Company Registration No. 02225820 (England and Wales)

Gas Strategies Group Limited

Annual report and financial statements
for the year ended 31 December 2020

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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Gas Strategies Group Limited

Strategic report
For the year ended 31 December 2020

The directors present the strategic report for the year ended 31 December 2020.

Principal activities

During 2020 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

Gas Strategies was successful in navigating a way through the significant challenges of the global health crisis from COVID-19 that presented themselves early in 2020. Despite the radical changes to how the business was required to operate under lockdown orders and the great and continuing uncertainty to both business and personal lives, Gas Strategies traded well for the year overall. A reduction in consulting fee and information services income of 5.7% [£5,632k to £5,310k] was considered a very creditable outcome in a year in which global GDP is estimated to have contracted by -3.5 percent.

2020 has been a particularly challenging year for the Gas Strategies team that delivered this performance and the contribution and commitment made is acknowledged by the directors. Although the levels of performance and growth of the business originally planned for 2020 were not realised, we have been pleased to be in a position to make interim bonus payments and to allocate significant profit-share to this team.

Our work with clients in 2020 reflected the challenging market environment for the oil and gas industry that had effectively taken root in 2019, when deceleration in economic growth, the oil production war between Saudi Arabia and Russia, and oversupplied markets had impact. The nature of client engagements consequently changed, with greater focus on provision of expert support to dispute processes, strategic review of gas and LNG business and portfolio positioning, and work with governments on pathfinding for national hydrocarbon resources for the next 15+ years. Notable client engagements already in the public domain include our work with the governments of Trinidad & Tobago and Equatorial Guinea, and supporting Brookfield in their acquisition from Blackstone of a significant equity interest in Cheniere.

This is a strong demonstration of the breadth and versatility of Gas Strategies' capabilities and market positioning following the strong role played in previous years in support of new LNG project development and financing. 2020 saw only 3.25 MMtpa of new liquefaction capacity take FID globally compared to projects totally in excess of 200 MMtpa that entered 2020 with that aspiration. Comparatively, 2019 had seen FID taken on 70 MMtpa of liquefaction capacity. Nonetheless in 2020 Gas Strategies was active in the financing and refinancing of a number of liquefaction ventures, while also supporting the early phase of prospective project development and achieved a further new financing role that did not commence until 2021.

The business performance in 2020 reflects particular success in the deepening of our relationship with a number of clients and the recognition of Gas Strategies as a trusted and valued advisor. This is a challenging position to achieve and maintain. While it has been our aspiration to strongly evolve Gas Strategies in this way, we have recognised the different mindset and behaviours that are required to build beyond historic "expert" capability and orientation for which Gas Strategies is most widely known. 2020 has been a milestone in this regard, with some 35% of transacted business attributable to such client relationships.

Towards the end of 2020 significant management focus was placed on the further strengthening of this deep client relationship focus. This continues to be a driver for change into 2021. Together with the aggressive strengthening of the global agenda for the energy transition and ESG priorities, this will form the core of the Gas Strategies' business in the future and a major driver for change in 2021.

The directors recognise that the exceptional challenges of 2020 have not been surmounted without creating other pressures within our business and team that are yet to play out in 2021. Combined with the external environment changes, 2021 is expected to be a challenging step-change year.

Business environment

2020 started as a year in which there was confidence that the gas and LNG industry would follow a known and relatively certain pathway. Gas and LNG were set to sustain their significant and increasing medium to long term role in the energy mix, demand and investment were on a continuing growth trajectory and the sector was continuing to attract post development investment from infrastructure funds and private equity.

The only significant change being absorbed by industry players was a consequence of its own maturity: a greater number of players; increased competition; and increased market liquidity. In the short term, excess LNG supply capacity would need to be absorbed as a consequence of timing in the investment cycle.

Some 16 months later, we see an industry environment that is quite different. The unforeseen acceleration of the policy agenda for Net Zero Carbon emissions that took place in the latter months of 2020 in major LNG demand centres, and the subsequent firming up of nearer term objectives by global leaders in the Biden led Climate Summit of World Earth Day 2021, have forced a hard-stop to this confidence on future outlook.

Confidence is what makes business. To challenge confidence it has been enough that the policy commitments to significant carbon emissions reduction and elimination have been made, even without there being clarity on plans and any basis for it to be certain whether and how they will be achieved. Combined with the pressures on institutional investors and lenders to strengthen their ESG credentials, this forms a challenging environment for new projects to be brought forward for development and demand-side players to enter long term offtake commitments. Indeed it has already resulted in incumbents questioning their future in the industry even in the present decade.

