

Lambert Energy Advisory Limited
Strategic Report, Directors' Report and
Financial Statements
for the Year Ended 31 December 2021

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for the year ended 31 December 2021**

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Lambert Energy Advisory Limited

**Company Information
for the year ended 31 December 2021**

Directors:	Philip Lambert Sir Jeremy Greenstock Charles Huc Williams Alexander Landia Tan Sri Mohd Hassan Marican Tore Sandvold Onursal Soyer Andrew Gould
Secretary:	Louise Norton
Registered office:	17 Hill Street London W1J 5LJ
Registered number:	03838151 (England and Wales)
Auditors:	Haines Watts (City) LLP Statutory Auditor New Derwent House 69-73 Theobalds Road London WC1X 8TA
Solicitors:	Freshfields Bruckhaus Deringer 65 Fleet Street London EC4Y 1HS

**Strategic Report
for the year ended 31 December 2021**

The directors present their strategic report for the year ended 31 December 2021.

The purpose of the Strategic Report is to inform shareholders and help them to assess how the directors have performed their duties to promote the success of the Company. The report, together with the further information in the Directors' Report, provides a fair and balanced review of the Company's business.

Review of business

The principal activity of the Company continues to be the provision of corporate finance advice to the energy industry. The Company is authorised and regulated by the Financial Conduct Authority.

As reported in the Company's Income Statement, revenue has shown a decrease of 17.9% from £11,003,637 to £9,030,368 in the current period. Profit after tax has increased from £720,851 to £870,121. The results for the year and the financial position at the year end were considered satisfactory by the directors, bearing in mind the uncertainty caused by the Covid-19 pandemic.

Future developments

The directors consider that the forthcoming financial year will be another year of difficult trading conditions. Overall they believe that the Company is well placed in terms of strategic and market position to increase its revenues in spite of the difficult economic conditions facing the sector.

Principal risks and uncertainties

In providing corporate and finance advisory services the Company is dependent upon its clients for its revenues. The Company, therefore, faces the risk that these revenues might vary depending on the financial position of its clients, the level of competition in the corporate finance advisory sector and the level of merger and acquisition activity in the oil and gas industry. All these factors may affect the level of income the Company may earn.

Financial risk management relates to risk to the Company in respect of its own assets and liabilities. The Company has very limited exposure to financial instruments in respect of its own assets and liabilities. They include cash deposits, trade receivables and payables. The main risks arising from financial instruments are limited to exposure to interest rate risk, liquidity risk and credit risk. Each of these risks is discussed in detail below.

Liquidity risk

It is the Company's policy to ensure that it has sufficient access to funds to cover all forecast committed requirements for the next 12 months.

Interest rate risk

The Company is exposed to interest rate risk with regard to its cash holdings. All cash holdings are at variable rates. The Company does not have any borrowings and surplus funds are placed on short term deposits.

Credit risk

The majority of debtors arise from major energy corporations. As such the Company has determined that the credit risk is minimal in relation to the majority of the debtors. The Company invests available cash with various banks.

Key performance indicators

Management uses a range of performance measures to monitor and manage the business.

Given the straight forward nature of the business the directors are of the opinion that analysis using Key Performance Indicators is not necessary for the understanding of the development, performance or position of the business.

**Strategic Report
for the year ended 31 December 2021**

Statement by the directors in performance of their statutory duties in accordance with s172 (1) Companies Act 2006

The board of directors of Lambert Energy Advisory Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172 (1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2021. In particular, by performance of the following:

- Our business aims are designed to have a long-term beneficial impact on the Company and to contribute to its success;
- Our employees are fundamental to our business aims. We aim to be a responsible employer in our approach to the pay and benefits our employees receive;
- Our business requires strong relationships with customers and others and we continually strive to maintain and improve these relationship;
- As the Board of Directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance; and
- As the Board of Directors, our intention is to behave responsibly toward our shareholders and treat them fairly and equally, so they too may benefit from the success of our company.

By order of the board:

Louise Norton - Secretary

24 March 2022

**Directors' Report
for the year ended 31 December 2021**

The directors present their report with the financial statements of the Company for the year ended 31 December 2021.

Dividends

Results and Dividends

The results for the year are set out on page 9.

A dividend on ordinary shares was paid amounting to £1,717,777.

Directors

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

Philip Lambert
Sir Jeremy Greenstock
Charles Hue Williams
Alexander Landia
Tan Sri Mohd Hassan Marican
Tore Sandvold
Onursal Soyerc
Andrew Gould

Disclosure in the strategic report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the Strategic Report on page 2. These matters relate to a description of principal risks and uncertainties.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

**Directors' Report
for the year ended 31 December 2021**

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he 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 auditors are aware of that information.

