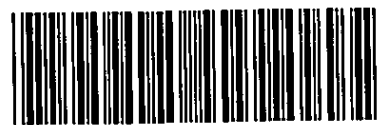


Company Registration No. 2225820 (England and Wales)

GAS STRATEGIES GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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GAS STRATEGIES GROUP LIMITED

COMPANY INFORMATION

Directors	J R Ball C M J Spottiswoode P J Breen
Secretary	P J Breen
Company number	2225820
Registered office	10 St Bride Street London EC4A 4AD
Independent Auditors	Saffery Champness Lion House Red Lion Street London WC1R 4GB

GAS STRATEGIES GROUP LIMITED

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GAS STRATEGIES GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012.

Principal activities and review of the business

The principal activities of the group continued to be those of consulting services, management training and the provision of information and commentary services on the global energy industry

Highlights

During 2012, the global energy industry demonstrated contradictory behaviours, with depressed outlook for European recovery combining with the emergence of greater clarity on the positive future for US shale gas and LNG exports. Asia, Africa and South America markets demonstrated greatest economic growth.

Gas Strategies has sustained its strong presence in the global energy industry, whether supporting European supplier clients in defending their long term contract positions, as provider of due diligence support to the purchasers of European infrastructure, acting in the financing of LNG projects across the globe, or in taking new LNG and infrastructure projects to commercial operation.

Business performance in 2012 represents further maturing in our operating model for Consulting, particularly the deepening of our client relationships and the maturing of consulting delivery management. Training and information services sales performance and operations continued to be challenged by market conditions.

Despite reduction in year-on-year revenues, strong operating profit margins have been delivered. The business has maintained its focus on delivering high value services to clients, developing the capabilities of our people, and maintaining strong operational and financial control.

Business Environment

The global financial environment remained challenging in 2012 with Europe in particular indicating a long and slow route to recovery. In the energy sector, oil prices remained relatively high and the continued and profound impact of US shale gas has emerged with more clarity. The combined effects, including increased US coal exports, have squeezed European gas demand even further in 2012, this has had a particularly significant impact on the take or pay obligations of the major European gas players.

For the global gas industry, the large number of possible US LNG export projects has created the potential basis for more global interaction of gas prices. Tentative political support has been achieved and the coming months will indicate the degree to which further volumes of LNG might be exported. The projects are there to make the US the world's largest LNG exporter in five years.

Overall, Asia and emerging markets such as Africa and South America are demonstrating the greatest economic growth, and further growth potential, whilst Europe remains highly challenging.

During this period Gas Strategies Group saw revenues fall back as we responded to these changes in the gas and wider energy environment. Revenue for the year was £8.1m with consulting revenues decreasing year-on-year by some 12%. Public Training held its own while Information Services fell back 3.2%.

GAS STRATEGIES GROUP LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

With a challenging year behind us and with sustained economic challenge (especially in Europe), we are seeking to use 2013 to return to the level of business performance we achieved in 2011. We believe we have the right organisation and people in 2013 to achieve this and deliver a business which demonstrates greater sustainability and with firm foundations

Consulting

Consulting revenue fell back approximately 12% from 2011 to 2012. Revenue across 2012 was inconsistent with revenues falling consecutively from Quarter 1 to Quarter 3 before recovering in Quarter 4. Quarter 4 also saw a solid order-book built for Quarter 1 2013.

The absence of growth in Consulting revenue during 2012 can be particularly attributed to a number of factors which coincided during the year, including the extent to which global LNG projects under development were undergoing construction, hence being at a stage in their lifecycle in which Gas Strategies support tends to be at its lowest level, the limited number of new LNG projects taking FID, the absence of a strong business development and growth appetite or capacity amongst the financially challenged European energy majors; and limited success in achieving traction for our business in Asia-Pacific in projects of significant scale.

