

**Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended 31 December 2018
for
Amber Infrastructure Limited**



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for the year ended 31 December 2018**

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Amber Infrastructure Limited

**Company Information
for the year ended 31 December 2018**

DIRECTORS:

H L Blaney
G J Frost
M J Gregory

SECRETARY:

Ms A E Woods

REGISTERED OFFICE:

3 More London Riverside
London
SE1 2AQ

REGISTERED NUMBER:

06818708 (England and Wales)

SENIOR STATUTORY AUDITOR:

Daniel Saunders

AUDITOR:

Ernst & Young LLP
Statutory Auditor
London

**Strategic Report
for the year ended 31 December 2018**

The directors present their strategic report for the year ended 31 December 2018.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the financial statements which comprise the Statement of Comprehensive Income on page 6 and the Statement of Financial Position on page 7. There were no business activities outside of the ordinary course of business for the company.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's results are dependent upon the underlying performance of other members 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.

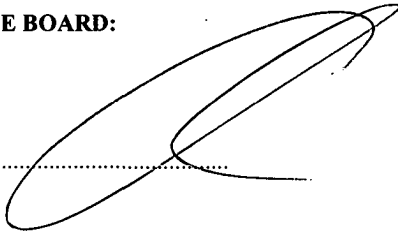
The group's results and therefore the company's results would be affected by the impact on changes to management and advisory fee income and profit share returns from changes in the underlying performance of the funds operated and advised by members of the group, in particular International Public Partnerships Limited ('INPP'). INPP's performance may be affected by external market events that impact on the value of its 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 its 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.

ON BEHALF OF THE BOARD:

.....
G J Frost - Director



Date: 28 March 2019

**Report of the Directors
for the year ended 31 December 2018**

The directors present their report with the financial statements of Amber Infrastructure Limited ("the company") for the year ended 31 December 2018.

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 the provision of financial advisory, development, structuring, and asset and fund management services within the infrastructure sector.

DIVIDENDS

The profit for the financial year of £14.3m (2017: £11.9m) has been transferred to reserves. The directors paid a dividend of £nil (2017: £nil).

GOING CONCERN

The company's activities, together with principal risks and uncertainties, are noted in the Strategic Report. After making enquiries and having considered the good visibility of future revenues given long term contractual agreements with group members 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.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

H L Blaney
G J Frost
M J Gregory

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 auditor is 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 auditor is aware of that information.

ON BEHALF OF THE BOARD:

.....
G J Frost - Director

Date: 28 March 2019

Independent Auditor's Report to the Members of Amber Infrastructure Limited

Opinion

We have audited the financial statements of Amber Infrastructure Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Independent Auditor's Report to the Members of
Amber Infrastructure Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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

Ernst & Young LLP

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

Date: 28 March 2019

**Statement of Comprehensive Income
for the year ended 31 December 2018**

	Notes	2018 £'000	2017 £'000
TURNOVER		37,561	34,632
Administrative expenses		(23,853)	(23,649)
		13,708	10,983
Other operating income		43	53
OPERATING PROFIT	4	13,751	11,036
(Loss)/gain on investment at fair value through profit and loss	8	(280)	217
Income from investments		553	539
Interest receivable and similar income		173	40
		14,197	11,832
Loss on disposal of fixed assets		-	(8)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		14,197	11,824
Tax on profit on ordinary activities	5	63	50
PROFIT FOR THE FINANCIAL YEAR		14,260	11,874
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>14,260</u>	<u>11,874</u>