By order of the board:

Louise Norton - Secretary

24 March 2022

Independent Auditors' Report to the Members of Lambert Energy Advisory Limited

Opinion

We have audited the financial statements of Lambert Energy Advisory Limited (the 'Company') for the year ended 31 December 2021 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 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 Auditors' responsibilities for the audit of the financial statements section of our report. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to the Company's going concern are described in the relevant sections of this report.

However, not all future events or conditions can be predicted. The Covid-19 pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and wider economy. The directors' view on the impact of Covid-19 is disclosed in the Strategic Report and the accounting policies note 2.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Directors' Report, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report to the Members of Lambert Energy Advisory Limited

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report 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 Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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 the Company's 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.

Auditors' 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 Auditors' 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with directors and other management, and from our commercial knowledge;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, taxation legislation, employment, data protection and capital requirements;
- we assessed the extent of compliance with the laws and regulations identified above through making enquires of management and inspecting legal correspondence;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Independent Auditors' Report to the Members of Lambert Energy Advisory Limited

We assessed the susceptibility of the Company's material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgement and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosure to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual or potential litigation and claims; and
- reviewing correspondence.

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 Auditors' 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chris Evans BSc FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts (City) LLP
Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

24 March 2022

Income Statement
for the year ended 31 December 2021

		2021	2020
	Notes	£	£
Turnover	3	9,030,368	11,003,637
Administrative expenses		<u>(7,953,976)</u>	<u>(10,122,811)</u>
Operating profit		1,076,392	880,826
Interest receivable and similar income		<u>1,089</u>	<u>8,077</u>
Profit before taxation	6	1,077,481	888,903
Tax on profit	7	<u>(207,360)</u>	<u>(168,052)</u>
Profit for the financial year		<u>870,121</u>	<u>720,851</u>

The notes form part of these financial statements

**Other Comprehensive Income
for the year ended 31 December 2021**

		2021	2020
	Notes	£	£
Profit for the year		870,121	720,851
Other comprehensive income		-	-
Total comprehensive income for the year		<u>870,121</u>	<u>720,851</u>

Statement of Financial Position
31 December 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	9		38,811		57,604
Current assets					
Debtors	10	1,762,460		1,024,197	
Cash at bank		<u>4,905,965</u>		<u>7,807,612</u>	
		6,668,425		8,831,809	
Creditors					
Amounts falling due within one year	11	<u>4,356,596</u>		<u>5,691,117</u>	
Net current assets			<u>2,311,829</u>		<u>3,140,692</u>
Total assets less current liabilities			<u>2,350,640</u>		<u>3,198,296</u>
Capital and reserves					
Called up share capital	15		1,293		1,293
Share premium	16		649,883		649,883
Retained earnings	16		<u>1,699,464</u>		<u>2,547,120</u>
Shareholders' funds			<u>2,350,640</u>		<u>3,198,296</u>

The financial statements were approved by the Board of Directors and authorised for issue on 24 March 2022 and were signed on its behalf by:

Philip Lambert - Director

Statement of Changes in Equity
for the year ended 31 December 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2020	1,293	2,470,920	649,883	3,122,096
Changes in equity				
Dividends	-	(644,651)	-	(644,651)
Total comprehensive income	-	720,851	-	720,851
Balance at 31 December 2020	1,293	2,547,120	649,883	3,198,296
Changes in equity				
Dividends	-	(1,717,777)	-	(1,717,777)
Total comprehensive income	-	870,121	-	870,121
Balance at 31 December 2021	1,293	1,699,464	649,883	2,350,640

The notes form part of these financial statements

Statement of Cash Flows
for the year ended 31 December 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	(1,006,923)	(3,909,490)
Tax paid		<u>(169,119)</u>	<u>(489,194)</u>
Net cash from operating activities		<u>(1,176,042)</u>	<u>(4,398,684)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(8,917)	(36,549)
Interest received		<u>1,089</u>	<u>8,077</u>
Net cash from investing activities		<u>(7,828)</u>	<u>(28,472)</u>
Cash flows from financing activities			
Equity dividends paid		<u>(1,717,777)</u>	<u>(644,651)</u>
Net cash from financing activities		<u>(1,717,777)</u>	<u>(644,651)</u>
Decrease in cash and cash equivalents		<u>(2,901,647)</u>	<u>(5,071,807)</u>
Cash and cash equivalents at beginning of year	2	7,807,612	12,879,419
Cash and cash equivalents at end of year	2	<u><u>4,905,965</u></u>	<u><u>7,807,612</u></u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the year ended 31 December 2021

1. Reconciliation of profit before taxation to cash generated from operations

	2021	2020
	£	£
Profit before taxation	1,077,481	888,903
Depreciation charges	27,710	25,783
Finance income	(1,089)	(8,077)
	<u>1,104,102</u>	<u>906,609</u>
(Increase)/decrease in trade and other debtors	(776,504)	409,120
Decrease in trade and other creditors	<u>(1,334,521)</u>	<u>(5,225,219)</u>
Cash generated from operations	<u>(1,006,923)</u>	<u>(3,909,490)</u>