Notwithstanding these challenges, the nature and positioning of the consulting work undertaken for our clients during 2012 has continued to develop in-line with our aspirations, as we assist our clients in some of their most challenging business initiatives and projects. During the year we have continued to work on a diverse portfolio of clients globally, with continued strong positioning in a number of West African infrastructure projects and maintaining of our position as the leading commercial and market due diligence advisor to project-financed LNG projects. In 2012 Consulting leveraged the position of market dominance in LNG due-diligence to build a significant position in the provision of due diligence services to buy-side players acquiring onshore pipeline network and storage assets in Europe. Furthermore, Consulting has continued to deliver a portfolio of major expert witness projects in arbitration and other dispute resolution processes for European buyers, while also maintaining our positioning in the strategic direction and risk management for a number of major infrastructure investments.

Towards the end of 2012 Consulting began to see the benefit of a renewed focus on business development during the mid-2012 and entered Quarter 1 of 2013 with a strong forward order-book.

Alphatania

Our public training business held revenue to the same level as 2011 but did not achieve budget. This was significantly due to not achieving target delegate numbers on courses scheduled in Quarter 4.

During 2012 we did not launch any new courses. Focus was placed on aligning our course content to represent key industry trends and to attain customer representation on our courses from our key consulting clients. 2013 will continue this same focus, running fewer programmes but in a very targeted and content focused way in order to assure our revenue target achievement.

GAS STRATEGIES GROUP LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

Information Services

Revenues on publications and Gas Strategies Online data products were significantly stabilised during 2012, following the reductions experienced in the two prior years. The marketplace remains challenging for Information Services, with our subscriber base and pricing continuing to experience pressure as clients seek headcount and cost reductions.

The quality of our products has been recognised as critical to our success in the face of these market conditions. During 2012 we have continued to strengthen our editorial team and content. During December 2012 we also launched the new iPad Application for Gas Matters Today, with an iPhone Application under development to quickly follow in early 2013.

Cash Flow, Borrowing and Liquidity

Gas Strategies Group Limited has again achieved strong cash flow from its trading activities, with effective management of working capital. The business has been self-financing throughout the year.

In light of the continuing trading uncertainties that result from the outlook for global energy markets and wider economies during 2013, the directors have made prudent assessments of potential impact on company cash flows during 2013. The directors believe that existing resources will support the cash flow and liquidity requirements of the business in the event of a contraction in trading during 2013.

Key Performance Indicators

Gas Strategies Group Limited considers its key performance indicators to be

Sales Growth - (10% reduction, 2011 1.8%) representing challenging market conditions, particularly in Consulting.

Gross Margin - (55.97%; 2011 59.44%) delivering sustained strength in gross margins, particularly through larger scale consulting assignments and continuing focus in cost control.

Operating Profit - (22.2%, 2011 29.4%) reflecting the impact of a reduction turnover in 2012.

Principal Risks and Uncertainties

The company is exposed to risks in the confidence and direction of the global gas, LNG and wider energy industry, which is closely related to overall economic growth and to trends in global oil and gas prices. This risk may impact from time to time the demand for and competitive remuneration rates available in the market for the company's services, in addition to the availability, salaries and fee levels of staff and consultants.

The company is also exposed to risks in the movement of £/US\$, £/A\$ and £/€ exchange rates. This may impact from time to time our competitiveness in the marketplace and the margins achieved on our services.

GAS STRATEGIES GROUP LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

Environment

The company recognises the importance of its environmental responsibilities and monitors its impact on the environment and designs and implements appropriate policies to minimise any damage that might be caused by the company's activities. Initiatives designed to minimise the company's impact on the environment include recycling and reducing energy consumption wherever possible.

Employees

Details of the number of employees are given in Note 18 in the financial statements.

Applications for employment by disabled persons are always considered. In the event of existing members of staff becoming disabled every effort would be made to ensure that their employment with the company continues and the appropriate support and training is available.

The company aims to keep employees informed of all relevant matters through regular staff meetings, both formal and informal, and through written communications. Staff issues are dealt with efficiently and fairly. The company feels it has a transparent and appropriate policy for employee remuneration.

Results and dividends

The profit and loss account for the year is set out on Page 8.

An interim ordinary dividend of £300,000 (2011: £680,000) net was paid in the year. The directors do not recommend the payment of a final ordinary dividend.

