

**Report of the Directors and
Financial Statements
for the Year Ended 31 December 2012
for
Amber Infrastructure Limited**

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**Contents of the Financial Statements
for the year ended 31 December 2012**

	Page
Company Information	1
Report of the Directors	2
Independent Auditors' Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7

Amber Infrastructure Limited

Company Information for the year ended 31 December 2012

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 2012

The directors present their report with the financial statements of Amber Infrastructure Limited ("the company") for the year ended 31 December 2012

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

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 Amber Group continues to benefit from long-term contractual agreements for the provision of fund management and asset management services

GOING CONCERN

After making enquiries and having considered the expected forecast cash flows and the current balance sheet position, 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. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

DIVIDENDS

The profit for the financial year of £2 381m (2011 £3 761m) has been transferred to reserves. The directors authorised the payment of a dividend of £2 065m (2011 £2 233m)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2012 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 2012

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 and prudent,
- 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 4 September 2013

Independent Auditors' Report to the Members of Amber Infrastructure Limited

We have audited the financial statements of Amber Infrastructure Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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 2012 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.



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

Date 4th September 2013

Amber Infrastructure Limited (Registered number: 06818708)

Profit and Loss Account for the year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
TURNOVER		17,371	17,346
Administrative expenses		<u>(15,173)</u>	<u>(12,228)</u>
		2,198	5,118
Other operating income		<u>50</u>	<u>43</u>
OPERATING PROFIT	3	2,248	5,161
Income from fixed asset investments		177	173
Interest receivable and similar income		<u>42</u>	<u>21</u>
		2,467	5,355
Amounts written off investments	4	<u>-</u>	<u>(236)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,467	5,119
Tax on profit on ordinary activities	5	<u>(86)</u>	<u>(1,358)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,381</u>	<u>3,761</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 2012

	Notes	2012 £'000	2011 £'000
FIXED ASSETS			
Tangible assets	7	315	300
CURRENT ASSETS			
Debtors	8	4,820	3,263
Investments	9	3,416	3,416
Cash in hand		<u>9,795</u>	<u>11,030</u>
		18,031	17,709
CREDITORS			
Amounts falling due within one year	10	<u>(9,840)</u>	<u>(9,835)</u>
NET CURRENT ASSETS		<u>8,191</u>	<u>7,874</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,506	8,174
PROVISIONS FOR LIABILITIES	12	<u>(21)</u>	<u>(5)</u>
NET ASSETS		<u>8,485</u>	<u>8,169</u>
CAPITAL AND RESERVES			
Called up share capital	13	-	-
Profit and loss account	14	<u>8,485</u>	<u>8,169</u>
SHAREHOLDERS' FUNDS	16	<u>8,485</u>	<u>8,169</u>

The financial statements were approved by the Board of Directors on 4 September 2013 and were signed on its behalf by

G J Frost - Director

H L Blaney - Director

**Notes to the Financial Statements
for the year ended 31 December 2012**

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

The accounts have been prepared to the nearest thousand

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 the lower of cost and its net recoverable 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. The value of any rent free periods are amortised over the life of the lease

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

Amber Infrastructure Limited (Registered number: 06818708)

Notes to the Financial Statements - continued for the year ended 31 December 2012

2 STAFF COSTS

	2012	2011
	£'000	£'000
Wages and salaries	7,156	7,239
Social security costs	<u>950</u>	<u>1,322</u>
	<u>8,106</u>	<u>8,561</u>

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

	2012	2011
Employees	48	42
Directors	<u>3</u>	<u>3</u>
	<u>51</u>	<u>45</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	2012	2011
	£'000	£'000
Depreciation - owned assets	160	129
Auditors' remuneration - audit work	<u>60</u>	<u>61</u>

	2012	2011
	£	£
Directors' remuneration	<u>1,040,000</u>	<u>930,000</u>

Information regarding the highest paid director is as follows

	2012	2011
	£	£
Emoluments	<u>400,000</u>	<u>340,000</u>

4 AMOUNTS WRITTEN OFF INVESTMENTS

	2012	2011
	£'000	£'000
Amounts written off on loans	<u>-</u>	<u>236</u>

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

**Notes to the Financial Statements - continued
for the year ended 31 December 2012**

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2012	2011
	£'000	£'000
Current tax		
UK corporation tax	70	1,369
Deferred tax (see note 12)	<u>16</u>	<u>(11)</u>
Tax on profit on ordinary activities	<u>86</u>	<u>1,358</u>

