

Hunt Amber London 2 Ltd.

Report and standalone financial statements

For the years ended 28 February 2018 and 2017

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Hunt Amber London 2 Ltd.

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Corporate information

Directors

James Christopher Hunt
Daniel Singer

Secretary

Jordans Corporate Law Limited
21 St. Thomas Street
Bristol, BS1 6JS
United Kingdom

Auditors

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL
United Kingdom

Bankers

Wells Fargo Bank, N.A.
London Branch
One Plantation Place
30 Fenchurch Street
London, EC3M 3BD
United Kingdom

Solicitors

Dechert LLP
160 Queen Victoria Street
London, EC4V 4QQ
United Kingdom

Registered office

Suite 1
11-12 St. James's Square
London, SW1Y 4LB
United Kingdom

Directors' report for the years ended 28 February 2018 and 2017

Registered No. 09456680

The Directors present their report and the standalone financial statements for the years ended 28 February 2018 and 2017.

Directors of the Company

The current directors are shown on page 1.

James Christopher Hunt was appointed on 24 February 2015, and Daniel Singer was appointed on 11 November 2016.

Principal activities and review of the business

Hunt Amber London 2 Ltd. (the Company) was incorporated on February 24, 2015 as a Private Limited Company (Ltd.) under the Companies Act 2006. The Company is a wholly owned subsidiary of Hunt Amber London 1 Ltd. and was set up to operate as an investment vehicle for Hunt Amber London 1 Ltd.

Basis of preparation

The directors have applied FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland, Section 1A Small Entities*.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the report and standalone financial statements.

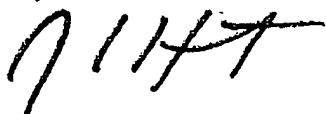
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, KPMG LLP has been re-appointed as the auditor.

By order of the board



James Christopher Hunt
Director

28 August 2018

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' Report 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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the member of Hunt Amber London 2 Ltd.

Opinion

We have audited the financial statements of Hunt Amber London 2 Limited ("the company") for the year ended 28 February 2018, which comprise the Statement of Financial Position, Income Statement, and Statement of Change in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or

Independent auditor's report to the member of Hunt Amber London 2 Ltd. (continued)

- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Henry Todd (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London, E14 5GL

30 August 2018

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Income statement for the year ended 28 February 2018

| | Notes | 2018 | 2017 |
|--|-------|-----------------|-----------------|
| | | \$ | \$ |
| General & administrative expenses | | (53,470) | (80,228) |
| Loss on ordinary activities before dividend income, interest and taxation | | (53,470) | (80,228) |
| Dividend income | 7 | 2,316,876 | 1,660,770 |
| Interest income | | 21 | 6 |
| Interest expense | 7 | (1,533,253) | (835,531) |
| Profit on ordinary activities before taxation | | 730,174 | 745,017 |
| Tax on profit on ordinary activities | 5 | - | - |
| Profit for the period | | 730,174 | 745,017 |

All items dealt with in arriving at the profit on ordinary activities before taxation relate to continuing operations.

There was no other comprehensive income in the periods presented; therefore, no statement of other comprehensive income has been prepared. Total comprehensive income is equal to profit for the periods presented.

The notes on pages 9 to 14 are an integral part of these financial statements.

Statement of changes in equity for the year ended 28 February 2018

| | Notes | Share capital | Share premium | Retained earnings | Total equity |
|----------------------------|-------|---------------|-------------------|-------------------|-------------------|
| | | \$ | \$ | \$ | \$ |
| At 29 February 2016 | | 2 | 39,150,761 | 980,199 | 40,130,962 |
| Capital contribution | 6 | - | 98,611 | - | 98,611 |
| Profit for the period | | - | - | 745,017 | 745,017 |
| At 28 February 2017 | | 2 | 39,249,372 | 1,725,216 | 40,974,590 |
| Capital contribution | 6 | - | 118,563 | - | 118,563 |
| Profit for the year | | - | - | 730,174 | 730,174 |
| At 28 February 2018 | | 2 | 39,367,935 | 2,455,390 | 41,823,327 |

The notes on pages 9 to 14 are an integral part of these financial statements.

