

REGISTERED NUMBER: 06818708 (England and Wales)

**Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended 31 December 2019
for
Amber Infrastructure Limited**



Amber Infrastructure Limited (Registered number: 06818708)

**Contents of the Financial Statements
for the year ended 31 December 2019**

	Page
Company Information	1
Strategic Report	2 to 3
Report of the Directors	4 to 5
Independent Auditor's Report	6 to 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 18

Amber Infrastructure Limited

**Company Information
for the year ended 31 December 2019**

DIRECTORS:	H L Blaney A J Finch G J Frost M J Gregory G R Tait Ms A E Woods
SECRETARY:	Ms A E Woods
REGISTERED OFFICE:	3 More London Riverside London SE1 2AQ
REGISTERED NUMBER:	06818708 (England and Wales)
SENIOR STATUTORY AUDITOR:	Claire Johnson
AUDITOR:	Ernst & Young LLP Statutory Auditor London

**Strategic Report
for the year ended 31 December 2019**

The directors present their strategic report for the year ended 31 December 2019.

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 8 and the Statement of Financial Position on page 9. 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 the fund's investments, or due to political or regulatory risk affecting investment returns, or due to the risk of legal challenge or claim and any consequential reputational impact, amongst others. However, to date fund performance has been robust with a long-term track record of delivering annual growth in dividends and net asset value.

There continues to be ongoing uncertainty regarding the UK departure from the E.U. and more recently uncertainty and disruption caused by the pandemic coronavirus Covid-19. Through internal committees, the Company has been monitoring the risks and potential outcomes taking into account supply chain and revenue arrangements, including counter-party credit exposure and the ability to mitigate potential reductions in revenues. Whilst there remains significant uncertainty as to impact the restriction of movement on people, and consequential impacts from Government policies in response to these matters, may have on the wider global economy, the Board considers the Company is in a strong position financially and structurally, with its income derived directly (or indirectly via other Amber group entities) from long-term contracts with managed funds that themselves generate cashflows that are largely underpinned by public sector counterparties.

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.

SECTION 172(1) STATEMENT

The following disclosure describes how the directors have regard to the matters set out in section 172(1)(a)-(f) and forms the directors statement required under section 414CZA of the Companies Act 2006. Certain decisions affecting the Company have been taken at Group level and the reader is referred to the Strategic Report of Amber Infrastructure Group Holdings Limited for further details.

Directors' duties

Three new directors were appointed to the board during 2019. As part of their induction, all Directors have been briefed on their duties with access available to professional advice from the Company's internal legal team, the Company Secretary and if they judged necessary, an external independent advisor. It is important to recognise the Directors fulfil their duties partly through a governance framework that delegates certain day-to-day decision making to senior employees, including members of the Amber Executive Committee and various Investment Committees.

Engaging with employees

Being a relatively small company of just over 100 employees largely operating in one location, there is a high level of visibility regarding employee engagement and satisfaction. The UK based directors are able to monitor this engagement as they sit with and amongst the employees in an open plan office. During the year the Board re-tendered the employee benefits provider and engaged a new provider who offered certain additional benefits for the Company's employees, including services regarding the mental health and wellbeing of employees. The external provider was brought in to inform and educate employees of their entitlements with positive feedback.

Culture and Environment

The Board feels that integrating environmental, social and governance (ESG) considerations into the Group's investments is of paramount importance and value is placed on the significance of managing the Company itself in a sustainable way. The Company introduced an ESG Policy which looks beyond legislative and regulatory requirements to promote best practice and continual improvement in environmental management and social responsibility.

The Company actively promotes and encourages ethical behaviour through its Code of Conduct which was updated in 2019. In addition, the Group established a Corporate Social Responsibility Committee and strategy for 2020, outlining how the Company is going support its communities, reduce impact on the environment, drive health and wellbeing and support charities.

Strategic Report
for the year ended 31 December 2019

SECTION 172(1) STATEMENT (continued)

Business relationships

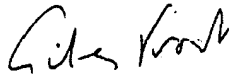
The Company is committed to acting ethically and with integrity in all business dealings and relationships. Fostering business relationships with key stakeholders and suppliers is important to the Company's success and many of the key-suppliers are engaged on multi-year contracts.

