Company Registration No. 02225820 (England and Wales)

Gas Strategies Group Limited

Annual report and financial statements for the year ended 31 December 2018

Directors	David Mauro Clare Spottiswoode Patrick Breen
Secretary	Patrick Breen
Company number	02225820
Registered office	10 St Bride Street London EC4A 4AD
Independent auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE

Gas Strategies Group Limited

Contents

The directors present the strategic report for the year ended 31 December 2018.

Principal activities

During 2018 the principal activities of the group continued to be consulting services to the global energy industry, supported by supplementary service lines of management training and the provision of information services to that client base.

Development and performance of the business

Highlights

Oil prices strengthened through 2017/8, rising to \$85/bl Brent in early October 2018 before falling back to open 2019 at \$54/bl after encountering significant volatility; average Brent spot prices were \$71/bl over the year. In overall terms the oil and gas industry can be regarded as experiencing a faltering recovery over the year.

LNG demand grew 8.3% to reach 313.8MT for 2018. Although the expected LNG "glut" continued to postpone its appearance during 2018, the demand growth outlook post 2022 failed to convert to a significant number of liquefaction FIDs in the year. Buyers continued to show significant reluctance to commit to long term SPAs that would be required to enable projects to reach FID, leading to a now seeming inevitable market tightening in 2022 - 23.

While not experiencing the consequences of a glut, many holders of First Wave US LNG commitments faced the reality of challenges to mitigate the risks of out of the money contracts in a changing marketplace. The increasing competitiveness and perception of risk in the market saw a number of traditionally strong European players in LNG reviewing their long term position, including potential exit from the industry.

On the other hand this did not deter at least one new entrant from committing to SPAs totalling 5.5MTPA from US projects and further SPA and HoA commitments being made by portfolio players and Chinese buyers.

Nonetheless FID was taken only on three liquefaction projects: Corpus Christi Train 3 (4.5 MTPA) in the US, LNG Canada (14 MTPA) in Canada, and phase 1 of the Greater Tortue Ahmeyim FLNG project (2.5 MTPA). Notably both LNG Canada and Greater Tortue took FID on the basis of shareholder funding and equity lifting.

On the infrastructure investment front, investors increased their exposure to private energy assets in 2018 in their quest for better returns. Capital flowing into infrastructure funds hit a record with a fresh \$85bn allocated in the year, up \$10bn on 2017. Total infrastructure deal value in Europe totaled \$152bn, almost half of the total global sum. 64% of deals were at the secondary stage. Energy assets accounted for 15% of infrastructure deals, small by comparison to the 60% share held by the dominant renewable energy segment.

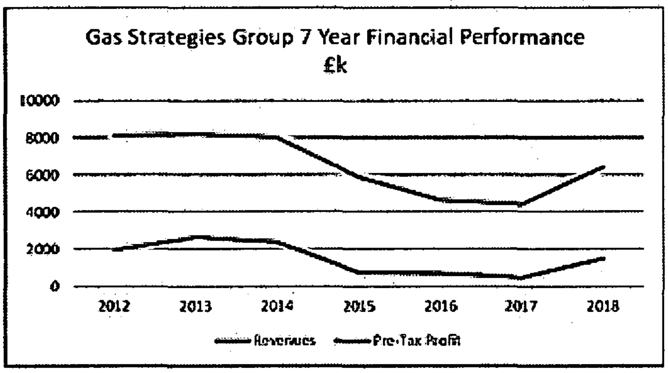
In addition to infrastructure deal support activity during 2018, of relevance to Gas Strategies' business has also been concerns, amongst both infra funds and strategic energy infra players, regarding the risks of depleted revenue streams – if not eventual asset stranding, from policy shifts towards cleaner sources of energy. Whilst recognising the inevitability of longer asset life of gas related assets, compared with coal and oil, changes are already happening in the perceived value of fossil fuel based assets. We also recognised in the year a significantly greater interest in the assessment of the likely impact on existing portfolios and new investments, and from strategic infrastructure players concerning outlook for core revenues and opportunities for the diversification of their asset base globally.

Gas Strategies Group Limited

Strategic report (continued)
For the year ended 31 December 2018

2018 saw Gas Strategies maintain the business recovery and growth that commenced in mid-2017, following the prior 2½ years of progressive reduction in revenues and profits

Whilst it is recognised that market conditions improved somewhat in 2018, it is particularly seen that greater focus on planning and discipline in the management of performance within the business have significantly driven the results achieved



The growth performance represents some 54% year-on-year uplift on aggregate revenues, with revenues delivering consistently in line with quarterly targets and sustaining the planned inter-quarter growth over the year.