Factors affecting the tax charge

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

	2012	2011
	£'000	£'000
Profit on ordinary activities before tax	<u>2,467</u>	<u>5,119</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.50% (2011 - 26.50%)	604	1,357
Effects of Accelerated capital allowances	2	15
Group relief received for nil payment	(1,552)	-
Dividend income not taxable	(43)	(46)
Expenses not deductible for tax purposes	<u>1,059</u>	<u>43</u>
Current tax charge	<u>70</u>	<u>1,369</u>

6 DIVIDENDS

	2012	2011
	£'000	£'000
Ordinary share of 1 Interim	<u>2,065</u>	<u>2,233</u>

Amber Infrastructure Limited (Registered number: 06818708)

Notes to the Financial Statements - continued for the year ended 31 December 2012

7 TANGIBLE FIXED ASSETS

	Office Furniture & Fittings £'000	Equipment £'000	Computer equipment £'000	Totals £'000
COST				
At 1 January 2012	10	167	427	604
Additions	<u>19</u>	<u>85</u>	<u>71</u>	<u>175</u>
At 31 December 2012	<u>29</u>	<u>252</u>	<u>498</u>	<u>779</u>
DEPRECIATION				
At 1 January 2012	6	93	205	304
Charge for year	<u>4</u>	<u>48</u>	<u>108</u>	<u>160</u>
At 31 December 2012	<u>10</u>	<u>141</u>	<u>313</u>	<u>464</u>
NET BOOK VALUE				
At 31 December 2012	<u>19</u>	<u>111</u>	<u>185</u>	<u>315</u>
At 31 December 2011	<u>4</u>	<u>74</u>	<u>222</u>	<u>300</u>

8 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Trade debtors	83	181
Amounts owed by group undertakings	4,142	2,695
Other debtors	-	8
Other Receivable	252	-
VAT	164	186
Prepayments and accrued income	<u>179</u>	<u>193</u>
	<u>4,820</u>	<u>3,263</u>

9 CURRENT ASSET INVESTMENTS

Listed

	Cost £'000
At 1 January 2012 and 31 December 2012	<u>3,416</u>
Amounts provided	
Net book value at 31 December 2012	<u>3,416</u>
Net book value at 1 January 2012	<u>3,416</u>

Shares are held in International Public Partnerships Limited Partnership, an entity listed on the London Stock Exchange

The share price at 31 December 2012 was 118.0 pence per share (31 December 2011 120.9 pence)

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

Amber Infrastructure Limited (Registered number: 06818708)

Notes to the Financial Statements - continued for the year ended 31 December 2012

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£'000	£'000
Trade creditors	383	474
Amounts owed to group undertakings	5,023	3,518
Corporation tax	70	1,369
Social security and other taxes	168	102
Other creditors	3,451	4,134
Accruals and deferred income	745	-
Accrued expenses	-	161
Other liabilities	-	77
	<u>9,840</u>	<u>9,835</u>

11 OPERATING LEASE COMMITMENTS

At year end the company has commitments under non-cancellable operating leases as follows

	Land and buildings	
	2012	2011
	£'000	£'000
Expiring		
Within one year	326	-
Between one and five years	<u>1,306</u>	<u>181</u>
	<u>1,632</u>	<u>181</u>

Operating leases represent the leases for the 1st floor and 3rd floor of Two London Bridge and is for a term of 5 years commencing 10 September 2012

12 PROVISIONS FOR LIABILITIES

	2012	2011
	£'000	£'000
Deferred tax	<u>21</u>	<u>5</u>
		Deferred tax
		£'000
Balance at 1 January 2012		5
Credit to the profit and loss account		(2)
Adjustments for Prior Year		20
Effect of change in UK tax rate		<u>(2)</u>
Balance at 31 December 2012		<u>21</u>

A deferred tax asset of £952k (2011 £Nil) has not been recognised in respect of contributions made by the company to the Amber 2011 Share Trust ("the Trust"). This asset will be recoverable in future periods if the Trust makes an award out of the contributions to employees of the company. However, as at the 31 December 2012, the directors do not believe that such an award is more likely than not and accordingly a deferred tax has not been recognised

Amber Infrastructure Limited (Registered number: 06818708)

Notes to the Financial Statements - continued for the year ended 31 December 2012

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2012 £	2011 £
1	Ordinary	1	<u>1</u>	<u>1</u>

14 RESERVES

	Profit and loss account £'000
At 1 January 2012	8,169
Profit for the year	2,381
Dividends paid	<u>(2,065)</u>
At 31 December 2012	<u>8,485</u>

15 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.

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £'000	2011 £'000
Profit for the financial year	2,381	3,761
Dividends paid	<u>(2,065)</u>	<u>(2,233)</u>
Net addition to shareholders' funds	316	1,528
Opening shareholders' funds	<u>8,169</u>	<u>6,641</u>
Closing shareholders' funds	<u>8,485</u>	<u>8,169</u>