Directors

The following directors have held office through the year:

J R Ball
C M J Spottiswoode
P J Breen

Charitable donations	2012	2011
	£	£
During the year the company made the following payments:		
Charitable donations	1,056	318

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

GAS STRATEGIES GROUP LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

Directors' responsibilities

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 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). 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 of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board



P J Breen

Director

19/12/12

GAS STRATEGIES GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GAS STRATEGIES GROUP LIMITED

We have audited the financial statements of Gas Strategies Group Limited for the year ended 31 December 2012 set out on pages 8 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GAS STRATEGIES GROUP LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF GAS STRATEGIES GROUP LIMITED**

Matters on which we are required to report by exception

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.



Lucy Brennan (Senior Statutory Auditor)
for and on behalf of Saffery Champness

19 March 2013

.. ...

**Chartered Accountants
Statutory Auditors**

Lion House
Red Lion Street
London
WC1R 4GB

GAS STRATEGIES GROUP LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

		2012	2011
	Notes	£	£
Turnover	2	8,102,007	8,995,053
Cost of sales		<u>(3,561,309)</u>	<u>(3,913,884)</u>
Gross profit		4,540,698	5,081,169
Administrative expenses		<u>(2,738,451)</u>	<u>(2,437,803)</u>
Operating profit	3	1,802,247	2,643,366
Other interest receivable and similar income	4	<u>68,033</u>	<u>64,545</u>
Profit on ordinary activities before taxation		1,870,280	2,707,911
Tax on profit on ordinary activities	5	<u>(461,591)</u>	<u>(752,457)</u>
Profit for the year	14	<u><u>1,408,689</u></u>	<u><u>1,955,454</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account

The notes on pages 11 to 21 form part of these financial statements

GAS STRATEGIES GROUP LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	8		682,165		780,632
Investments	9		200		200
			<u>682,365</u>		<u>780,832</u>
Current assets					
Debtors	10	3,413,423		4,161,741	
Cash at bank and in hand		3,903,467		2,541,853	
		<u>7,316,890</u>		<u>6,703,594</u>	
Creditors: amounts falling due within one year	11	(1,515,996)		(2,109,856)	
Net current assets			<u>5,800,894</u>		<u>4,593,738</u>
Total assets less current liabilities			<u>6,483,259</u>		<u>5,374,570</u>
Capital and reserves					
Called up share capital	13		400,000		400,000
Share premium account	14		43,012		43,012
Profit and loss account	14		6,040,247		4,931,558
Shareholders' funds	15		<u>6,483,259</u>		<u>5,374,570</u>

The notes on pages 11 to 21 form part of these financial statements

Approved by the Board and authorised for issue on 4 Nov 2013



P J Breen
Director

Company Registration No. 2225820

GAS STRATEGIES GROUP LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	£	2012 £	£	2011 £
Net cash inflow from operating activities	20		2,170,541		2,639,685
Returns on investments and servicing of finance					
Interest received		68,033		64,545	
Net cash inflow for returns on investments and servicing of finance			68,033		64,545
Taxation			(593,639)		(688,519)
Capital expenditure					
Payments to acquire tangible assets		(61,321)		(821,123)	
Net cash outflow for capital expenditure			(61,321)		(821,123)
Equity dividends paid			(222,000)		(680,000)
Net cash inflow before management of liquid resources and financing			1,361,613		514,588
Increase in cash in the year	21		1,361,614		514,588

GAS STRATEGIES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

1.3 Turnover

Turnover represents the amounts receivable in respect of goods and services supplied net of VAT and discounts

The value of Consulting services is recognised as the services are rendered, including revenues based on fixed prices and contractual man-day rates. Incentive performance revenues are recognised upon completion of agreed objectives. Training course delegate fees are recognised upon completion of the training course. Information Services revenues are recognised on a straight line basis over the subscription term.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

1.5 Trade Marks

Trade Marks are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

1.6 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

Leasehold improvements	Over the term of the lease
Plant and machinery	Over the term of the lease
Fixtures, fittings & equipment	25% and 33 33% using the straight line basis

1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

GAS STRATEGIES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies (continued)

1.9 Pensions

The company contributes towards a group personal pension scheme for its employees. The cost of the contributions made by the company to the scheme are charged to the profit and loss account as incurred.

1.10 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.12 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by Section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Gas Strategies Holdings Limited, a company incorporated in England and Wales, and is included in the consolidated financial statements of that company.