Statement of financial position at 28 February 2018 and 2017


Registered No. 09456680

| | Notes | 2018 | 2017 |
|--|-------|--------------------|--------------------|
| | | \$ | \$ |
| Non-current assets | | | |
| Investment in Amber Infrastructure Group Holdings Ltd. | 3 | 157,086,815 | 157,086,815 |
| Total non-current assets | | 157,086,815 | 157,086,815 |
| Current assets | | | |
| Cash and cash equivalents | | 8,431 | 4,158 |
| Total current assets | | 8,431 | 4,158 |
| Total assets | | 157,095,246 | 157,090,973 |
| Liabilities and shareholder's equity | | | |
| Non-current liabilities | | | |
| Note payable to Hunt Amber London 1 Ltd. | 4 | 114,941,413 | 115,871,551 |
| Total non-current liabilities | | 114,941,413 | 115,871,551 |
| Current liabilities | | | |
| Interest payable to Hunt Amber London 1 Ltd. | 4 | 320,106 | 186,994 |
| Accrued expenses and other liabilities | | 10,400 | 54,313 |
| Due to affiliate | 7 | - | 3,525 |
| Total current liabilities | | 330,506 | 244,832 |
| Total liabilities | | 115,271,919 | 116,116,383 |
| Shareholder's equity | | | |
| Share capital | 6 | 2 | 2 |
| Share premium | 6 | 39,367,935 | 39,249,372 |
| Retained earnings | | 2,455,390 | 1,725,216 |
| Shareholder's equity | | 41,823,327 | 40,974,590 |
| Total liabilities and shareholder's equity | | 157,095,246 | 157,090,973 |

The accounts are prepared in accordance with the provisions of FRS 102 Section 1A Small Entities. There was no material departure from this standard. The notes on pages 9 to 14 are an integral part of these financial statements.

The financial statements on pages 6 to 8 were approved by the board of directors on 28 August 2018 and were signed on its behalf by:

James Christopher Hunt
Director



Notes to the standalone financial statements for the years ended 28 February 2018 and 2017

1. Accounting policies

a) Statement of compliance

Hunt Amber London 2 Ltd. (the Company) was formed on 24 February 2015 and is organized as a Private Limited Company (Ltd.) limited by shares under the Companies Act 2006. The registered office is 11-12 St. James's Square (Suite 1), London, SW1Y 4LB. The Company has no employees.

The Company's standalone financial statements have been prepared in compliance with FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* for the years ended 28 February 2018 and 2017. The Company has taken advantage of the exemptions under Section 1A, Small Entities, including the exemption from preparing a Cash Flow Statement.

The Company is exempted from preparing group accounts under the small companies' regime of Companies Act 2006.

b) Basis of preparation

The Company's standalone financial statements are prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards. The standalone financial statements of the Company were authorised for issue by the Board of Directors on 28 August 2018. The standalone financial statements are prepared in US Dollars, which is the functional currency of the Company, and are rounded to the nearest US Dollar (\$).

The accounting policies, which follow in note 1(c), set out those policies that apply in preparing the standalone financial statements for the years ended 28 February 2018 and 2017.

c) Significant accounting policies

Investment in jointly controlled entity

The investment in Amber Infrastructure Group Holdings, Ltd. is stated at cost less accumulated impairment losses.

Cash and cash equivalents

The Company considers cash and cash equivalents to include cash on deposit, money market accounts, certificates of deposit, and all investments with an original maturity of three months or less, all of which are not subject to restrictions of outside parties.

Notes to the standalone financial statements for the years ended 28 February 2018 and 2017 (continued)

Impairment of non-current assets

The Company assesses at each reporting date whether an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss.

An impairment loss recognised for all assets is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

Dividend income

Dividend income is recognised when declared by the Company's investee, irrespective of whether the distributions are from accumulated profits of the investee before or after the date of acquisition.

Interest expense

Interest expense is recognised as interest accrues using the effective interest method.

Financial instruments

a) Financial assets

Financial assets represent cash and cash equivalents.

Financial assets are initially recognised at transaction price and are subsequently measured based on their classification. Financial assets recognised in these financial statements are subsequently measured at amortised cost using the effective interest rate method.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

b) Financial liabilities

At 28 February 2018 and 2017, the Company's financial liabilities are comprised of a note payable to Hunt Amber London 1 Ltd. The Company recognises financial liabilities initially at transaction price and such liabilities are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expired.

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.

Notes to the standalone financial statements for the years ended 28 February 2018 and 2017 (continued)

Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

2. Auditor's remuneration

During the years ended 28 February 2018 and 2017, the Company incurred \$24,553 and \$9,313, respectively, in expenses related to audit services. There were no non-audit fees paid to the auditors.

3. Investment in Amber Infrastructure Group Holdings Ltd.

On 27 May 2015, the Company acquired a 50% non-controlling interest in Amber Infrastructure Group Holdings Ltd. (AIGH) [registered office: 3 More London Riverside, London, SE1 2AQ] for £102.6 million (approximately \$156.6 million), including closing costs. This UK-based company has the following principal activities:

- i. the provision of investment advisory, asset management and fund management services principally in relation to infrastructure assets provided to the public sector and regulated businesses in the UK, Australia, Germany, Belgium, Canada, Ireland and Italy; and
- ii. the origination, development and financial structuring of new infrastructure opportunities, including within the new energy sector (i.e. energy efficiency, "green" energy generation and energy storage), ultra-fast broadband infrastructure and specialist real estate sectors.