The Directors meet with certain suppliers that are key to the business to discuss feedback and to determine how well the relationship is operating.

The Company has implemented effective systems and controls to ensure its supply chains are maintaining the highest standard of business conduct in line with best practice including in relation to anti-bribery and modern slavery.

This year, the Group's Head of Sustainability has strengthened supply chain due diligence and internal reporting. The Company itself is a signatory to the Prompt Payment Code.

ON BEHALF OF THE BOARD:



.....
G J Frost - Director

Date: 19th August 2020

**Report of the Directors
for the year ended 31 December 2019**

The directors present their report with the financial statements of Amber Infrastructure Limited ("the company") for the year ended 31 December 2019.

For information regarding the Company's business relationships, please see the Section 172(1) Statement in the Strategic Report. The decisions referred to therein include those which had a material impact on our key stakeholder groups.

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 £3.8m (2018: £14.3m) has been transferred to reserves. The directors paid a dividend of £10m (2018: £Nil).

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

GOING CONCERN

The company's activities, together with principal risks and uncertainties, are noted in the Strategic Report.

The Company continues to benefit from long-term contractual agreements for the provision of services to other group members that themselves benefit from long-term contracts for the provision of fund and asset management services. Financial forecasts have been prepared and submitted to members of the Board for review setting out in detail the extent and diversity of the company's contracted revenues; the current available liquidity of the Company; the low levels of committed cash outflows and unsecured non-recourse debt; and ability of the Company to mitigate reductions in cash inflows. These forecasts were made after applying stress test assumptions in light of the current market disruption caused by the current Covid-19 pandemic. Based on the information contained in these forecasts and after making enquiries the directors have at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors 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 2019 to the date of this report.

H L Blaney
G J Frost
M J Gregory

Other changes in directors holding office are as follows:

A J Finch - appointed 26 September 2019
G R Tait - appointed 26 September 2019
A E Woods - appointed 26 September 2019

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 FRS 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.

Amber Infrastructure Limited (Registered number: 06818708)

**Report of the Directors
for the year ended 31 December 2019**

STATEMENT AS TO DIRECTOR ENGAGEMENT

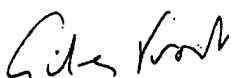
Please refer to the Strategic Report in the following respects:

- See the paragraph entitled *Business relationships* in relation to how the directors have engaged with suppliers, customers and others in a business relationship with the Company
- See the paragraph entitled *Engaging with employees* in relation to how the directors have engaged with employees and have regards to their interests

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 or she ought to have taken as a director in order to make himself or herself 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: 19th August 2020

**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 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 18, 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 FRS 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 2019 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.

Opinions 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.

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 in relation to which 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.

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

Responsibilities of directors

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

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

Date: 19th August 2020

Amber Infrastructure Limited (Registered number: 06818708)

**Statement of Comprehensive Income
for the year ended 31 December 2019**

	Notes	2019 £'000	2018 £'000
TURNOVER		39,787	37,561
Administrative expenses		<u>(37,748)</u>	<u>(23,853)</u>
		2,039	13,708
Other operating income		<u>48</u>	<u>43</u>
OPERATING PROFIT	4	2,087	13,751
Gain/(loss) on investment at fair value through profit and loss	9	1,088	(280)
Income from current asset investments		567	553
Interest receivable and similar income		<u>287</u>	<u>173</u>
PROFIT BEFORE TAXATION		4,029	14,197
Tax on profit	5	<u>(166)</u>	<u>63</u>
PROFIT FOR THE FINANCIAL YEAR		3,863	14,260
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,863</u>	<u>14,260</u>

CONTINUING OPERATIONS

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

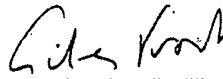
The notes form part of these financial statements

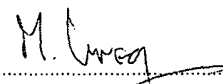
Amber Infrastructure Limited (Registered number: 06818708)

