

**LAMBERT ENERGY ADVISORY LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2000**



# LAMBERT ENERGY ADVISORY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	PSO Lambert JR West Lord James Hugh Rockley
<b>Secretary</b>	RW Evans
<b>Company number</b>	3838151
<b>Registered office</b>	125 Strand London WC2R 0AP
<b>Auditors</b>	Gallagher & Co Titchfield House 69/85 Tabernacle Street London EC2A 4RR
<b>Business address</b>	125 Strand London WC2R 0AP
<b>Solicitors</b>	Freshfields 65 Fleet Street London EC4Y 1HS

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# LAMBERT ENERGY ADVISORY LIMITED

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# LAMBERT ENERGY ADVISORY LIMITED

## DIRECTORS' REPORT

**FOR THE PERIOD ENDED 31 DECEMBER 2000**

The directors present their report and financial statements for the period ended 31 December 2000.

### **Incorporation and change of name**

The company was incorporated on the 8 September 1999 as Adsport Limited and changed its name to Lambert Oil and Gas Advisory Limited. On 19 January 2000 the company changed its name to Lambert Energy Advisory Limited.

### **Principal activities and review of the business**

The principal activity of the company is the provision of corporate finance advice to energy industry. The company was authorised to trade by the Securities and Futures Authority during April 2000.

### **Results and dividends**

The results for the period are set out on page 4. The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £178,771 is transferred to reserves.

### **Directors**

The following directors have held office since 8 September 1999:

PSO Lambert	(Appointed 15 November 1999)
JR West	(Appointed 28 January 2000)
Lord James Hugh Rockley	(Appointed 28 January 2000)

Instant Companies Limited, a director on incorporation, resigned on the 25 November 1999.

### **Directors' interests**

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of 1p each	
	31 December 2000	8 September 1999
PSO Lambert	75,001	-
JR West	-	-
Lord James Hugh Rockley	-	-

Mr Lambert is a trustee of Lambert Family Trust, which beneficially owns 15,000 ordinary shares of 1p each. Lord James Hugh Rockley was granted an option on the 28 January 2000 to purchase 2,040 ordinary shares of 1p each at an exercise price of 1p.

### **Auditors**

Gallagher & Co were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

# LAMBERT ENERGY ADVISORY LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2000

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### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

By order of the board



RW Evans

Secretary

6 February 2001

# LAMBERT ENERGY ADVISORY LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS OF LAMBERT ENERGY ADVISORY LIMITED

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We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Gallagher & Co

Chartered Accountants  
Registered Auditor

6 February 2001

Titchfield House  
69/85 Tabernacle Street  
London  
EC2A 4RR

# LAMBERT ENERGY ADVISORY LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2000

	Notes	Period ended 31 December 2000 £
Turnover	2	766,996
Administrative expenses		(554,633)
Operating profit	3	212,363
Other interest receivable and similar income		12,708
Profit on ordinary activities before taxation		225,071
Tax on profit on ordinary activities	4	(46,300)
Profit on ordinary activities after taxation	9	178,771

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

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

# LAMBERT ENERGY ADVISORY LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2000

	Notes	2000 £	£
<b>Fixed assets</b>			
Tangible assets	5		1,107
<b>Current assets</b>			
Debtors	6	115,937	
Cash at bank and in hand		373,554	
		<u>489,491</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(210,927)</u>	
<b>Net current assets</b>			<u>278,564</u>
<b>Total assets less current liabilities</b>			<u>279,671</u>
<b>Capital and reserves</b>			
Called up share capital	8		1,000
Share premium account	9		99,900
Profit and loss account	9		<u>178,771</u>
<b>Shareholders' funds - equity interests</b>	10		<u>279,671</u>

The financial statements were approved by the Board on 6 February 2001

PSO Lambert  
Director





# LAMBERT ENERGY ADVISORY LIMITED

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2000

		Period ended 31 December 2000 £
Net cash inflow/(outflow) from operating activities		261,606
Returns on investments and servicing of finance		
Interest received	12,708	
	<hr/>	
Net cash inflow/(outflow) for returns on investments and servicing of finance		12,708
Capital expenditure		
Payments to acquire tangible assets	(1,660)	
	<hr/>	
Net cash outflow for capital expenditure		(1,660)
		<hr/>
Net cash inflow/(outflow) before management of liquid resources and financing		272,654
Financing		
Issue of ordinary share capital	100,900	
	<hr/>	
Net cash inflow/(outflow) from financing		100,900
		<hr/>
Increase/(decrease) in cash in the period		<u>373,554</u>