AIGH also makes short to medium term investments in infrastructure related businesses and provides fund management and advisory services to infrastructure funds in the regeneration, energy efficiency and ultra-fast digital/broadband sectors. The existing senior management in the UK runs the day-to-day activities of this business.

4. Note payable to Hunt Amber London 1 Ltd.

The loan payable to Hunt Amber London 1 Ltd. [registered office: Suite 1, 11-12 St. James's Square, London, SW1Y 4LB] is repayable on demand or on its maturity date of 22 May 2025 and bears interest at the current short-term applicable United States federal rate, which initially was 0.43%, compounded monthly. As of 28 February 2018 and 2017, \$114.9 million and \$115.9 million, respectively, was outstanding on this loan. The note is presented as non-current as this is the current expectation of settlement in regards of both lender and borrower.

As of 28 February 2018 and 2017, accrued interest on this note payable equalled \$320,106 and \$186,994, respectively.

Notes to the standalone financial statements for the years ended 28 February 2018 and 2017 (continued)

5. Tax charge on profit from ordinary activities

Taxation is based on the profit for the year and comprises:

The charge for the year can be reconciled to the result per the income statement as follows:

| | 2018 | 2017 |
|---|------|------|
| | \$ | \$ |
| UK corporation tax at a rate of 19.08% (2017: 20.09%) | | |
| Current year | - | - |
| Tax charge | - | - |

The differences between the total current tax shown above and the amount calculated by applying the average rate of UK corporation tax to the profit before tax are as follows:

| | 2018 | 2017 |
|--|-----------|-----------|
| | \$ | \$ |
| Profit on ordinary activities before tax | 730,174 | 745,017 |
| Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.08% (2017: 20.09%) | 139,317 | 149,674 |
| Tax effect of expenses that are not deductible in determining taxable profit | 292,545 | 167,858 |
| Tax effect of income not taxable in determining taxable profit | (442,064) | (333,650) |
| Tax effect of losses not previously recognised | - | - |
| Tax effect of unrecognised deferred tax asset | 10,202 | 16,118 |
| Total current tax charge for the year | - | - |

A deferred tax asset has not been recognised in respect of timing differences relating to losses for the year, as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is \$10,202 and \$16,118 at 28 February 2018 and 2017, respectively.

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

Notes to the standalone financial statements for the years ended 28 February 2018 and 2017 (continued)

6. Share capital

| | 2018 | 2017 |
|-----------------------------|------|------|
| | \$ | \$ |
| 1 ordinary share of £1 each | 2 | 2 |

The Company had no distributions and received contributions of \$0.1 million in cash from its shareholder during the year ended 28 February 2018.

The Company had no distributions and received contributions of \$0.1 million in cash from its shareholder during the year ended 28 February 2017.

7. Related party balances and transactions

During the periods presented, the Company entered into transactions with its jointly-controlled investee, Amber Infrastructure Group Holdings, Ltd.; with its parent company, Hunt Amber London 1 Ltd.; and with its ultimate parent company, Hunt Companies, Inc. [registered office: 4401 North Mesa, El Paso, Texas 79902, USA], in the ordinary course of business. Transactions entered into and balances outstanding at 28 February 2018 were as follows:

| | Interest expense to related party | Dividend income from related party | Amounts owed from related party | Amounts owed to related party |
|--|-----------------------------------|------------------------------------|---------------------------------|-------------------------------|
| | \$ | \$ | \$ | \$ |
| Amber Infrastructure Group Holdings Ltd. | - | 2,316,876 | - | - |
| Hunt Amber London 1 Ltd. | 1,533,253 | - | - | 115,261,519 |
| Hunt Companies, Inc. | - | - | - | - |

Transactions entered into and balances outstanding at 28 February 2017 were as follows:

| | Interest expense to related party | Dividend income from related party | Amounts owed from related party | Amounts owed to related party |
|--|-----------------------------------|------------------------------------|---------------------------------|-------------------------------|
| | \$ | \$ | \$ | \$ |
| Amber Infrastructure Group Holdings Ltd. | - | 1,660,770 | - | - |
| Hunt Amber London 1 Ltd. | 835,531 | - | - | 116,058,545 |
| Hunt Companies, Inc. | - | - | - | 3,525 |

Notes to the standalone financial statements for the years ended 28 February 2018 and 2017 (continued)

For the years ended 28 February 2018 and 2017, the directors received no remuneration for their services to the Company. There were no employee expenses in either period.

8. Immediate and ultimate parent company

The immediate shareholder is Hunt Amber London 1 Limited, a UK incorporated company. The ultimate parent company is Hunt Companies, Inc. Consolidated accounts can be obtained from Hunt Companies, Inc.