Company Registration No. 02225820 (England and Wales)

Gas Strategies Group Limited

Annual report and financial statements
for the year ended 31 December 2021

Gas Strategies Group Limited

Company information

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

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

Principal activities

During 2021 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

Gas Strategies traded profitably through a year in which the combined effects of the enduring COVID-19 pandemic and the energy transition shock weighed heavily on our clients and on our people. A significant deceleration in investment activity in the market was an inevitable consequence of these conditions in 2021 and contributed to a contraction in consulting fee and information services revenues by some 28%. Despite this setback on the top line, careful cost management and the underlying financial strength of Gas Strategies has ensured that the year still delivered a healthy bottom line and positive operating cash flow.

Like most professional services organisations the challenges of 2021 included the impact of The Great Resignation on staff turnover, which was a further disruptor and uncertainty that required to be navigated through in the year.

Despite these challenges we look on 2021 as being a year in which Gas Strategies continued to evolve and progress in response to market changes. The business transacted was more than ever a reflection of deep client relationships and trust, and a further step up in the value-add to clients through our engagement. Staff turnover in the year, while a big change from the stability induced by COVID-19 lockdowns of 2020, also opened opportunity to move team mindsets further away from a transactional relationship in some market segments.

The mix of engagement orientation in the year reflected the industry shift to addressing business challenges, risk and value erosion and away from the extent to which growth and investment focus that has dominated recent prior years. Gas Strategies expert support has been in demand for the practical operational business experience that our people bring in the LNG and gas value chain.

Nonetheless we have maintained our positioning across the range of project financing and infrastructure transactions delivery that Gas Strategies is well known for, including supporting the lenders to Arctic LNG 2 to reach closing of financing in November and as advisor to BlackRock and their co-investors in their investment in the Saudi Aramco gas pipeline business.

Building on the continuing client relationship focus and internal stability building that have been the priorities for the second half of 2021, we are pleased to report an excellent start to 2022 trading. Revenue and profitability plans have been exceeded in the year to date and the outlook for trading over the coming months is extremely positive.

Business environment

The outlook for 2021 set out in the 2020 Strategic Report proved to be a remarkably accurate prediction of some of the business environment challenges that were experienced in the past year. However there were many additional aspects that were not foreseen.

2021 has been a year when Commercial and Government stakeholders have grappled with the fundamental paradigm shift of energy to net-zero. By the end of the year, around 88% of global emissions were covered by countries which have adopted net-zero ambitions. However, policy pronouncements have been short in practical detail on what the transition destination will be, and even less so as to pathways through which this will be achieved without damage to economic and industrial growth. Most significantly, the consequence has been a significant further deceleration in investment and commitment to future fossil fuel supply by commercial players in the gas and LNG value chain and a more active role being taken by some nation states in the formation of demand and supply.

In February 2021 Qatar Petroleum took a final investment decision (FID) for the $28.75bn North Field East project, a liquefied natural gas (LNG) project in Qatar with a capacity of 33 million tonnes per annum (mmtpa). This was followed by Gazprom sponsored Baltic LNG in July 2021 with a capacity of a further 13 mmpta, giving a total of 46 Mmpta in the year, although the future of the Russian project is now open to confirmation in view of recent political events and sanctions. No "commercial" project sponsors sanctioned FID in the year, most notably none of the long inventory US liquefaction projects.

On the demand side, growth of LNG imports of 11.92 mt (17.7%) in China saw it overtake Japan to become the largest consumer of LNG as the government continued to promote the use of natural gas to replace coal in the domestic, commercial and industrial sectors. China also dominated term contracting for LNG in 2021 with more than 20 Mmpta of additional supply secured for coming decades. This represents around two-thirds of the term contracting of LNG in the year.

In terms of trade, in 2021 global LNG demand rebounded following the lifting of pandemic lockdowns and achieved 21 MT growth. US LNG export growth, in part accentuated by the extent of capacity shut-ins during 2020, offset supply constraints elsewhere.

The last four months of 2021 saw prices particularly impacted by this demand rebound. While Asian buyers had managed supply across the year to astutely avoid their spot market exposure seen in the previous winter, Europe moved towards year end with historically low gas inventory levels. Consequently, European gas prices exceeded Asian LNG prices to pull cargoes into Europe to meet winter gas demand. Even before the recent Ukraine events, European gas fundamentals pointed to this exposure to price volatility to continue in 2022 and beyond.