CONTINUING OPERATIONS

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

Statement of Financial Position
31 December 2018

	Notes	2018 £'000	2017 £'000
FIXED ASSETS			
Tangible assets	6	759	982
CURRENT ASSETS			
Debtors: Amounts falling due within one year	7	10,286	12,564
Investments	8	12,260	12,540
Cash at bank and in hand		<u>56,934</u>	<u>38,729</u>
		79,480	63,833
CREDITORS			
Amounts falling due within one year	9	<u>(11,553)</u>	<u>(10,970)</u>
NET CURRENT ASSETS		<u>67,927</u>	<u>52,863</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		68,686	53,845
PROVISIONS FOR LIABILITIES	11	<u>(144)</u>	<u>(209)</u>
NET ASSETS		<u>68,542</u>	<u>53,636</u>
CAPITAL AND RESERVES			
Called up share capital	12	-	-
Profit and loss reserve	14	<u>68,542</u>	<u>53,636</u>
SHAREHOLDER'S FUNDS		<u>68,542</u>	<u>53,636</u>

The financial statements were approved by the Board of Directors on 28 March 2019 and were signed on its behalf by:

.....
G J Frost - Director

.....
M J Gregory - Director

**Statement of Changes in Equity
for the year ended 31 December 2018**

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2017	-	41,278	41,278
Changes in equity			
Total comprehensive income	-	11,874	11,874
Share based payment expense	-	<u>484</u>	<u>484</u>
Balance at 31 December 2017	<u>-</u>	<u>53,636</u>	<u>53,636</u>
Changes in equity			
Total comprehensive income	-	14,260	14,260
Share based payment expense	-	<u>646</u>	<u>646</u>
Balance at 31 December 2018	<u>-</u>	<u>68,542</u>	<u>68,542</u>

**Notes to the Financial Statements
for the year ended 31 December 2018**

1. STATUTORY INFORMATION

Amber Infrastructure Limited is a private company, limited by shares, registered in England and Wales. The Registered Office is 3 More London Riverside, London, SE1 2AQ.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared under the historical cost convention and in accordance with UK Accounting Standards, and are presented in pound sterling which is the presentational and functional currency of the company. Amounts are presented to the nearest thousands (£'000's).

Statement of compliance

The financial statements have been prepared in compliance with FRS 102 and the Companies Act 2006 for the year ended 31 December 2018.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

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.

Interest receivable and similar items

Interest income is recognised as accrued using the effective interest rate method.

Dividends

Dividends are recognised when the company's rights to receive dividends is established.

Foreign Currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

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
Short leasehold - over the term of the lease (9 years and 3 months)

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.

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 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.

Notes to the Financial Statements - continued
for the year ended 31 December 2018

2. ACCOUNTING POLICIES - continued

Current asset investments

Current asset investments are recognised at fair value which is normally the transaction price. Subsequently they are measured at fair value through profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

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.

Share-based payments

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by the Directors using an appropriate pricing. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions) and non vesting conditions. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non vesting condition, which are treated as vesting irrespective of whether or not the market or non vesting condition is satisfied, provided that all other performance conditions are satisfied.

Awards are granted by the ultimate parent company.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

3. STAFF COSTS

	2018	2017
	£'000	£'000
Wages and salaries	15,961	14,917
Social security costs	2,290	2,069
Other pension costs	<u>68</u>	<u>36</u>
	<u>18,319</u>	<u>17,022</u>

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

	2018	2017
Employees	95	81
Directors	<u>3</u>	<u>3</u>
	<u>98</u>	<u>84</u>

Notes to the Financial Statements - continued
for the year ended 31 December 2018

3. STAFF COSTS - continued

	2018	2017
	£'000	£'000
Directors' remuneration	<u>1,840</u>	<u>1,680</u>

Information regarding highest paid director is as follows:

	2018	2017
	£'000	£'000
Emoluments, etc	<u>650</u>	<u>560</u>

Included in wages and salaries is a total expense of share based payments of £646k (2017: £484k) all of which arises from transactions accounted for as equity settled share based payment transactions

4. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£'000	£'000
Depreciation - owned assets	292	171
Auditors' remuneration		
- audit work	10	9
- audit work (paid on behalf of the other group entities)	103	100
- other non - audit services	-	92
Operating lease costs	<u>837</u>	<u>662</u>

5. TAXATION

Analysis of the tax credit

The tax credit on the profit for the year was as follows:

	2018	2017
	£'000	£'000
Deferred tax		
Originating and reversal of timing differences	<u>(63)</u>	<u>(50)</u>
Tax on profit on ordinary activities	<u>(63)</u>	<u>(50)</u>

UK corporation tax has been charged at 19% (2017 - 19.25%).