Statement of Financial Position
31 December 2019

	Notes	2019 £'000	2018 £'000
FIXED ASSETS			
Tangible assets	7	492	759
CURRENT ASSETS			
Debtors: Amounts falling due within one year	8	14,566	10,286
Current asset investments	9	13,348	12,260
Cash at bank and in hand		<u>53,663</u>	<u>56,934</u>
		81,577	79,480
CREDITORS			
Amounts falling due within one year	10	<u>(17,369)</u>	<u>(11,553)</u>
NET CURRENT ASSETS		<u>64,208</u>	<u>67,927</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		64,700	68,686
PROVISIONS FOR LIABILITIES	12	<u>(311)</u>	<u>(144)</u>
NET ASSETS		<u><u>64,389</u></u>	<u><u>68,542</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	-	-
Retained earnings	15	<u>64,389</u>	<u>68,542</u>
SHAREHOLDER'S FUNDS		<u><u>64,389</u></u>	<u><u>68,542</u></u>

The financial statements were approved by the Board of Directors on 19th August 2020 and were signed on its behalf by:


.....
G J Frost - Director


.....
M J Gregory - Director

The notes form part of these financial statements

Amber Infrastructure Limited (Registered number: 06818708)

**Statement of Changes in Equity
for the year ended 31 December 2019**

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2018	-	53,636	53,636
Changes in equity			
Total comprehensive income	-	14,260	14,260
Share based payment	-	<u>646</u>	<u>646</u>
Balance at 31 December 2018	<u>-</u>	<u>68,542</u>	<u>68,542</u>
Changes in equity			
Dividends	-	(10,000)	(10,000)
Total comprehensive income	-	3,863	3,863
Share based payment	-	<u>1,984</u>	<u>1,984</u>
Balance at 31 December 2019	<u>-</u>	<u>64,389</u>	<u>64,389</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 December 2019**

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 2019.

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.

Going Concern

The Company continues to benefit from long-term contractual agreements for the provision of services to other group members that themselves benefit from long-term contracts for the provision of fund and asset management services. Financial forecasts have been prepared and submitted to members of the Board for review setting out in detail the extent and diversity of the company's contracted revenues; the current available liquidity of the Company; the low levels of committed cash outflows and unsecured non-recourse debt; and ability of the Company to mitigate reductions in cash inflows. These forecasts were made after applying stress test assumptions in light of the current market disruption caused by the current Covid-19 pandemic. Based on the information contained in these forecasts and after making enquiries the directors have at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors continue to adopt the going concern basis in preparing the financial statements.

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 predominantly in the UK. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

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
Office Equipment - over 4 years
Computer Equipment - over 4 years
Short leasehold - over the term of the lease (9 years and 3 months)

**Notes to the Financial Statements - continued
for the year ended 31 December 2019**

2. ACCOUNTING POLICIES - continued

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 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.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivables or payables within one year are recorded at the transaction price.

Current asset investments

Current asset investment represents listed and unlisted shares held at fair value.

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.

Pension costs

Contributions are made by Amber Infrastructure Limited to a defined contribution scheme for all employees (unless opted out), in accordance with the Pensions Act 2008. Employer contributions are made based on Qualifying Earnings and contribution percentage based on statutory requirements, currently 3%. These are recognised in the profit and loss account in the month they are payable.

Contributions to all pension schemes are recognised in the profit and loss account in the year they become payable.

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.

Notes to the Financial Statements - continued
for the year ended 31 December 2019

3. STAFF COSTS

	2019	2018
	£'000	£'000
Wages and salaries	19,137	15,961
Social security costs	2,497	2,290
Other pension costs	<u>115</u>	<u>68</u>
	<u>21,749</u>	<u>18,319</u>

Included in wages and salaries is a total expense of share-based payments of £1,984k (2018: £646k) all of which arises from transactions accounted for as equity settled share-based payment transactions.

