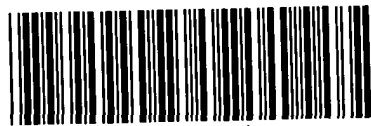


**Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended 31 December 2019
for
Amber Fund Management Limited**

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for the year ended 31 December 2019**

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Company Information
for the year ended 31 December 2019

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:

06745576 (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 of Amber Fund Management Limited ("the company") for the year ended 31 December 2019.

REVIEW OF BUSINESS

As disclosed in note 12, the company is part of the larger Amber group of companies and as a result the company's results are partly dependent on the results of the Amber group.

During the year the company continued to be a limited licence investment firm and full Alternative Investment Fund Manager ("AIFM") regulated by the Financial Conduct Authority in the UK. The company continued to provide investment advisory services to International Public Partnerships Limited ("IPP"), a self-managed alternative investment fund, as well as managing the London Energy Efficiency Fund ("LEEF"), the Scottish Partnership for Regeneration in Urban areas funds ("SPRUCE"), the National Digital Infrastructure Fund ("NDIF") and the Mayor of London's Energy Efficiency Fund ("MEEF").

During the year, the company was awarded a mandate to operate and provide investment management and advisory services to a separately managed account.

The company generated profit after tax for the year £6.17m (2018: £2.59m).

FUTURE DEVELOPMENTS

The activities of the company are not expected to change significantly in 2020. The Company intends to continue to manage and/or operate in accordance with existing fund mandates and will seek new additional mandates in the infrastructure sector.

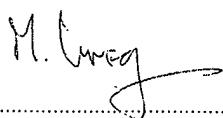
PRINCIPAL RISKS AND UNCERTAINTIES

The company's turnover is mainly dependent on the ongoing provision of financial, asset management and investment management services to the five active funds mentioned above and other vehicles. This is a function of both, the performance of the funds and Amber's success in managing/operating these funds. There is a risk that, in the event of underperformance, or as a consequence of other factors, such as failure to follow investment policy or contractual terms, the company may be subject to a legal claim and/or contract termination. The diversification of the company's client base which includes the five funds IPP, LEEF, SPRUCE, NDIF, MEEF and other related vehicles acts to mitigate this risk. The firm is also seeking other similar unlisted fund management roles which may impact the future risk profile of the company.

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.

The company regularly considers market, operating and credit risk as documented in the appended Pillar 3 disclosures.

ON BEHALF OF THE BOARD:



.....
M J Gregory - Director

Date: 30 April 2020

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

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

DIVIDENDS

The directors authorised and paid an interim dividend of £10m for the year ended 31 December 2019 (2018: £5m).

GOING CONCERN

The company's activities, together with the factors likely to affect its future development, performance and position are noted in the Strategic Report.

The Company continues to benefit from long-term contractual agreements for the provision of fund 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 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 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.

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.

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 6 January 2020
G R Tait - appointed 6 January 2020
Ms A E Woods - appointed 6 January 2020

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:

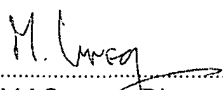
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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:


.....
M J Gregory - Director
Date: 30 April 2020

Opinion

We have audited the financial statements of Amber Fund Management Limited (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 13, 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 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 financial statements set out on pages 1 to 5, 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.

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.

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 is 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 <https://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: 30 April 2020

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

	Notes	2019 £'000	2018 £'000
TURNOVER		32,564	25,303
Administrative expenses		<u>(26,504)</u>	<u>(22,785)</u>
OPERATING PROFIT	4	6,060	2,518
Interest receivable and similar income		<u>108</u>	<u>75</u>
PROFIT BEFORE TAXATION		6,168	2,593
Tax on profit	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		6,168	2,593
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>6,168</u>	<u>2,593</u>

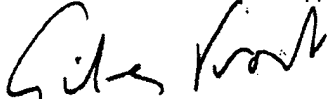
CONTINUING OPERATIONS

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

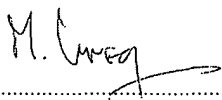
Statement of Financial Position
31 December 2019

	Notes	2019 £'000	2018 £'000
FIXED ASSETS			
Intangible assets	7	1,488	1,658
CURRENT ASSETS			
Debtors	8	10,490	7,915
Cash at bank and in hand		<u>13,150</u>	<u>17,338</u>
		23,640	25,253
CREDITORS			
Amounts falling due within one year	9	<u>(7,871)</u>	<u>(5,822)</u>
NET CURRENT ASSETS		<u>15,769</u>	<u>19,431</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,257</u>	<u>21,089</u>
CAPITAL AND RESERVES			
Called up share capital	10	6,906	6,906
Retained earnings	11	<u>10,351</u>	<u>14,183</u>
SHAREHOLDER'S FUNDS		<u>17,257</u>	<u>21,089</u>

The financial statements were approved by the Board of Directors on 30 April 2020 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 2019**

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2018	6,906	16,590	23,496
Changes in equity			
Dividends	-	(5,000)	(5,000)
Total comprehensive income	-	<u>2,593</u>	<u>2,593</u>
Balance at 31 December 2018	<u>6,906</u>	<u>14,183</u>	<u>21,089</u>
Changes in equity			
Dividends	-	(10,000)	(10,000)
Total comprehensive income	-	<u>6,168</u>	<u>6,168</u>
Balance at 31 December 2019	<u>6,906</u>	<u>10,351</u>	<u>17,257</u>