No doubt a number of years earlier than expected, Europe has started to experience the price consequences of reliance on spot markets following corporate moratoriums on term contracting for gas and LNG in view of future energy mix uncertainty from government energy transition policies.

On the infrastructure side, transactions were relatively muted as the market sought to solve uncertainty between both the future value of legacy gas assets and the prospective alternative fuels that were largely still only at pilot stage. However interest in LNG assets continued through a number of interesting deals. In November, GIP announced that it was buying a 49 per cent stake in the $7.6 billion onshore LNG processing unit to be built at Woodside's Pluto site in Western Australia, which will treat low-carbon gas from the offshore Scarborough field for about 30 years. This participation will see GIP pay the bulk of the cost to build the onshore infrastructure, reducing the financial burden on Woodside, which had made a sell-down of its 100 per cent stake in Pluto-2 a condition for going ahead with the broader $16 billion project. At the same time, GIP announced an agreement to sell its 25.7% interest in Freeport LNG to JERA for US$2.5 billion, representing an unexpected entry by JERA into infrastructure ownership. TotalEnergies also entered into an innovative synthetic sale / financing in relation to its Gladstone LNG project investment, selling the downstream facilities (two-train liquefaction plant and a 400km pipeline network) to GIP for more than $750mn, under a deal in which GIP will receive a toll based on TotalEnergies' share of the gas processed by Gladstone for 15 years.

For Gas Strategies, the continuing COVID-19 pandemic and its impacts provided an additional important aspect to our business environment in 2021. While business plans for the year were based on an early end to the social and business disruption, this quickly proved to be overoptimistic. We and our clients continued to experience the impact of lockdowns, remote working and restrictions on international travel to varying degrees throughout the year and while there was some relief as the year progressed, uncertainty continued to prevail.

The impact of the pandemic on professional services organisations in 2021 included The Great Resignation: an ongoing economic trend in which employees have voluntarily resigned from their jobs en masse. In part reflecting pent up job mobility constrained by 15 months of lockdown, the COVID-19 pandemic has allowed workers to rethink their careers, work conditions, and long-term goals. As many workplaces attempted to bring their employees back to working in-person, workers expressed preferences for the freedom of remote work that they had now experienced as well as schedule flexibility. Additionally, many workers, particularly in younger cohorts, are seeking to gain a better work–life balance.

Overall, the past two years has represented a period of very significant unforeseen change and challenges in business environment for Gas Strategies, our clients and our people. Although we have again looked forward to and planned for 2022 as a period of coming to terms with these changes, the early months of the year have already brought the new impact from the Russian invasion of Ukraine and the resulting atrocities. While of course secondary to the cost in human lives that this has involved, the entire economic system and energy world in particular is coming to terms with the changes that must now be embraced as regards global energy supply and particularly for pipeline gas and LNG.

Business Performance during 2021

Headline business performance shows a fall back in revenues year-on-year against 2020, with overall services revenues reduced by 30%.

The second half of 2020 had seen a recovery in revenues from earlier impacts of both the slowdown in global economies that had started in late 2019 and the significant business uncertainty from the emerging and deepening COVID-19 crisis. However this recovery proved short lived in 2021 as the delivery of initiatives by clients was further delayed and the impact of long running business disruption set in.

Our Clients

Client work in H1 was characterised by continuing work on long running engagements from 2020, across our portfolio of government, LNG project development and expert review / witness work. A low level of enquiries and proposal activity reflected the industry context as long-running COVID-19 restrictions and the uncertainties of heightened energy transition policy announcements brought a loss of momentum in industry investment and business development activity. Notable in this period was the extent to which the strength and depth of Gas Strategies' relationships with our key clients and advocates underpinned business stability.

Traction improved in Q3 and through Q4, in what we surmise as being a recognition by clients of a need to get on with running their businesses, despite the twin strategic and operational challenges of the energy transition and the Covid-19 pandemic disruptions, and to address areas of value loss that might be addressed through both legal and commercial dispute processes.