2. Cash and cash equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2021

	31/12/21	1/1/21
	£	£
Cash and cash equivalents	<u>4,905,965</u>	<u>7,807,612</u>

Year ended 31 December 2020

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	<u>7,807,612</u>	<u>12,879,419</u>

3. Analysis of changes in net funds

	At 1/1/21	Cash flow	At 31/12/21
	£	£	£
Net cash			
Cash at bank	<u>7,807,612</u>	<u>(2,901,647)</u>	<u>4,905,965</u>
	<u>7,807,612</u>	<u>(2,901,647)</u>	<u>4,905,965</u>
Total	<u>7,807,612</u>	<u>(2,901,647)</u>	<u>4,905,965</u>

**Notes to the Financial Statements
for the year ended 31 December 2021**

1. Statutory information

Lambert Energy Advisory Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

Basis of preparing the financial statements

These financial statements are prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. Set out below is a summary of the principal accounting policies, all of which have been applied consistently (except as otherwise stated).

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are not considered to be any crucial accounting judgements.

Turnover

Turnover represents amounts receivable for services provided in the normal course of business. Turnover is recognised in line with accrual accounting based on fees received for services provided during the financial year.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings - over 3 years on a straight line basis.

Financial instruments

i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

(ii) Trade and other receivables

Trade and other receivables are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost including the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the Company assesses whether there is objective evidence that a receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised immediately in profit or loss.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

2. **Accounting policies - continued**

(iii) **Financial liabilities**

Basic financial liabilities, including trade and other payables, loans and other borrowings are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at the undiscounted amount.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded and translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken to the Income Statement.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Share-based payment transactions

The Company has issued share options to certain employees. These must be measured at fair value and recognised as an expense in the Income Statement with a corresponding increase in equity. The fair value of the options was estimated at the date of grant by the directors. The fair value will be charged as an expense in the Income Statement over the vesting period. The charge is adjusted each year to reflect the expected and actual level of vesting.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

2. **Accounting policies - continued**

Going concern

The directors continue to assess the business and the impact that the COVID-19 pandemic is having on the wider economy. The directors are provided with monthly cashflow analysis and although there are sufficient cash reserves for the business to meet its working capital requirements for the next 12 months, the directors have taken decisive action to mitigate the pandemic's impact through delaying dividend payments, waiving of dividends by some shareholders and renegotiation of rental payments from quarterly to monthly.

3. **Turnover**

The total turnover of the Company for the year derives from its principal activity wholly undertaken in the United Kingdom.

4. **Employees and directors**

	2021	2020
	£	£
Wages and salaries	5,382,036	6,793,864
Social security costs	667,177	858,837
Other pension costs	152,403	188,230
	<u>6,201,616</u>	<u>7,840,931</u>

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

	2021	2020
Operations and administration	<u>22</u>	<u>23</u>

5. **Directors' remuneration**

	2021	2020
	£	£
Remuneration for qualifying services	2,388,400	3,009,107
Company pension contributions to defined contribution schemes	47,319	46,000
	<u>2,435,719</u>	<u>3,055,107</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>680,428</u>	<u>1,145,403</u>
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Notes to the Financial Statements - continued
for the year ended 31 December 2021

6. Profit before taxation

The profit is stated after charging:

	2021	2020
	£	£
Other operating leases	366,774	356,942
Depreciation - owned assets	27,710	25,783
Auditors' remuneration	6,241	5,770
Taxation compliance services	3,775	3,775
Other non- audit services	150	475
Foreign exchange differences	<u>20,465</u>	<u>17,687</u>

7. Taxation

Analysis of the tax charge

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	204,086	169,119
Deferred tax	<u>3,274</u>	<u>(1,067)</u>
Tax on profit	<u>207,360</u>	<u>168,052</u>

Reconciliation of total tax charge included in profit and loss

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

	2021	2020
	£	£
Profit before tax	<u>1,077,481</u>	<u>888,903</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	204,721	168,892
Effects of:		
Expenses not deductible for tax purposes	(4,116)	2,383
Capital allowances in excess of depreciation	-	(5,155)
Depreciation in excess of capital allowances	3,481	-
Other adjustments	3,274	1,932
Total tax charge	<u>207,360</u>	<u>168,052</u>

Notes to the Financial Statements - continued
for the year ended 31 December 2021