2 Turnover

In the opinion of the directors it would be seriously prejudicial to disclose the turnover by geographical area.

3 Operating profit	2012 £	2011 £
Operating profit is stated after charging		
Depreciation of tangible assets	159,788	123,239
Loss on disposal of tangible assets	-	17,022
Loss on foreign exchange transactions	40,851	358
Operating lease rentals	108,111	105,338

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	14,750	15,500
- other services relating to taxation	5,759	9,250
	20,509	24,750

GAS STRATEGIES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

4	Investment income	2012	2011
		£	£
	Bank interest	300	-
	Other interest	67,733	64,545
		<u>68,033</u>	<u>64,545</u>
5	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	466,051	664,543
	Adjustment for prior years	(4,460)	65,014
	Payment in respect of group relief	-	22,900
	Total current tax	<u>461,591</u>	<u>752,457</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,870,280</u>	<u>2,707,911</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.50% (2011 - 26.50%)	<u>458,219</u>	<u>717,596</u>
	Effects of		
	Non deductible expenses	9,072	6,118
	Depreciation add back	39,148	37,169
	Capital allowances	(28,908)	(55,498)
	Adjustments to previous periods	(4,460)	65,014
	Group loss relief	(16,655)	-
	Other tax adjustments	5,175	(17,942)
		<u>3,372</u>	<u>34,861</u>
	Current tax charge for the year	<u>461,591</u>	<u>752,457</u>

GAS STRATEGIES GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012**

6	Dividends	2012	2011
		£	£
	Ordinary interim paid	300,000	680,000
		<u>300,000</u>	<u>680,000</u>
7	Intangible fixed assets	Trade Marks	Goodwill
		£	£
	Cost		
	At 1 January 2012 & at 31 December 2012	2,910	33,736
		<u>2,910</u>	<u>33,736</u>
	Amortisation		
	At 1 January 2012 & at 31 December 2012	2,910	33,736
		<u>2,910</u>	<u>33,736</u>
	Net book value		
	At 31 December 2012	-	-
		<u>-</u>	<u>-</u>
	At 31 December 2011	-	-
		<u>-</u>	<u>-</u>

GAS STRATEGIES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

8 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2012	554,604	436,297	990,901
Additions	700	60,621	61,321
Disposals	-	(21,350)	(21,350)
	<u>555,304</u>	<u>475,568</u>	<u>1,030,872</u>
At 31 December 2012			
Depreciation			
At 1 January 2012	31,942	178,327	210,269
On disposals	-	(21,350)	(21,350)
Charge for the year	56,484	103,304	159,788
	<u>88,426</u>	<u>260,281</u>	<u>348,707</u>
At 31 December 2012			
Net book value			
At 31 December 2012	<u>466,878</u>	<u>215,287</u>	<u>682,165</u>
At 31 December 2011	<u>522,662</u>	<u>257,970</u>	<u>780,632</u>

GAS STRATEGIES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2012 & at 31 December 2012	200
Net book value	
At 31 December 2012	200
At 31 December 2011	200

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Gas Strategies Consulting Limited	United Kingdom	Ordinary	100 00
Alphatania Limited	United Kingdom	Ordinary	100 00
Gas Matters Limited	United Kingdom	Ordinary	100 00
Overview Limited	United Kingdom	Ordinary	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2012 £	Profit/(loss) for the year 2012 £
	Principal activity		
Gas Strategies Consulting Limited	Dormant Company	100	-
Alphatania Limited	Dormant Company	-	-
Gas Matters Limited	Dormant Company	-	-
Overview Limited	Dormant Company	100	-

GAS STRATEGIES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

10 Debtors	2012	2011
	£	£
Trade debtors	1,248,513	1,629,607
Amounts owed by parent	1,908,362	1,894,367
Other debtors	49,942	71,333
Prepayments and accrued income	206,606	566,434
	<u>3,413,423</u>	<u>4,161,741</u>

11 Creditors: amounts falling due within one year	2012	2011
	£	£
Trade creditors	208,486	648,322
Amounts owed to subsidiary undertakings	200	200
Corporation tax	242,550	374,599
Other taxes and social security costs	98,945	60,845
Other creditors	183,815	442,717
Accruals and deferred income	782,000	583,173
	<u>1,515,996</u>	<u>2,109,856</u>