# LAMBERT ENERGY ADVISORY LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2000

<b>1</b>	<b>Reconciliation of operating profit to net cash inflow/(outflow) from operating activities</b>	<b>2000</b>		
				£
	Operating profit/(loss)		212,363	
	Depreciation of tangible assets		553	
	Increase in debtors		(115,937)	
	Increase in creditors within one year		164,627	
	<b>Net cash inflow/(outflow) from operating activities</b>		<b>261,606</b>	
<b>2</b>	<b>Analysis of net funds/(debt)</b>	<b>8 September 1999</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>
		£	£	£
	Net cash:			
	Cash at bank and in hand	-	373,554	-
	Net (debt)/funds	-	373,554	-
<b>3</b>	<b>Reconciliation of net cash flow to movement in net funds</b>			<b>2000</b>
				£
	Increase in cash in the period			373,554
	<b>Movement in net funds in the period</b>			<b>373,554</b>
	Opening net debt			-
	<b>Closing net funds</b>			<b>373,554</b>

# LAMBERT ENERGY ADVISORY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2000

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### 1 Accounting policies

A summary of principal accounting policies, all of which have been applied consistently throughout the period, is set out below.

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for services net of VAT.

#### 1.4 Tangible fixed assets and depreciation

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

Fixtures, fittings & equipment	Over 3 years
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#### 1.5 Taxation

Corporation tax payable is provided on taxable profits at the current rates.

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.6 Foreign currency translation

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

### 2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

<b>3 Operating profit</b>	<b>2000</b>
	£
Operating profit is stated after charging:	
Depreciation of tangible assets	553
Auditors' remuneration	2,750
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<b>4 Taxation</b>	<b>2000</b>
	£
U.K. current year taxation	
U.K. corporation tax at 20%	46,300
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# LAMBERT ENERGY ADVISORY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2000

### 5 Tangible fixed assets

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 8 September 1999	-
Additions	1,660
	<hr/>
At 31 December 2000	1,660
	<hr/>
<b>Depreciation</b>	
At 8 September 1999	-
Charge for the period	553
	<hr/>
At 31 December 2000	553
	<hr/>
<b>Net book value</b>	
At 31 December 2000	1,107
	<hr/> <hr/>

### 6 Debtors

	2000 £
Trade debtors	115,937
	<hr/> <hr/>

### 7 Creditors: amounts falling due within one year

	2000 £
Corporation tax	46,300
Other taxes and social security costs	121,291
Directors' current accounts	33,032
Accruals and deferred income	10,304
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	210,927
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# LAMBERT ENERGY ADVISORY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2000

<b>8 Share capital</b>	<b>2000</b>
	<b>£</b>
<b>Authorised</b>	
100,000,000 Ordinary shares of 1p each	1,000,000
	<u>          </u>
<b>Allotted, called up and fully paid</b>	
100,000 Ordinary shares of 1p each	1,000
	<u>          </u>

On 9 December 1999 the company increased its authorised share capital from £1,000 to £1,000,000 by creation of 999,000 ordinary shares of £1 each. On 17 January 2000 the ordinary shares of £1 each were sub-divided into 100,000,000 ordinary shares of 1p each.

On incorporation the company's issued share capital was 1 ordinary share of £1 each, which was sub-divided into 100 ordinary shares of 1p each. On 24 January 2000 the company issued 89,901 ordinary shares of 1p each, at par for cash. On 28 January 2000 the company issued 9,999 ordinary shares of 1p each, at a premium of £9.99 for cash consideration to provide additional working capital.

### 9 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Retained profit for the period	-	178,771
Premium on shares issued during the period	99,900	-
	<u>          </u>	<u>          </u>
Balance at 31 December 2000	99,900	178,771
	<u>          </u>	<u>          </u>

<b>10 Reconciliation of movements in shareholders' funds</b>	<b>2000</b>
	<b>£</b>
Profit for the financial period	178,771
Proceeds from issue of shares	100,900
	<u>          </u>
Net addition to shareholders' funds	279,671
Opening shareholders' funds	-
	<u>          </u>
Closing shareholders' funds	279,671
	<u>          </u>

# LAMBERT ENERGY ADVISORY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2000

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<b>11 Directors' emoluments</b>	<b>2000</b>
	<b>£</b>

Emoluments for qualifying services	395,837
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Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	383,337
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### 12 Employees

#### Number of employees

There were no employees during the period apart from the directors.

<b>Employment costs</b>	<b>2000</b>
	<b>£</b>

Wages and salaries	395,837
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Social security costs	47,134
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	442,971
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### 13 Control

The ultimate controlling party is Mr P Lambert, an executive director.

### 14 Related party transactions

During the period the company paid £21,453 to The Petroleum Finance Company Ltd., a 9.999% shareholder of the company. This transaction was at arms length relating to costs of research done on behalf of the company by the The Petroleum Finance Company Ltd.