

10011/20

In accordance with
Regulation 32 of the
Overseas Companies
Regulations 2009.

OS AA01

Statement of details of parent law and other
information for an overseas company



Companies House

☒ **What this form is for**
You may use this form to
accompany your accounts
disclosed under parent law.

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You cannot use this form
for an alteration of material
with accounting requirements.

WEDNESDAY



AB4REWAI
A06 25/05/2022 #32
COMPANIES HOUSE

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Part 1 Corporate company name

Corporate name of
overseas company ①

Gazprom UK Resources, S.A.

UK establishment
number

B R 0 1 6 9 8 2

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited.

Legislation ②

UK Companies Act 2006, Section 396 including FRS 101

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ **No. Go to Section A3.**

☒ **Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3.**

③ Please insert the name of the
appropriate accounting organisation
or body.

Name of organisation
or body ③

International Accounting Standards Board

A3 Accounts

Accounts


Have the accounts been audited? Please tick the appropriate box.

☐ **No. Go to Section A5.**

☒ **Yes. Go to Section A4.**

OS AA01

Statement of details of parent law and other information for an overseas company

A4 Audited accounts	
Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to Part 3 'Signature'.</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.</p>
Name of organisation or body ^①	Auditing Practices Board
A5 Unaudited accounts	
Unaudited accounts	<p>Is the company required to have its accounts audited?</p> <p>Please tick the appropriate box.</p> <p><input checked="" type="checkbox"/> No.</p> <p><input type="checkbox"/> Yes.</p>
Part 3 Signature	
	<p>I am signing this form on behalf of the overseas company.</p>
Signature	<p>Signature</p> <p>X  X</p>
	<p>This form may be signed by: Director, Secretary, Permanent representative.</p>

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
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Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

Company Registration No. FC031912

Gazprom UK Resources, S.A.

Annual Report and Financial Statements

31 December 2021

Gazprom UK Resources, S.A
Financial Statements for period ended 31 December 2021

Contents	Page
Company Information	3
Strategic Report	4
Director's Report	7
Statement of Directors' Responsibilities	9
Independent Auditors' Report	10
Statement of Comprehensive Income	12
Statement of Other Comprehensive Income	13
Statement of Financial Position	14
Statement of Change in Equity	15
Notes to the Financial Statements	16

Gazprom UK Resources, S.A
Financial Statements for period ended 31 December 2021

Company Information

DIRECTORS:

O Glinskaya
G Pakhomova
I Lipskii
O Zakharov
A Syromyatin
P Volkov (resigned 02/03/2021)
E Ianov (resigned 26/03/21)
C D Longman (resigned 23/03/21)

LEGAL ADDRESS:

Piso 7, Oficini 76
Municipio Chacao Campo Alegre
Torre Kyra
Ave. Francisco De Miranda
Caracas
1060
Bolivarian Republic of Venezuela

REGISTERED OFFICE:

20 Triton Street
London
NW1 3BF
United Kingdom

REGISTERED NUMBER:

FC031912

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

Strategic Report

The Directors present the Annual Report and the audited Financial Statements of Gazprom UK Resources, S.A. (the "Company") for the year ended 31 December 2021.

Principal activity

In 2016 Company has acquired 20% participating interest in gas production licenses P1239 and P1733 in the North Sea ("Wingate project") from Gazprom International UK Ltd, a related party. Since the transfer, all sales of gas from the Wingate project are with Gazprom Marketing and Trading Limited, a related party.

The ultimate parent undertaking and controlling entity is PAO Gazprom, a company incorporated in Russia, which together with the Company and PAO Gazprom's other subsidiary undertakings, form the "Gazprom Group".

The principal activities of the Company in the year under review were focused on potential exploration opportunities and the extraction and sale of crude oil, natural gas and natural gas liquids as well as preparation for future decommissioning of the field.

Review of the business

Financial results

The Company reported an operating profit for the year ended 31 December 2021 of \$5.3m (2020: loss \$5.5m). This is due to increase in prices. The Company's total equity for the year ended 31 December 2021 amounted to \$1.5m (2020: -\$3.2m). In 2021, the Company did not declare or pay any dividends (2020: nil). Since the reporting date, no further dividends were paid or proposed.

The performance of the Company is included in the consolidated financial results of the Gazprom Group. Those results contain key performance indicators ("KPIs") on a Group basis, but in consideration of all of its individual subsidiaries. As a result, the Directors believe that providing KPIs for the Company itself would not add to an understanding of the development, performance or position of the Company.

Future Developments

The Company continues its global trade of exploration and production and to look for future opportunities in Venezuela, in the United Kingdom and globally.

Principal risks and uncertainties facing the Company

The Directors are committed to ensuring the Company operates a robust and effective risk management process that seeks to identify, assess and manage each of the various risks involved in its activities in accordance with defined policies and procedures. The principal risks that the Company faces can be categorised as financial risk (such as foreign exchange risk, commodity price risk, credit risk and liquidity risk) and operational risk.

Foreign exchange risk

The Company is exposed to currency risk on foreign currency denominated forecast transactions, firm commitments, monetary assets and liabilities (transactional exposure). The majority of the Company's transactions, as measured by monetary value, are denominated in US Dollars.

Brexit

Brexit – the withdrawal of the United Kingdom ("UK") from the European Union ("EU").

Directors as well as shareholder expects no material impact on operating model, strategy or commercial interests as a result of the UK leaving the European Union on 31 December 2020.

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

Strategic Report (continued)

Impact of COVID-19 pandemic and resulting economic fallout

The Company was impacted by the COVID-19 pandemic during 2021. However, its Directors responded with incredible commitment and dedication to ensure no interruption to core commercial activities.