Year on year H2 revenue growth of 34% is representative of the growth potential which is now seen within our business capabilities and operating model.

Gas Strategies traded successfully in line with its business plans for 2018 across all of our target market segments.

Business environment

A future very different from the past

There is a strong possibility that 2018 will be looked back upon as the year that defined the inflexion point of change for the global gas and LNG industry. Strong themes emerging during 2018 included:

- Recognition that the potential for a Second Wave US of liquefaction projects has become a "race to the bottom" on cost, representing cut throat competition between them for new long term offtake commitments and a long term 'out of the money' position for a large proportion of First Wave offtakers
- Construction and completion risks in liquefaction projects for thinly capitalised US liquefaction project developers, the EPC contractors to such projects, and the associated delivery risk to their non-portfolio offtakers
- Changing behaviours and appetites of traditional LNG buyers as the threats of decarbonisation, market liberalisation, global LNG competition and changing corporate strategies permanently alter their appetite to be a part of the future industry
- The impact of trade wars on existing and future commitments to gas and LNG flows between major supply and demand points
- The consequent scarcity of creditworthy third parties for long term offtake commitments that will allow the financing of liquefaction projects.

Gas Strategies has been supporting change in the global gas and LNG industry for almost 33 years. This has continued in recent years as we remain close to the industry and our clients, active in helping them recognise and address business change. We continue to maintain our strong ear to the ground, eye to the horizon, and finger on the pulse of the industry.

Our capabilities and experience have positioned us well to advise existing and aspiring industry players in all parts of the LNG chain as they seek to address these fundamental changes. 2018 has been a significant time of change for what value can be achieved in the LNG chain and how such value can be delivered. Gas Strategies has been engaged in supporting major upstream resource holders, liquefaction project developers, and downstream players in evaluating their portfolio positions and market opportunities, advising on how their business models should be positioned for the future, and supporting the practical implementation of such change.

Despite these challenges we remain confident that the LNG industry will continue to grow strongly over the next decade, with an outlook of an average annual increase of production and demand of some 15 mtpa to 2030. However, there will be significant change in how the commodity will be contracted and traded, with new risks and business models to be evaluated by lenders and equity investors. Extension of our existing strong capabilities in financing and the development of new capacity in shipping and portfolio management has become established in our engagement delivery and will play an increasingly important role in the future.

Equally, the midstream and upstream challenges of future US liquefaction expansions and new-builds are recognised to be very different to those of the First Wave. The challenges facing producers in the Permian Basin are also growing exponentially as they seek value through new routes to new markets. We have expanded our capabilities in the North America during 2018 to address these challenges in our current engagement portfolio and have continued to do so in early 2019 with additional senior capability brought in board.

Infrastructure
Both strategic and financial players in gas related infrastructure are also facing the challenges of uncertainty in the gas supply chain.

While pipeline operators in southern US states have seen their revenues benefit from the unforeseen strength of gas flows in recent years, they are challenged to plan long term for new pipelines to connect new supply sources with new liquefaction facilities, and perhaps to secure long term capacity commitments. The liquefaction projects being developed by both Tellurian Inc. (Driftwood LNG) and Next-Decade Corporation (Rio-Grande LNG) are themselves planning to embark on the construction, financing and ownership of extensive pipelines to ensure that they can secure on time reliable cost-efficient feed gas for their liquefaction projects.

In Europe strategic players face the prospect of a reducing, or at best flat, role of natural gas in the energy mix. The operating costs and reinvestment requirements in the network and other infrastructure remain to be serviced whatever the prospects for throughput volumes. Network owners are rightly concerned as to the ability to sustain allowed revenues on a reducing throughput volume, and the constraints which regulators may apply to the historic rate of return price controls. While financial players have in recent years displayed strong interest in the sector for the deployment of significant capital sums seeking long term assured returns, the future uncertainties of gas demand and regulation are now added challenges on top of the conservatism within many funds in respect of fossil fuel related investment.

Consulting opportunity
Gas Strategies continues to position itself as a supplier of premium commercial advisory services and support on the global gas and LNG industry. In an environment of changing and uncertain industry dynamics we are recognised for challenging conventional thinking and bringing deep insight into not only what avenues should be pursued, but also how this should be achieved. .

