682</u>	<u>(2,303,122)</u>

7 DIVIDENDS

	2011 £	2010 £
Ordinary share of 1 Interim	<u>2,233,125</u>	<u>5,942,757</u>

Amber Infrastructure Limited (Registered number: 06818708)

Notes to the Financial Statements - continued for the year ended 31 December 2011

8 TANGIBLE FIXED ASSETS

	Office Furniture & Fittings £	Equipment £	Computer equipment £	Totals £
COST				
At 1 January 2011	9,522	150,585	333,399	493,506
Additions	-	16,101	93,825	109,926
At 31 December 2011	<u>9,522</u>	<u>166,686</u>	<u>427,224</u>	<u>603,432</u>
DEPRECIATION				
At 1 January 2011	3,173	55,123	117,389	175,685
Charge for year	2,381	38,286	87,534	128,201
At 31 December 2011	<u>5,554</u>	<u>93,409</u>	<u>204,923</u>	<u>303,886</u>
NET BOOK VALUE				
At 31 December 2011	<u>3,968</u>	<u>73,277</u>	<u>222,301</u>	<u>299,546</u>
At 31 December 2010	<u>6,349</u>	<u>95,462</u>	<u>216,010</u>	<u>317,821</u>

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life, as follows,

Office Furniture & Fittings	- Over 4 Years
Equipment	- Over 4 Years
Computer Equipment	- Over 4 Years

All fixed assets are initially recorded at cost

9 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade debtors	181,056	14,697
Amounts owed by group undertakings	2,694,567	5,939,006
Other debtors	7,635	664,954
VAT	186,206	167,004
Prepayments and accrued income	193,469	524,379
	<u>3,262,933</u>	<u>7,310,040</u>

Amber Infrastructure Limited (Registered number: 06818708)

Notes to the Financial Statements - continued for the year ended 31 December 2011

10 CURRENT ASSET INVESTMENTS

Listed

Cost:

	£
At 1 January 2011 and 31 December 2011	<u>3,415,973</u>

Amounts provided:

Net book value at 31 December 2011	<u>3,415,973</u>
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Net book value at 1 January 2011	<u>3,415,973</u>
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Shares are held in International Public Partnerships Limited Partnership, an entity listed on the London Stock Exchange

The share price at 31 December 2011 was 120 90 pence per share (31 December 2010 116 50 pence)

The number of shares held during the year and at year end was 2,991,220

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade creditors	473,956	230,913
Amounts owed to group undertakings	3,518,278	2,685,893
Tax	1,368,682	-
Social security and other taxes	102,100	1,877,966
Other creditors	4,133,980	1,561,909
Accrued expenses	161,138	225,942
Other liabilities	<u>76,913</u>	<u>-</u>
	<u>9,835,047</u>	<u>6,582,623</u>

12 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings	
	2011 £	2010 £
Expiring		
Between one and five years	<u>180,529</u>	<u>180,529</u>

Operating leases represent the lease for Two London Bridge and is for a term of 4 years commencing 28 August 2009

13 PROVISIONS FOR LIABILITIES

	2011 £	2010 £
Deferred tax	<u>4,659</u>	<u>15,333</u>

Amber Infrastructure Limited (Registered number: 06818708)

Notes to the Financial Statements - continued for the year ended 31 December 2011

13 PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2011	15,333
Profit and loss account	(15,652)
Adjustments for Prior Year	5,351
UK rate change	<u>(373)</u>
Balance at 31 December 2011	<u><u>4,659</u></u>

Deferred tax liability relates to accelerated capital allowances

14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2011 £	2010 £
1	Ordinary	1	<u><u>1</u></u>	<u><u>1</u></u>

15 RESERVES

	Profit and loss account £
At 1 January 2011	6,641,117
Profit for the year	3,761,176
Dividends	<u>(2,233,125)</u>
At 31 December 2011	<u><u>8,169,168</u></u>

16 ULTIMATE CONTROLLING PARTY

The directors regard Amber Infrastructure Group Limited, an English Limited Company, as the immediate parent company and Amber Infrastructure Group Holdings Limited, a company registered in England as the ultimate controlling party. Copies of the consolidated financial statements of Amber Infrastructure Group Holdings Limited can be obtained from Two London Bridge, London SE1 9RA

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2011 £	2010 £
Profit for the year	3,761,176	6,606,180
Dividends	<u>(2,233,125)</u>	<u>(5,942,757)</u>
Net addition to shareholder's funds	1,528,051	663,423
Opening shareholder's funds	<u><u>6,641,118</u></u>	<u><u>5,977,695</u></u>
Closing shareholder's funds	<u><u>8,169,169</u></u>	<u><u>6,641,118</u></u>