The notes form part of these financial statements

**Statement of Cash Flows
for the year ended 31 December 2019**

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Cash generated from operations	A	<u>5,704</u>	<u>2,697</u>
Net cash from operating activities		<u>5,704</u>	<u>2,697</u>
Cash flows from investing activities			
Interest received		<u>108</u>	<u>75</u>
Net cash from investing activities		<u>108</u>	<u>75</u>
Cash flows from financing activities			
Equity dividends paid		<u>(10,000)</u>	<u>(5,000)</u>
Net cash from financing activities		<u>(10,000)</u>	<u>(5,000)</u>
Decrease in cash and cash equivalents		<u>(4,188)</u>	<u>(2,228)</u>
Cash and cash equivalents at beginning of year		<u>17,338</u>	<u>19,566</u>
Cash and cash equivalents at end of year		<u>13,150</u>	<u>17,338</u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the year ended 31 December 2019

A. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£'000	£'000
Profit before taxation	6,168	2,593
Amortisation charges	170	170
Finance income	<u>(108)</u>	<u>(75)</u>
	6,230	2,688
(Increase) in trade and other debtors	(2,575)	(32)
Increase in trade and other creditors	<u>2,049</u>	<u>41</u>
Cash generated from operations	<u>5,704</u>	<u>2,697</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 Fund Management Limited is a limited company incorporated 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 and are prepared to the nearest £'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 exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- 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 fund 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 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 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, which is stated net of value added tax, represents fees receivable for investment management services during the year and arising from continuing activities in the UK. Fees are recognised to the extent that the company obtains the right to consideration in exchange for its performance.

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, the directors consider that it is 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 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.

Intangible fixed asset

Intangible fixed asset represents the fair value paid for the purchase of the investment advisory agreement and financial advisory agreement from Babcock & Brown Limited and Babcock & Brown Investment Management Limited in 2009.

This is being amortised on a straight line basis over the useful economic life of the contract (as amended to September 2028).

Short term debtors and creditors

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

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

3. **EMPLOYEES AND DIRECTORS**

The company has no employees and hence there were no staff costs for the year ended 31 December 2019 (2018: £Nil).

4. **OPERATING PROFIT**
No directors received any fees in respect of services for the year (2018: £Nil).

The operating profit is stated after charging:

	2019 £'000	2018 £'000
Amortisation	170	170
Auditor's remuneration – audit of financial statements	6	6
Auditor's remuneration - other non-audit services:		
Audit related assurance services – regulatory audit	<u>4</u>	<u>4</u>

5. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Reconciliation of total tax charge 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>6,168</u>	<u>2,593</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,172	493
Effects of:		
Group relief claimed for Nil payment	<u>(1,172)</u>	<u>(493)</u>
Total tax charge	<u>-</u>	<u>-</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 had been substantively enacted. The rate changes will impact the amount of future tax payments to be made by the company.

Deferred Tax

There is no deferred tax, provided or un-provided, within these financial statements (2018: £Nil).

6. **DIVIDENDS**

	2019 £'000	2018 £'000
Final dividend of £1.448 per share (2018: £0.724)	<u>10,000</u>	<u>5,000</u>

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

7. INTANGIBLE FIXED ASSETS

	Other rights £'000
COST	
At 1 January 2019 and 31 December 2019	<u>3,906</u>
AMORTISATION	
At 1 January 2019	2,248
Amortisation for year	<u>170</u>
At 31 December 2019	<u>2,418</u>
NET BOOK VALUE	
At 31 December 2019	<u>1,488</u>
At 31 December 2018	<u>1,658</u>

On 23 June 2009, the company acquired the rights to future revenue generated through an investment advisory agreement and financial advisory agreement, enabling it to provide investment and financial advice to International Public Partnerships Limited, an investment fund listed on the London Stock Exchange.

The fair value of the contract and rights acquired have been capitalised and will be amortised on a straight line basis over the remaining contract life.

On 23 September 2013, the investment advisory agreement with International Public Partnerships Limited was amended to remove the right to a performance fee; to add additional tiered reductions in the percentage of fees chargeable for incremental increases applied to the value of funds under management; and extended by an additional 7 years to September 2028.

The directors re-assessed the useful economic life of the intangible and have revised the amortisation profile accordingly.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Amounts owed by group undertakings	10,286	7,891
Prepayments and accrued income	<u>204</u>	<u>24</u>
	<u>10,490</u>	<u>7,915</u>

Amounts due to group undertakings are non-interest bearing and repayable by demand.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Amounts owed to group undertakings	7,479	5,788
VAT	34	26
Accrued expenses	<u>358</u>	<u>8</u>
	<u>7,871</u>	<u>5,822</u>

Amounts due from group undertakings are non-interest bearing and repayable on demand.

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

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019	2018
Number:	Class:		£'000	£'000
6,906,340	Ordinary	1	<u>6,906</u>	<u>6,906</u>

11. RESERVES

	Retained earnings £'000
At 1 January 2019	14,183
Profit for the year	6,168
Dividends	(10,000)
At 31 December 2019	<u>10,351</u>

12. ULTIMATE PARENT COMPANY

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

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

13. 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 in a number of countries 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.