Our key target market segments are all challenged to respond to and navigate the new environments they face. Gas Strategies' strong track record of already being a part of this changing world positions us well to maintain our standing and reputation as the "go to" advisor. We continue to be recognised for our stand out position as credible, reliable business advisors, distinct from the large number of data providers and industry brokers in the energy field. This plays strongly to the future growth of Gas Strategies as historic data represents a diminishing guide to future opportunity.

We are recognised by our clients for having our "finger on the pulse' of the industry at all points in the gas and LNG value chain from our ongoing support and dialogue with clients. We continue to actively recruit some of the most experienced commercial managers in the industry and develop our in-house tools and methods to reflect the new maturity of markets and clients.

Business Performance during 2018

Headline business performance shows a year-on-year growth against 2017, with overall services revenues increasing by 54% year on year.

This headline year on year growth rate was strongly influenced by low revenues in 2017 when Gas Strategies experienced the trough of the recent 3 year industry recession. Recovery in our Consulting services activity took hold towards the end of Quarter 2 of 2017, with almost 65% of revenues delivered in the second half of that year. The H2 year on year growth of 35% in 2018 is consequently a fairer reflection of extent of business uplift delivered in the year. Consulting revenues ended the year up 38% on 2017. Information Services continued to suffer, although with a reduced rate of revenue reduction (10.17%) in the year.

Business performance was consistently strong over the first 9 months of 2018 across all of our chosen market segments: LNG, Infrastructure and Developing Energy Markets. Quarter 4 of 2018 showed more volatility, aligning with some disappointment in the limited extent of liquefaction projects achieving their anticipated milestones for conclusion of SPAs and Final Investment Decision. This also coincided with increased volatility in oil prices which brought uncertainty to bidders in infrastructure transactions. The year eventually closed with a flurry of activity which closed the gap to successful achievement of budgeted levels of trading

Our portfolio through 2018 has continued to include projects that reflect some of the greatest challenges being faced by players in the global as and LNG industry, including

- Support to a leading global IOC in their review of their business model for participation in and value delivery from LNG as the industry evolves and matures

- Working with a sub-Saharan LNG project developer as their strategic marketing and financing advisor as they sought to fast-track the progress of the project to SPA commitment and FID

- Supporting a European utility in shaping the strategic case for their entry into the LNG industry

- Working with a heritage LNG buy-side player in the development and implementation of organisation changes to establish their positioning as a global portfolio player

- Supporting infrastructure players across transactions in Europe, the United States and the Middle East including gas and oil assets and businesses Pacific Basin LNG equity player to develop their strategy and capabilities to optimise the risk and value in their portfolio as it and the LNG industry mature

- Working with a strategic infrastructure layer in their assessment of the business threats from decarbonisation policies and in the development of their strategic response for international investment diversification

- Continuing in our role as strategic and commercial lead advisors to a major government initiative to manage and monetise flare gas from oil production in Africa

Our support to investors in gas infrastructure continued to be a material part of the Consulting business mix in 2018, supporting private equity, sovereign wealth funds, infrastructure funds and strategic infrastructure players in transactions and portfolio planning.

Geographically, Consulting continues to support a client base focused on the gas, LNG and gas/LNG-to-power sectors at various stages of maturity and across the globe in both developed and developing economies.

Within our Information Service business line, subscriber behaviour and renewals stabilised through 2018. Our editorial team has continued to strengthen the timely relevance and the quality of content as the global gas and LNG market undergoes fundamental challenge and change. We have strong belief in the quality of our published content and in the role of Gas Strategies as a source of unique industry commentary. However the information services environment continues to be characterised by a low barrier to entry, large supply of poor quality competition for the eyes of the reader and a significant mindset that information is free

We recognise the great contribution which our staff and associates make to the success of Gas Strategies Group. We have increased our complement of skilled and experienced people during 2018 and have maintained a strong commitment to their training and development. We recognise once again that our business would not be what it is without their commitment, and without our valued clients who trust us with some of their greatest business problems

Key Perfomance Indicators

Gas Strategies Group Limited considers its key performance indicators to be:

Sales Growth – (54.7%; 2017 -5.4%) principally represented by year on year growth achievements in H2

Gross Margin – (52.63%; 2017 43.64%) resulting from increased activity levels and higher staff utilisation

Operating Profit – (21.62%; 2017 7.92%) reflecting the impact of gross margin offset by marketing investment and continuing strong control of overheads

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$, and £/€ exchange rates which have shown significant volatility in the past year owing to global economic uncertainty including the impacts of Brexit on the United Kingdom economy. This may impact from time to time our competitiveness in the marketplace, the margins achieved on our services and exchange losses.