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

	2019	2018
Employees	99	95
Directors	<u>6</u>	<u>3</u>
	<u>105</u>	<u>98</u>

	2019	2018
	£'000	£'000
Directors' remuneration	<u>6,090</u>	<u>1,840</u>
Number of directors accruing retirement benefits	<u>4</u>	<u>1</u>

Information regarding highest paid Director is as follows:

	2019	2018
	£'000	£'000
Emoluments	<u>1,555</u>	<u>650</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2019	2018
	£'000	£'000
Depreciation - owned assets	296	292
Other pension costs	115	68
Auditors' remuneration		
- audit of the company's financial statements	10	10
- audit of financial statements (paid on behalf of the other group entities)	103	103
- taxation advisory fees (paid on behalf of the other group entities)	20	8
Share-based payments	1,984	646
Operating lease costs	<u>789</u>	<u>837</u>

5. TAXATION

Analysis of the tax charge/(credit)

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

	2019	2018
	£'000	£'000
Deferred tax		
Originating and reversal of timing differences	<u>166</u>	<u>(63)</u>
Tax on profit	<u>166</u>	<u>(63)</u>

UK corporation tax has been charged at 19% (2018 - 19%).

Notes to the Financial Statements - continued
for the year ended 31 December 2019

Reconciliation of total tax charge/(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:

	2019 £'000	2018 £'000
Profit before tax	<u>4,029</u>	<u>14,197</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	766	2,696
Effects of:		
Expenses not deductible for tax purposes	25	23
Expenses not deductible for tax purposes - Share Trust contribution	377	123
Expenses not deductible for tax purposes - Contribution gift	1,579	-
Group relief received for nil payment	(2,453)	(2,801)
Exempt dividend income	(108)	(105)
Reduction in future tax rates	(19)	7
Prior year adjustment	-	(6)
Total tax charge/(credit)	<u>166</u>	<u>(63)</u>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. The deferred tax liability as at 31 December 2019 has been calculated upon the substantively enacted rate of 17% (2018: 17%). An increase in the UK corporation tax rate from 17% to 19% (effective from 1 April 2020) was substantively enacted on 17 March 2020. This rate increase will have a consequential effect on the company's future tax charge.

Deferred tax

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

6. **DIVIDENDS**

	2019 £'000	2018 £'000
Final dividend at £10m per share (2018: £Nil)	<u>10,000</u>	<u>-</u>

7. **TANGIBLE FIXED ASSETS**

	Short leasehold £'000	Office Furniture & Fittings £'000	Office Equipment £'000	Computer equipment £'000	Totals £'000
COST					
At 1 January 2019	85	805	13	654	1,557
Additions	-	2	-	28	30
Disposals	-	-	(13)	-	(13)
At 31 December 2019	<u>85</u>	<u>807</u>	<u>-</u>	<u>682</u>	<u>1,574</u>
DEPRECIATION					
At 1 January 2019	16	302	13	467	798
Charge for year	9	201	-	87	297
Eliminated on disposal	-	-	(13)	-	(13)
At 31 December 2019	<u>25</u>	<u>503</u>	<u>-</u>	<u>554</u>	<u>1,082</u>
NET BOOK VALUE					
At 31 December 2019	<u>60</u>	<u>304</u>	<u>-</u>	<u>128</u>	<u>492</u>
At 31 December 2018	<u>69</u>	<u>503</u>	<u>-</u>	<u>187</u>	<u>759</u>

Notes to the Financial Statements - continued
for the year ended 31 December 2019

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£'000	£'000
Trade debtors	154	29
Amounts owed by group undertakings	10,039	7,699
Other Receivable	1,389	1,334
Corporation Tax	59	59
VAT	337	-
Prepayments and accrued income	<u>2,588</u>	<u>1,165</u>
	<u>14,566</u>	<u>10,286</u>

Amounts owed by group undertakings are non interest bearing and repayable on demand. At June 2020, £9,393k has been repaid and the remaining £646k will be settled in July 2020.

9. CURRENT ASSET INVESTMENTS

Listed	£'000
At 1 January 2018	12,540
Fair value adjustment	<u>(280)</u>
	12,260
At 31 December 2018	1,088
Fair value adjustment	<u>1,088</u>
	13,348
At 31 December 2019	<u>13,348</u>
Amounts provided	
Net book value at 31 December 2019	<u>13,348</u>
Net book value at 31 December 2018	<u>12,260</u>

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

The share price at 31 December 2019 was 166.8 pence per share (31 December 2018 was 153.2 pence).

The number of shares held during the year and at year end was 8,002,379 (2018: 8,002,379).