Coutts & Company held a fixed and floating charge over the company's assets. As at 31 December 2012 the balance owed to Coutts & Company was £nil (2011 £nil)

12 Pension and other post-retirement benefit commitments **Defined contribution**

	2012	2011
	£	£
Contributions payable by the company for the year	<u>85,162</u>	<u>82,587</u>

13 Share capital	2012	2011
	£	£
Allotted, called up and fully paid 400,000 Ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>

GAS STRATEGIES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

14 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2012	43,012	4,931,558
Profit for the year	-	1,108,689
	<u>43,012</u>	<u>6,040,247</u>
Balance at 31 December 2012	<u>43,012</u>	<u>6,040,247</u>

15 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	1,408,689	1,955,454
Dividends	(300,000)	(680,000)
	<u>1,108,689</u>	<u>1,275,454</u>
Net addition to shareholders' funds	1,108,689	1,275,454
Opening shareholders' funds	5,374,570	4,099,116
	<u>6,483,259</u>	<u>5,374,570</u>
Closing shareholders' funds	<u>6,483,259</u>	<u>5,374,570</u>

16 Financial commitments

At 31 December 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013

	Land and buildings		Other	
	2012 £	2011 £	2012 £	2011 £
Operating leases which expire				
Within two to five years	-	-	-	2,752
In over five years	168,348	168,348	-	-
	<u>168,348</u>	<u>168,348</u>	<u>-</u>	<u>2,752</u>

GAS STRATEGIES GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012**

17 Directors' emoluments	2012	2011
	£	£
Emoluments for qualifying services	515,202	659,426
Company pension contributions to money purchase schemes	14,601	18,220
	<u>529,803</u>	<u>677,646</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2011- 2)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	478,303	553,469
Company pension contributions to money purchase schemes	<u>14,601</u>	<u>13,260</u>

18 Employees**Number of employees**

The average monthly number of employees (including directors) during the year was

	2012	2011
	Number	Number
Administration	17	12
Client services/production	17	22
	<u>34</u>	<u>34</u>

Employment costs	2012	2011
	£	£
Wages and salaries	2,016,541	2,047,310
Social security costs	207,710	216,973
Other pension costs	85,162	82,587
	<u>2,309,413</u>	<u>2,346,870</u>

GAS STRATEGIES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

19 Control

The immediate parent company is Gas Strategies Holdings Limited. The ultimate parent company is Gas Strategies Holdings Limited. P J Breen is the ultimate controlling party.

20 Reconciliation of operating profit to net cash inflow from operating activities	2012	2011
	£	£
Operating profit	1,802,247	2,643,366
Depreciation of tangible assets	159,788	123,239
Loss on disposal of tangible assets	-	17,022
Decrease/(increase) in debtors	670,318	(164,399)
(Decrease)/Increase in creditors within one year	(461,812)	43,357
Group relief	-	(22,900)
Net cash inflow from operating activities	2,170,541	2,639,685
21 Reconciliation of net cash flow to movement in net funds	2012	2011
	£	£
Increase in cash in the year	1,361,614	514,588
Movement in net funds in the year	1,361,614	514,588
Opening net funds	2,541,853	2,027,265
Closing net funds	3,903,467	2,541,853

GAS STRATEGIES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

22 Related party relationships and transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

During the year the company invoiced £1,107,852 (2011: £911,090) to P J Breen Limited, P J Breen, a director of the company, is the principal shareholder in P J Breen Limited. At the year end P J Breen Limited owed the company £176,419 (2011: £100,700), which was included in trade debtors.

During the year, Tachebois Limited invoiced Gas Strategies Group Limited £99,174 (2011: £76,068). Tachebois Limited is controlled by Jackie Ashurst, wife of J R Ball. J R Ball is a non-executive director of Gas Strategies Group Limited. At the year end, Gas Strategies Group Limited owed Tachebois Limited £2,163 (2011: £16,318) which was included in trade creditors.

The Company's results are included in the consolidated results of Gas Strategies Holdings Limited, copies of whose accounts may be obtained from the Company's registered office, 10 St Bride Street, London, EC4A 4AD.