The uncertainties and risks introduced by the United Kingdom referendum decision to leave the European Union have continued without clarity or resolution for almost 3 years. This may impact our access to and competitiveness in the EU marketplace and may have consequences on the company's eligibility to undertake projects for some existing and potential clients.

On behalf of the board

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Patrick Breen

Director

23/5/19

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities
During 2018 the principal activities of the group continued to be consulting services to the global energy industry, supported by supplementary service lines of management training and the provision of information services to that client base.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

David Mauro
Clare Spottiswoode
Patrick Breen

Auditor
Saffery Champness LLP have expressed their willingness to continue in office.

Statement of directors' responsibilities
The directors are responsible for preparing the annual 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;
- 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 each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

Cash Flow, Borrowing and Liquidity

The company 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 2019, the directors have made prudent assessments of potential impact on company cash flows during 2019. The directors believe that existing resources will support the cash flow and liquidity requirements of the business in trading during 2019.

Employees

Details of the number of employees are given in Note 4 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.

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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Patrick Breen
Director
23/5/19

Independent auditor's report
To the members of Gas Strategies Group Limited

Opinion

We have audited the financial statements of Gas Strategies Group Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows and 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 and 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; or
- 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 in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

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

12 June 2019

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Gas Strategies Group Limited

Statement of comprehensive income
For the year ended 31 December 2018

	Notes	2018 £	2017 £
Turnover	2	6,829,898	4,413,837
Cost of sales		(3,234,882)	(2,487,354)
Gross profit		3,595,016	1,926,483
Administrative expenses		(2,118,284)	(1,516,151)
Operating profit		1,476,732	410,332
Interest receivable and similar income		95,991	93,114
Profit before taxation		1,572,723	503,446
Tax on profit		(294,282)	(76,900)
Profit for the financial year		1,278,441	426,546

Gas Strategies Group Limited

Statement of financial position
As at 31 December 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	6		-		6,191
Tangible assets	5		167,708		199,102
Investments	7		200		200
			167,908		205,493
Current assets					
Debtors	8	4,673,421		3,488,740	
Cash at bank and in hand		1,150,073		2,081,295	
		5,823,494		5,570,035	
Creditors: amounts falling due within one year	9	(1,551,979)		(824,546)	
Net current assets			4,271,515		4,745,489
Total assets less current liabilities			4,439,423		4,950,982
Capital and reserves					
Called up share capital	10		400,000		400,000
Share premium account			43,012		43,012
Profit and loss reserves			3,996,411		4,507,970
Total equity			4,439,423		4,950,982

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on .....29\4\19..... and are signed on its behalf by:

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Patrick Breen
Director

Company Registration No. 02225820

Gas Strategies Group Limited

Statement of changes in equity
For the year ended 31 December 2018

	Notes	Share capital	Share premium account	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 January 2017		400,000	43,012	4,181,424	4,624,436
Year ended 31 December 2017:					
Profit and total comprehensive income for the year		-	-	426,546	426,546
Dividends		-	-	(100,000)	(100,000)
Balance at 31 December 2017		400,000	43,012	4,507,970	4,950,982
Year ended 31 December 2018:					
Profit and total comprehensive income for the year		-	-	1,278,441	1,278,441
Dividends		-	-	(1,790,000)	(1,790,000)
Balance at 31 December 2018		400,000	43,012	3,996,411	4,439,423

Gas Strategies Group Limited

Statement of cash flows
For the year ended 31 December 2018

	Notes	£	2018 £	£	2017 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	15		875,938		(30,719)
Income taxes paid			(70,451)		(152,755)
Net cash inflow/(outflow) from operating activities			805,487		(183,474)
Investing activities					
Purchase of tangible fixed assets		(42,800)		(2,730)	
Proceeds on disposal of tangible fixed assets		100		50	
Interest received		95,991		93,114	
Net cash generated from investing activities			53,291		90,434
Financing activities					
Dividends paid		(1,790,000)		(100,000)	
Net cash used in financing activities			(1,790,000)		(100,000)
Net decrease in cash and cash equivalents			(931,222)		(193,040)
Cash and cash equivalents at beginning of year			2,081,295		2,274,335
Cash and cash equivalents at end of year			1,150,073		2,081,295

1 Accounting policies

Company information

Gas Strategies Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is 10 St Bride Street, London, EC4A 4AD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;

- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;

The financial statements of the company are consolidated in the financial statements of Gas Strategies Holdings Limited. These consolidated financial statements are available from its registered office, 10 St Bride Street, London, EC4A 4AD.