Notes to the Financial Statements - continued
for the year ended 31 December 2018

5. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

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

	2018 £'000	2017 £'000
Profit on ordinary activities before tax	<u>14,197</u>	<u>11,824</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	2,696	2,276
Effects of:		
Expenses not deductible for tax purposes	23	19
Expenses not deductible for tax purposes – Share Trust contribution	123	93
Group relief received for nil payment	(2,801)	(2,209)
Exempt dividend income	(105)	(104)
Permanent differences - indexation allowance reducing fair value gain	-	(101)
Reduction in future tax rates	7	(24)
Prior year adjustment	(6)	-
Total tax (credit)/charge	<u>(63)</u>	<u>(50)</u>

Factors that may affect future tax charges

The UK corporation tax rate reduced to 19% from April 2017. The rate will further reduce to 17% from April 2020, and as at the balance sheet date, this future rate reduction has been substantively enacted. The deferred tax liability at 31 December 2018 has been calculated based upon the substantively enacted rate of 17%. The rate changes will impact the amount of future tax payments to be made by the company.

Deferred tax

Deferred tax represents timing differences in respect of accelerated capital allowances and investments recognised at fair value.

6. TANGIBLE FIXED ASSETS

	Short leasehold £'000	Office Furniture & Fittings £'000	Equipment £'000	Computer equipment £'000	Totals £'000
COST					
At 1 January 2018	85	820	13	570	1,488
Additions	-	(15)	-	84	69
At 31 December 2018	<u>85</u>	<u>805</u>	<u>13</u>	<u>654</u>	<u>1,557</u>
DEPRECIATION					
At 1 January 2018	7	102	13	384	506
Charge for year	9	200	-	83	292
At 31 December 2018	<u>16</u>	<u>302</u>	<u>13</u>	<u>467</u>	<u>798</u>
NET BOOK VALUE					
At 31 December 2018	<u>69</u>	<u>503</u>	<u>-</u>	<u>187</u>	<u>759</u>
At 31 December 2017	<u>78</u>	<u>718</u>	<u>-</u>	<u>186</u>	<u>982</u>

Notes to the Financial Statements - continued
for the year ended 31 December 2018

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£'000	£'000
Trade debtors	29	53
Amounts owed by group undertakings	7,699	8,907
Other Receivable	1,334	1,372
Corporation Tax	59	59
VAT	-	131
Prepayments and accrued income	<u>1,165</u>	<u>2,042</u>
	<u>10,286</u>	<u>12,564</u>

Amounts owed by group undertakings are non interest bearing and repayable on demand and will be settled by April 2019.

8. **CURRENT ASSET INVESTMENTS**

Listed	£'000
At 1 January 2017	12,324
Fair value adjustment	<u>216</u>
At 31 December 2017	12,540
Fair value adjustment	<u>(280)</u>
At 31 December 2018	<u>12,260</u>
Amounts provided	
Net book value at 31 December 2018	<u>12,260</u>
Net book value at 31 December 2017	<u>12,540</u>

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

The share price at 31 December 2018 was 153.2 pence per share (31 December 2017 was 156.7 pence).

The number of shares held during the year and at year end was 8,002,379 (2017: 8,002,379).

9. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£'000	£'000
Trade creditors	267	377
Social security and other taxes	1,976	1,350
VAT	392	-
Other creditors	7,554	7,903
Retention	-	31
Accruals and deferred income	<u>1,364</u>	<u>1,309</u>
	<u>11,553</u>	<u>10,970</u>

10. **OPERATING LEASE**

Future minimum lease payments due under non-cancellable operating leases are as follows:

Land and buildings

	2018	2017
	£'000	£'000
Amounts payable:		
Within one year	683	417
Later than one year and less than five years	2,734	3,196
More than five years	<u>1,773</u>	<u>2,996</u>
	<u>5,190</u>	<u>6,609</u>

Operating leases represent the lease at 3 More London Riverside for a term of 9 years and 3 months, commencing 4 May 2017. Within the lease there is an option to terminate date of 4 May 2023.

Notes to the Financial Statements - continued
for the year ended 31 December 2018

11. PROVISIONS FOR LIABILITIES

	2018 £'000	2017 £'000
Deferred tax	<u>145</u>	<u>209</u>
Balance at 1 January 2018		209
Released in the year		<u>(64)</u>
Balance at 31 December 2018		<u>144</u>
Deferred tax represents:		
Accelerated capital allowances		19
Other timing differences		<u>125</u>
Balance at 31 December 2018		<u>144</u>

A deferred tax asset of £927k (2017: £735k) 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 2018, the directors do not believe that such an award is more likely than not and accordingly a deferred tax asset has not been recognised.

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal Value:	£	£
1	Ordinary	1	<u>1</u>	<u>1</u>

13. SHARE-BASED PAYMENTS

Share based payment plan

Under the Amber 2011 Share Trust ("the Trust") EBT scheme, the Trust holds shares in Amber Infrastructure Group Holdings Limited jointly with qualifying employee beneficiaries. As at 1 January 2018, the company had granted 12,684,276 shares to the trust.

During the year the company granted 3,600,000 shares to be jointly held by the trust and certain qualifying employee beneficiaries at a grant value of £0.289.

At the end of the year the cumulative number of shares jointly held are 16,284,276 at an average weighted grant price of £0.17 (2017: £0.136).

The fair value of the equity-settled rights are measured at the grant date using the Black-Scholes model. The services received and a liability to pay for those services are recognised over the expected vesting period. The shares vest if the employee remains in service for a period of four years from the date of grant. If an employee ceases service of employment, subject to a narrow set of exceptions, during four years from the date of grant, the beneficiaries rights lapse. No rights lapsed during the year.

The expense recognised for equity settled share-based payments in respect of employee services received during the year to 31 December 2018 is £646k (2017: £484k)

Notes to the Financial Statements - continued
for the year ended 31 December 2018

14. RESERVES

	Profit and loss reserve £'000
At 1 January 2018	53,636
Profit for the year	14,260
Share based payment expense	<u>646</u>
At 31 December 2018	<u>68,542</u>

15. RELATED PARTY DISCLOSURES

Transaction with joint venture

The company provides services to joint ventures interests.

During the year the company paid the following fees in respect of fee sharing agreements:

	2018 £'000	2017 £'000
Transmission Capital Services Limited	<u>828</u>	<u>774</u>

As at the year end £434,392 (2017: £762,570) remains outstanding and is included within accruals and deferred income.

During the year the company received the following fees in respect of service supply agreements:

	2018 £'000	2017 £'000
Transmission Capital Services Limited	<u>343</u>	<u>328</u>

As at the year end £30,624 (2017: £27,482) remains outstanding and is included within prepayments and accrued income.

During the year the company received the following fees in respect of business service agreements:

	2018 £'000	2017 £'000
Transmission Capital Services Limited	<u>28</u>	<u>26</u>

As at the year end £7,858 (2017: £6,643) remains outstanding and is included within accrued income.

Loans with Directors

During the year the directors were loaned £180k (2017: £117k) in respect of employment taxes in relation to the issuance of shares under the share based payment plan.

The total loans outstanding at 31 December 2018 is £452k (2017: £264k). All loans are interest bearing at rates between 2.5% and 4% per annum.

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 3 More London Riverside, London SE1 2AQ.