8.	Dividends		
		2021	2020
		£	£
	Ordinary shares of 1p each		
	Interim	<u>1,717,777</u>	<u>644,651</u>
9.	Tangible fixed assets		
			Fixtures and fittings £
	Cost		
	At 1 January 2021		148,376
	Additions		8,917
	At 31 December 2021		<u>157,293</u>
	Depreciation		
	At 1 January 2021		90,772
	Charge for year		27,710
	At 31 December 2021		<u>118,482</u>
	Net book value		
	At 31 December 2021		<u>38,811</u>
	At 31 December 2020		<u>57,604</u>
10.	Debtors: amounts falling due within one year		
		2021	2020
		£	£
	Trade debtors	1,443,293	687,584
	Tax	35,914	70,881
	Deferred tax asset	17,320	20,594
	Prepayments and accrued income	<u>265,933</u>	<u>245,138</u>
		<u>1,762,460</u>	<u>1,024,197</u>
11.	Creditors: amounts falling due within one year		
		2021	2020
		£	£
	Social security and other taxes	99,584	97,299
	VAT	60,416	42,450
	Accruals and deferred income	<u>4,196,596</u>	<u>5,551,368</u>
		<u>4,356,596</u>	<u>5,691,117</u>

Notes to the Financial Statements - continued
for the year ended 31 December 2021

12. **Leasing agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	305,600	305,600
Between one and five years	611,200	916,800
	<u>916,800</u>	<u>1,222,400</u>

13. **Financial instruments**

The Company's financial instruments are all basic financial instruments. These include debtors, cash at bank, and creditors. The following balances are the company's financial instruments and are all carried on the amortised cost basis:

	2021	2020
	£	£
Trade debtors	1,443,293	687,584
Accruals	(4,196,596)	(5,551,368)
Cash at bank	<u>4,905,965</u>	<u>7,807,612</u>

14. **Deferred tax**

	£
Balance at 1 January 2021	(20,594)
Utilised during year	<u>3,274</u>
Balance at 31 December 2021	<u>(17,320)</u>

The deferred tax balance recognised relates to decelerated capital allowances and other pension provision movements.

15. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
129,286	Ordinary	1p	<u>1,293</u>	<u>1,293</u>

In addition to the above issued share capital the company has one "B" ordinary share of £0.01 issued and fully paid.

During the year, there were no newly issued shares.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

16. Reserves

	Retained earnings £	Share premium £	Totals £
At 1 January 2021	2,547,120	649,883	3,197,003
Profit for the year	870,121	-	870,121
Dividends	(1,717,777)	-	(1,717,777)
At 31 December 2021	<u>1,699,464</u>	<u>649,883</u>	<u>2,349,347</u>

Share premium account records the amount above nominal value received for shares sold, less transaction costs.

17. Pension commitments

Pensions and other post-retirement benefits
Defined contribution

	2021 £	2020 £
Contributions payable by the Company for the year	152,403	188,230
Contributions payable to the fund at the year end and included in creditors	<u>(127,805)</u>	<u>(163,356)</u>

18. Related party disclosures

Dividends to Directors

The following directors were paid dividends during the year as outlined in the table below:

	2021 £	2020 £
Philip Lambert	896,498	-
Alexander Landia	71,466	71,466
Sir Jeremy Greenstock	50,297	50,297
Tore Sandvold	54,696	54,696
Tan Sri Mohd Hassan Marican	24,433	24,433
Onursal Soyer	176,627	-
Andrew Gould	16,770	16,770
Charles Hue Williams	66,951	66,951
	<u>877,858</u>	<u>284,613</u>

During the year the Company paid £167,400 (2020: £216,000) to Sandvold Energy AS, a Company registered in Norway and controlled by Tore Sandvold, a non-executive director of the Company. At the year end the Company owed £25,200 (2020: £36,000) to Sandvold Energy AS in respect of these services. As at 31 December 2021, £579,307 (2020: £381,516) was owed to one of the directors in respect of fees and dividends by the Company.

19. Ultimate controlling party

The Ultimate Controlling Party is Philip Lambert.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

20. Share-based payment transactions

During the year ended 31 December 2021, the Company had share-based payment arrangements, which are described below.

Employees have previously been granted options under an Enterprise Management Incentive Scheme and an unapproved Options Scheme which entitle the holders to hold options on ordinary shares in the Company at a future date.

The issue of ordinary shares constitutes a share-based payment under FRS 102 and the value of this payment reflects estimates of fair value of each share. The expense recognised for share-based payments in this respect during the year was £nil (2020: £nil).

During the year, no share options were exercised.

The fair value of equity-settled share options granted was estimated at the date of the grant by the directors based on estimated maintainable post tax profits and taking into consideration private transactions in the shares of the Company and agreements with HM Revenue & Customs regarding valuation of the shares granted under the EMI scheme.

	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
	2021	2021 £	2020	2020 £
At 1 January	1,300	57.25	650	38.00
Issued	0	0	650	76.50
Exercised	0	0	0	0
Lapsed	0	0	0	0
Outstanding at 31 December 2021	<u>1,300</u>	<u>57.25</u>	<u>1,300</u>	<u>57.25</u>

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