Some highlights of Gas Strategies' consulting engagements in 2021 included:

- Supporting the lenders to Arctic LNG 2, as their commercial and market advisors, through to finalising their financing in November

- Other LNG projects, on which we have previously advised, returning for commercial and markets support to lenders for refinancing at ownership level. We were also approached towards year end on a further refinancing and to advise corporate investors on their planned investment in and project financing of a new liquefaction project targeting FID in 2022. Both of these engagements were secured, supported by endorsement from financial advisors based on past experience working with Gas Strategies

- Support to a number of private-equity investors in their pre-FID investment diligence on LNG projects under development. This has resulted in a successful investment transaction and Gas Strategies' subsequent appointment as Owner's Commercial Advisor in relation to the project.

- Support to Clients in dispute matters: both in formal arbitration driven processes and in commercial support in assessing negotiation approaches for events and positions not well anticipated in original deal structuring and legal drafting of agreements. These appointments have come from strong client and law firm advocacy and recognition of Gas Strategies' expert capabilities.

- Continuing work for governments, both directly and indirectly. These engagements address some cutting edge questions including national gas strategy for a decarbonising world, LNG project restructuring for mature established projects with gas sourcing challenges, new LNG project development in a decarbonising world and gas supply negotiation with LNG projects of IOCs

- Despite diminished market activity in transactions, in addition to the LNG transaction support to private-equity, Gas Strategies was engaged by FHN to provide vendor diligence on its sell-down of the OML26 licence in Nigeria, and supported BlackRock and its co-investors in their successful bid for the Saudi Aramco Gas Pipeline investment. We were also engaged by clients in diligence relating to number of transactions in southern Africa.

Key Perfomance Indicators

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

Sales Growth – (-28.4%; 2020-10.28%) reflecting a significant fall back in service revenues in line with the business environment

Gross Margin – (55.54%; 2020 56.31%) resulting from close alignment of staff numbers with business levels and retention of pricing policy

Operating Profit – (11.14%; 2020 18.30%) reflecting reduced revenues, strong gross margin and tightly controlled 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. Strategically this is now inherently linked to the perceived future of gas and LNG in the energy transition in addition to the shorter term impacts of overall economic growth, an increasing role of politics as a driver of the energy industry and trends in global oil and gas prices. This risk may impact the perceived relevance of and need for Gas Strategies services and the 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.

In the short and medium term this will also be a factor of the pathways and timing of social and economic recovery from the disruptions and uncertainties resulting from the COVID-19 pandemic, the rate at which business confidence returns and the response of energy demand and supply.

The company is also exposed to risks in the movement of £/US$, and £/€ exchange rates which can be impacted by global economic uncertainty including the still evolving 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.

On behalf of the board

Patrick Breen
Director
24 May 2022

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

During 2021 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 2022, particularly in light of the challenges facing the oil and gas sector from policy changes by governments to address global climate change, the political and business uncertainties newly arising from the Russian invasion of the Ukraine, and the continuing impact from the COVID-19 epidemic on business, the directors have made prudent assessments of potential impact on company cash flows during 2022. The directors believe that existing resources when taken together with the effective cost management measures, will support the cash flow and liquidity requirements of the business in trading during 2022.

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
24 May 2022

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 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 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

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 going concern are described in the relevant sections of this report.

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.

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 course of 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.

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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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.

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

24 May 2022

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 2021

	Notes	2021 £	2020 £
Turnover	**3**	3,890,382	5,434,319
Cost of sales		(1,729,394)	(2,374,055)
Gross profit		2,160,988	3,060,264
Administrative expenses		(1,727,259)	(1,989,789)
Operating profit		433,729	1,070,475
Interest receivable and similar income		86,481	89,748
Profit before taxation		520,210	1,160,223
Tax on profit		(26,568)	(204,123)
Profit for the financial year		493,642	956,100

Gas Strategies Group Limited

Statement of financial position
As at 31 December 2021

	Notes		2021		2020
		£	£	£	£
Fixed assets					
Tangible assets	6		18,879		39,368
Investments	7		200		200
			19,079		39,568
Current assets					
Debtors	8	3,479,141		4,067,386	
Cash at bank and in hand		1,542,953		2,156,373	
		5,022,094		6,223,759	
Creditors: amounts falling due within one year	9	(846,622)		(962,418)	
Net current assets			4,175,472		5,261,341
Net assets			4,194,551		5,300,909
Capital and reserves					
Called up share capital	10		400,000		400,000
Share premium account			43,012		43,012
Profit and loss reserves			3,751,539		4,857,897
Total equity			4,194,551		5,300,909