Gas Strategies is highly confident of the role of gas and LNG as a key enabler of the energy transition if it is to be achieved in anything approaching the timeframes envisaged by policy statements and with minimum damage to economic and industrial growth. We support the agenda to halt the environmental damage of climate change and recognise that we and our clients can play a key role in ensuring that the pathways are effectively navigated and enabled. However, in the immediate term the gas and LNG industry including its investors, lenders, resource holding nations and other stakeholders are challenged by the loss of the apparent certainties of the past.

For an industry that is characterised by 20 to 30 year + investment and contractual commitments, this is a fundamental shift of paradigm. While there will be much strategic focus on what a post-hydrocarbons world may look like and the investment it will require, we believe that Commercial and Governmental stakeholders will need to quickly align on how the capacity and business models for gas and LNG will be sustained and evolved in line with net zero carbon realisation.

We should expect that industry stakeholders will take some time to absorb the potential impact of recent policy statements and to accept them. We are confident that as time passes they will also recognise that opportunity has not stopped despite this meaning, a more fluid and changing world for gas and LNG businesses. However it seems that much disruption should be expected in the short term as different stakeholders understand and come to terms with this new reality, in different ways and to different timescales. Business focus will realign and positions will be taken up by players and even industries that are skilled and experienced in investing and managing through such uncertainty.

In this context, the challenges of uncertainty and market volatility experienced by the industry during the 2020 COVID-19 pandemic may be a gentle precursor for what is emerging. However we recognise the immediate challenges which all stakeholders are still addressing in this volatile social and economic environment. We appreciate the continuing engagement which we have had with our clients over the past year despite the barriers to doing business in a way that we would consider to be most normal and effective.

Business Performance during 2020

Headline business performance shows a fall back in revenues year-on-year against 2019, with overall services revenues reduced by 5.7%.

Revenue performance in H1 suffered the 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 H2 saw a strengthening in trading as delayed initiatives were brought forward again by clients: some 60% [£3,010k of £5,039k] of 2020 Consulting services revenues accrued in this period with a particularly strong Quarter 3 performance.

Business performance was sustained across all of our chosen market segments: LNG, Infrastructure and Developing Energy Markets with the portfolio of segments providing counterbalance to changing requirements. Our work with governments was a particular strength in 2020, as was our work with LNG portfolio players as they addressed the challenges and changes in their trading environment. We continued to support prospective LNG project development and financing although the role in business mix was influenced by the paucity of projects succeeding in reaching FID. As the year progressed it became recognisable that infrastructure funds were quite consumed in value protection of existing assets through the pandemic period and experiencing questions concerning the future of oil and gas assets in their ESG influenced portfolio management.

Our portfolio through 2020 has continued to include projects that reflect some of the greatest challenges being faced by players in the global gas and LNG industry, including:

- Lenders' advisor on a major liquefaction project development the funding process for which has been initiated and progressed entirely on a virtual basis within the pandemic travel restrictions

- Supporting a heritage LNG buy-side player in the delivering value from its portfolio through management of contentious matters in a number of its supply contracts

- Supporting a number of governments in the evaluation and future strategic and structural planning for their established gas and LNG industries as they reach maturity of existing arrangements

- Supporting infrastructure players across transactions in Europe, the United States, the Middle East and Australia including LNG, gas and oil assets and businesses

- Working with a strategic infrastructure player in their assessment of the business threats from decarbonisation policies and in the development of their strategic response for the management of their core gas transit business

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 remained relatively stable through 2020. 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. As has been the case for a number of years, 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 and in particular they manner in which they have responded and been supportive to the challenges imposed by remote working during 2020. During 2020 there was some rebalancing of capacity to align with market uncertainties and the moderation of growth objectives. Maintaining our commitment to our people while at the same time applying prudent business management to align our capacity with business needs represents a challenge will continue to address in the market circumstances of 2021 and as skills and capability requirements evolve. We recognise 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 – (-10.28%; 2019 -11.3%) reflecting a moderate fall back in service revenues in line with the business environment and a significant reduction in travel related expense recharges to clients

Gross Margin – (56.31%; 2019 50.58%) resulting from reduced expenditure on business development owing to travel limitations offset by significant profit share allocation to staff

Operating Profit – (18.3%; 2019 15.38%) reflecting improved 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 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 economic recovery from the business lockdown situation 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 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
17 June 2021

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

During 2020 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 2021, particularly in light of the challenges facing the oil and gas sector from policy changes by governments to address global climate change and arising from the COVID-19 epidemic on business, the directors have made prudent assessments of potential impact on company cash flows during 2021. The directors believe that existing resources when taken together with the cost management measures, will support the cash flow and liquidity requirements of the business in trading during 2021.

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
17 June 2021

Gas Strategies Group Limited

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 2020 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 2020 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.