1.2 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 Accounting policies (continued)

1.3 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33.33% using the straight line basis

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	Over the term of the lease
Fixtures, fittings & equipment	25% and 33.33% using the straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

1 Accounting policies (continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Turnover and other revenue

	2018	2017
	£	£
Other significant revenue		
Interest income	95,991	93,114

2 Turnover and other revenue (continued)

	2018	2017
	£	£
Turnover analysed by geographical market		
UK	611,224	132,750
Overseas (excluding US)	5,448,185	3,842,174
US and Canada	770,489	438,913
	6,829,898	4,413,837

3 Auditor's remuneration

	2018	2017
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	15,750	15,750

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 26 (2017 - 25).

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2018	938,248
Additions	42,800
Disposals	(28,762)
At 31 December 2018	952,286
Depreciation and impairment	
At 1 January 2018	739,146
Depreciation charged in the year	74,194
Eliminated in respect of disposals	(28,762)
At 31 December 2018	784,578
Carrying amount	
At 31 December 2018	167,708
At 31 December 2017	199,102

6 Intangible fixed assets

	Software
	£
Cost	
At 1 January 2018 and 31 December 2018	39,934
Amortisation and impairment	
At 1 January 2018	33,743
Amortisation charged for the year	6,191
At 31 December 2018	39,934
Carrying amount	
At 31 December 2018	-
At 31 December 2017	6,191

7 Fixed asset investments

	2018	2017
	£	£
Investments	200	200

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values. The subsidiary undertakings whose results or financial position principally affected the figures are listed in note 14.

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2018 & 31 December 2018	200
Carrying amount	
At 31 December 2018	200
At 31 December 2017	200

8 Debtors

	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	797,479	491,047
Amounts owed by group undertakings	2,365,521	2,350,232
Other debtors	1,510,421	647,461
	4,673,421	3,488,740

Trade debtors disclosed above are measured at amortised cost.

9 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	215,839	106,324
Amounts owed to group undertakings	200	200
Corporation tax	277,750	53,919
Other taxation and social security	66,074	65,512
Other creditors	992,116	598,591
	1,551,979	824,546

10 Called up share capital

	2018	2017
	£	£
Issued and fully paid		
400,000 Ordinary shares of £1 each	400,000	400,000

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018	2017
	£	£
	445,860	647,852

12 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption in Financial Reporting Standard 102 Section 33 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, DVM Consulting Inc invoiced Gas Strategies Group Limited £16,808 (2017: £15,703). David Mauro, a director of the company, is a director of DVM Consulting Ltd.

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.

13 Parent company

The ultimate parent company is Gas Strategies Holdings Limited. Patrick Breen is the ultimate controlling party.

14 Subsidiaries

These financial statements are separate company financial statements for Gas Strategies Group Limited.

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held
Alphatania Limited	England & Wales	Dormant Company	Ordinary	100
Gas Matters Limited	England & Wales	Dormant Company	Ordinary	100
Gas Strategies Consulting Limited	England & Wales	Dormant Company	Ordinary	100
Overview Outreach Limited	England & Wales	Dormant Company	Ordinary	100

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Gas Strategies Consulting Limited	-	100
Overview Outreach Limited	-	100

15 Cash generated from operations

	2018	2017
	£	£
Profit for the year after tax	1,278,441	426,546
Adjustments for:		
Taxation charged	294,282	76,900
Investment income	(95,991)	(93,114)
(Gain)/loss on disposal of tangible fixed assets	(100)	112
Amortisation and impairment of intangible assets	6,191	13,238
Depreciation and impairment of tangible fixed assets	74,194	72,732
Movements in working capital:		
(Increase) in debtors	(1,184,681)	(491,376)
Increase/(decrease) in creditors	503,602	(35,757)
Cash generated from/(absorbed by) operations	875,938	(30,719)