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 26 April 2022 and are signed on its behalf by:

Patrick Breen
Director

Company Registration No. 02225820

Gas Strategies Group Limited

Statement of changes in equity
For the year ended 31 December 2021

	Notes	Share capital	Share premium account	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 January 2020		400,000	43,012	3,901,797	4,344,809
Year ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	956,100	956,100
Balance at 31 December 2020		400,000	43,012	4,857,897	5,300,909
Year ended 31 December 2021:					
Profit and total comprehensive income for the year		-	-	493,642	493,642
Dividends		-	-	(1,600,000)	(1,600,000)
Balance at 31 December 2021		400,000	43,012	3,751,539	4,194,551

Gas Strategies Group Limited

Statement of cash flows
For the year ended 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from operations	**15**		883,446		925,207
Income taxes refunded/(paid)			26,367		(274,551)
Net cash inflow from operating activities			909,813		650,656
Investing activities					
Purchase of tangible fixed assets		(9,714)		(14,006)	
Interest received		86,481		89,748	
Net cash generated from investing activities			76,767		75,742
Financing activities					
Dividends paid		(1,600,000)		-	
Net cash used in financing activities			(1,600,000)		-
Net (decrease)/increase in cash and cash equivalents			(613,420)		726,398
Cash and cash equivalents at beginning of year			2,156,373		1,429,975
Cash and cash equivalents at end of year			1,542,953		2,156,373

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 a mounts 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. T he company has therefore taken advantage of exemptions from the following disclosure requirements:
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': 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; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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:

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 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 and cash equivalents 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 Accounting policies (continued)

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

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

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 profit or loss 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 leases 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 in the period are included in profit or loss.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2021	2020
	£	£
Other significant revenue		
Interest income	86,481	89,748

	2021	2020
	£	£
Turnover analysed by geographical market		
UK	71,867	31,770
Overseas (excluding US)	2,879,047	4,000,519
US and Canada	939,468	1,402,030
	3,890,382	5,434,319

4 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	18,675	16,750

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was 20 (2020: 26).

	2021	2020
	Number	Number
Total	20	26

6 Tangible fixed assets

	Plant and machinery etc as restated £
Cost	
At 1 January 2021	656,350
Additions	9,714
At 31 December 2021	666,064
Depreciation and impairment	
At 1 January 2021	616,984
Depreciation charged in the year	30,201
At 31 December 2021	647,185
Carrying amount	
At 31 December 2021	18,879
At 31 December 2020	39,368

7 Fixed asset investments

	2021 £	2020 £
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.

7 Fixed asset investments (continued)

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2021 & 31 December 2021	200
Carrying amount	
At 31 December 2021	200
At 31 December 2020	200

8 Debtors

	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	672,389	700,882
Amounts owed by group undertakings	2,346,735	2,321,805
Other debtors	460,017	1,044,699
	3,479,141	4,067,386

Trade debtors disclosed above are measured at amortised cost.

9 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	140,602	169,050
Amounts owed to group undertakings	200	200
Corporation tax	64,209	11,274
Other taxation and social security	54,330	76,740
Other creditors	587,281	705,154
	846,622	962,418

10 Called up share capital

	2021	2020	2021	2020
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of £1 each	400,000	400,000	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:

	2021	2020
	£	**£**
	267,539	48,540

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 £Nil (2020: £4,563). 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 2021 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
	£	£
Overview Outreach Limited	-	100
Gas Strategies Consulting Limited	-	100

15 Cash generated from operations

	2021	2020
	£	£
Profit for the year after tax	493,642	956,100
Adjustments for:		
Taxation charged	26,568	204,123
Investment income	(86,481)	(89,748)
Depreciation and impairment of tangible fixed assets	30,201	81,872
Movements in working capital:		
Decrease/(increase) in debtors	588,247	(377,864)
(Decrease)/increase in creditors	(168,731)	150,724
Cash generated from operations	883,446	925,207

16 Analysis of changes in net funds

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	2,156,373	(613,420)	1,542,953