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

17 June 2021

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 2020

	Notes	2020 £	2019 £
Turnover	**2**	5,434,319	6,057,169
Cost of sales		(2,374,055)	(2,993,106)
Gross profit		3,060,264	3,064,063
Administrative expenses		(1,989,789)	(2,132,128)
Operating profit		1,070,475	931,935
Interest receivable and similar income		89,748	99,433
Profit before taxation		1,160,223	1,031,368
Tax on profit		(204,123)	(185,982)
Profit for the financial year		956,100	845,386

Gas Strategies Group Limited

Statement of financial position
As at 31 December 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	5		39,368		107,234
Investments	7		200		200
			39,568		107,434
Current assets					
Debtors	8	4,067,386		3,689,522	
Cash at bank and in hand		2,156,373		1,429,975	
		6,223,759		5,119,497	
Creditors: amounts falling due within one year	9	(962,418)		(882,122)	
Net current assets			5,261,341		4,237,375
Total assets less current liabilities			5,300,909		4,344,809
Capital and reserves					
Called up share capital	10		400,000		400,000
Share premium account			43,012		43,012
Profit and loss reserves			4,857,897		3,901,797
Total equity			5,300,909		4,344,809

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 17 June 2021 and are signed on its behalf by:

Patrick Breen
Director

Company Registration No. 02225820

Statement of changes in equity
For the year ended 31 December 2020

	Notes	Share capital	Share premium account	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 January 2019		400,000	43,012	3,996,411	4,439,423
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	845,386	845,386
Dividends		-	-	(940,000)	(940,000)
Balance at 31 December 2019		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

Gas Strategies Group Limited

Statement of cash flows
For the year ended 31 December 2020

		2020		2019	
	Notes	**£**	**£**	**£**	**£**
Cash flows from operating activities					
Cash generated from operations	**15**		925,207		1,519,206
Income taxes paid			(274,551)		(382,030)
Net cash inflow from operating activities			650,656		1,137,176
Investing activities					
Purchase of tangible fixed assets		(14,006)		(16,707)	
Interest received		89,748		99,433	
Net cash generated from investing activities			75,742		82,726
Financing activities					
Dividends paid		-		(940,000)	
Net cash used in financing activities			-		(940,000)
Net increase in cash and cash equivalents			726,398		279,902
Cash and cash equivalents at beginning of year			1,429,975		1,150,073
Cash and cash equivalents at end of year			2,156,373		1,429,975

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:

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 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.

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 Accounting policies (continued)

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 Turnover and other revenue

	2020	2019
	£	£
Other significant revenue		
Interest income	89,748	99,433

	2020	2019
	£	£
Turnover analysed by geographical market		
UK	31,770	767,501
Overseas (excluding US)	4,000,519	2,521,956
US and Canada	1,402,030	2,767,712
	5,434,319	6,057,169

3 Auditor's remuneration

	2020	2019
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	16,750	16,250

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 26 (2019 - 28).

	2020	2019
	Number	Number
Total	26	28

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2020	965,320
Additions	14,006
Disposals	(363,094)
At 31 December 2020	616,232
Depreciation and impairment	
At 1 January 2020	858,086
Depreciation charged in the year	81,872
Eliminated in respect of disposals	(363,094)
At 31 December 2020	576,864
Carrying amount	
At 31 December 2020	39,368
At 31 December 2019	107,234

6 Intangible fixed assets

	Software
	£
Cost	
At 1 January 2020 and 31 December 2020	39,934
Amortisation and impairment	
At 1 January 2020 and 31 December 2020	39,934
Carrying amount	
At 31 December 2020	-
At 31 December 2019	-

7 Fixed asset investments

	2020	2019
	£	£
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 2020 & 31 December 2020	200
Carrying amount	
At 31 December 2020	200
At 31 December 2019	200

8 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	700,882	828,426
Amounts owed by group undertakings	2,321,805	2,219,673
Other debtors	1,044,699	641,423
	4,067,386	3,689,522

Trade debtors disclosed above are measured at amortised cost.

9 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	169,050	131,509
Amounts owed to group undertakings	200	200
Corporation tax	11,274	81,702
Other taxation and social security	76,740	79,041
Other creditors	705,154	589,670
	962,418	882,122

10 Called up share capital

	2020	2019	2020	2019
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:

	2020	2019
	£	£
	48,540	247,200

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 £4,563 (2019: £13,192). 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 2020 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

	2020	2019
	£	£
Profit for the year after tax	956,100	845,386
Adjustments for:		
Taxation charged	204,123	185,982
Investment income	(89,748)	(99,433)
Depreciation and impairment of tangible fixed assets	81,872	77,181
Movements in working capital:		
(Increase)/decrease in debtors	(377,864)	983,899
Increase/(decrease) in creditors	150,724	(473,809)
Cash generated from operations	925,207	1,519,206

16 Analysis of changes in net funds

	1 January 2020	Cash flows	31 December 2020
	£	£	£
Cash at bank and in hand	1,429,975	726,398	2,156,373