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£'000	£'000
Trade creditors	432	267
Amounts owed to group undertakings	4,419	-
Social security and other taxes	1,557	1,976
VAT	-	392
Other creditors	9,069	7,554
Accruals and deferred income	<u>1,892</u>	<u>1,364</u>
	<u>17,369</u>	<u>11,553</u>

11. OPERATING LEASE

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

Land and buildings	2019	2018
	£'000	£'000
Amounts payable:		
Within one year	683	683
In two to five years	2,734	2,734
More than five years	<u>1,088</u>	<u>1,773</u>
	<u>4,505</u>	<u>5,190</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 2019

12. PROVISIONS FOR LIABILITIES

	2019 £'000	2018 £'000
Deferred tax	<u>311</u>	<u>145</u>
		£'000
Balance at 1 January 2019		145
Provided in the year		185
UK rate change		<u>(19)</u>
Balance at 31 December 2019		<u>311</u>
Deferred tax represents:		
Timing differences		<u>311</u>
Balance at 31 December 2019		<u>311</u>

A deferred tax asset of £2,677k (2018: £927k) 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 2019, the directors do not believe that such an award is more likely than not and accordingly a deferred tax asset has not been recognised.

13. CALLED UP SHARE CAPITAL

Number:	Class:	Nominal value:	2019 £	2018 £
1	Ordinary	1	<u>1</u>	<u>1</u>

14. 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 2019, the company had granted 16,284,276 shares to the Trust.

During the year the company granted 3,025,070 shares to be jointly held by the Trust and certain qualifying employee beneficiaries at a grant value of £0.289. Also during the year 4,776,830 such shares vested.

At the end of the year the cumulative number of shares jointly held are 14,532,516 (2018: 16,284,276) at an average weighted grant price of £0.20 (2018: £0.17).

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 2019 is £1,984k (2018: £646k).

Notes to the Financial Statements - continued
for the year ended 31 December 2019

15. RESERVES

	Retained earnings £'000
At 1 January 2019	68,542
Profit for the year	3,863
Dividends	(10,000)
Share-based payment	<u>1,984</u>
At 31 December 2019	<u>64,389</u>

16. 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:

	2019 £'000	2018 £'000
Transmission Capital Services Limited	<u>1,065</u>	<u>828</u>

As at the year end £501k (2018: £434k) 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:

	2019 £'000	2018 £'000
Transmission Capital Services Limited	<u>376</u>	<u>343</u>

As at the year end £32k (2018: £31k) 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:

	2019 £'000	2018 £'000
Transmission Capital Services Limited	<u>34</u>	<u>28</u>

As at the year end £9k (2018: £8k) remains outstanding and is included within accrued income.

During the year, the company received £3k (2018: £3k) in respect of business support services with Ambrite Lift Holdings Limited where four of directors have a common interest.

Loans with directors

During the year the directors were loaned £411k (2018: £180k) 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 2019 is £1,090k (2018: £452k). All loans are interest bearing at rates between 2.5% and 4% annum. These loans are only repayable from the proceeds of the sale of beneficial interests held in the Company upon a market exit event, in accordance with the Amber 2011 long-term incentive plan.

17. ULTIMATE CONTROLLING PARTY

The directors regard Amber Infrastructure Group Limited, an English Limited Company, as the immediate parent company and Hunt Companies Inc., a Delaware LLC as the ultimate controlling party.

Amber Infrastructure Group Holdings Limited is the highest level parent entity that produces consolidated accounts that are publicly available.

**Notes to the Financial Statements - continued
for the year ended 31 December 2019**

18. POST BALANCE SHEET EVENTS

In early 2020 the existence of Covid-19 was confirmed in China and has since spread across a number of countries, resulting in Governments taking measures to limit the spread of the disease including restrictions on the movement on people and social distancing.

The Amber Group has been implementing disaster recovery plans, including ensuring our staff are able to work from home wherever possible, and monitoring the performance of counterparties.

To date there has been no significant impact on the Company or the operational performance of funds the Company operates.

The effects of Covid-19 and the measures taken by Governments continue to evolve and hence, whilst the Board consider the Company is in a strong structural and financial position (given the long-term contractual nature of the Company's revenues and its ability to mitigate reductions in revenue through a direct contractual reduction in costs if necessary), it is not possible to fully quantify the full impact this will have on the Company in the longer-term.