Operational response

The Company's response was coordinated by the Crisis Management Team ("CMT") – a direct shareholder's cross-functional group comprised of representatives drawn from management and support functions across Company and chaired by General Director of Gazprom (U.K.) Limited. Since March 2020, the CMT has met on a weekly basis to review a series of key indicators and to ensure that the Company is able to rapidly respond to the latest government guidance in both jurisdictions of Company's presence. Areas of heightened risk such as fraud were a particular focus for the CMT during the period with business controls being regularly reviewed and increased communications with employees on such risks.

During 2021, the Company continued its response to the pandemic focussing on moving staff from an almost exclusive 'working in office' environment to an almost exclusive 'remote home working' setup. The IT support was central to supporting this change and took necessary steps to ensure business continuity including building greater network capacity to support increased demand from home working to ensure business activities could be facilitated without interruption or a significant drop in efficiency.

Employee wellbeing has been a priority for the Company's Directors throughout the period. Changes to office layout, procedures to support extra cleaning and a 25% occupancy cap were key mitigation steps implemented as a result. Regular feedback on employee wellbeing as well as PCR tests to all employees on a regular basis have been crucial to adapting and improving the shareholder's and Company's response.

The CMT continue to monitor the ever evolving COVID-19 situation and the directors have also taken steps to ensure that Company's working practices are reviewed and reconsidered for the inevitable new ways of working across our industry when the impact of the pandemic subsides in order to work in the most effective, efficient and competitive way possible.

Financial impact

The key impacts of COVID-19 on the Company's financial performance have been described in the "financial results" section of the report.

The credit environment during 2021 has been closely and regularly monitored by Directors and shareholder. The Company's liquidity position has also been impacted by the COVID-19 pandemic primarily due to rapid increase in gas prices. Regular forecasting and scenario planning throughout 2021 have been key to successfully navigating the volatile macro environment.

Transactional currency risk

The Company is exposed to transactional currency risk on transactions denominated in currencies other than the underlying functional currency of the transacting entity. The Company's functional currency is US Dollars.

Transactional risk is the risk that the functional currency value of cash flows will vary as a result of movements in exchange rates.

Transactional exposure primarily arises from operating activities where a proportion of transactions are denominated in Sterling and Euro.

The Company has no formal hedging policy for transactional foreign currency risk.

Liquidity Risk

Through maintaining adequate reserves, the use of banking facilities and intra-group loans, the Company manages its liquidity to ensure that sufficient cash is available to meet all contractual commitments as they fall due and also to ensure that there is sufficient funding to withstand stressed market conditions or an extreme event.

Liquidity risk is managed by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Gazprom UK Resources, S.A
Financial Statements for period ended 31 December 2021
Strategic Report (continued)

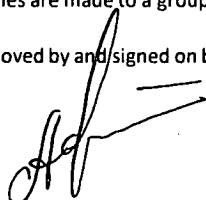
Commodity Price Risk

The Company is exposed to the risk of movement in the price of natural gas and the consequent impact on the Company's financial performance and results of its operations. A decline in prices could result in a decrease in net income and cash flows. An extended period of low prices could affect the assessment of current and future projects relating to oil and gas extraction, production and other activities. The Company does not use any derivative financial instruments to mitigate its exposure to price risk.

Credit Risk

The Company is exposed to credit risk arising from possible counterparty default on its contractual obligations, which potentially will result in financial loss to the Company. The Company has determined that the credit risk relating to accounts receivable is low as the majority of its sales are made to a group undertaking.

Approved by and signed on behalf of the Board of Directors, in accordance with Section 414 of the Companies Act 2006.



Alexander Syromyatin
Director, sole shareholder representative
19 May 2022

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

Directors' Report

Directors and their interests

The Directors who served during the year, and up to the date of this report, were as follows:

A Syromyatin
O Glinskaya
E Ianov
I I Lipskii
C D Longman
G Pakhomova
P Volkov
O Zakharov

There are no Directors' interests in the share capital of the Company as at the date of this report requiring disclosure under the Companies Act 2006.

Employees

The Directors continue to place significant value on the Company's investment in its employees and continue to keep employees informed on matters affecting them, while encouraging all employees to contribute their views on the Company's strategy and performance to management. The Company also operates a compensation policy that allows employees to participate in the ongoing operations of the business.

Disabled applicants of the Company are treated fairly and on terms comparable with those of other employees. Equally, employees who become disabled during their employment receive training, where necessary, in order to promote their ongoing career development.

Directors' liability insurance

Directors' and Officers' Liability Insurance is taken out by the Company for the benefit of the Directors of the Company.

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions, as defined in the Companies Act 2006 were in force during the year and up to the date of the Directors' Report for the benefit of all Directors of the Company.

Strategic report

The following items have been included within the Strategic report on pages 4 to 6:

- Review of the business
- Future developments
- Principal risks and uncertainties

Statement of going concern

The Directors have adopted the going concern basis when preparing the financial statements, having assessed the principal risks and considered the potential downside risks presented by the COVID-19 pandemic and economic sanctions against Russian state-owned enterprises.

Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Company has prepared a cash flow forecast covering 12 months from the approval date of the financial statements till 31 May 2023. Key assumptions used in the base case scenario for cash flow forecast include: annual decrease in production volume by 67% due to end of life cycle of the project, increase in gas price by 7% in line with the market, decrease in costs by 29% linked to decrease in production. Having considered the Company's financial position, including the amounts payable to and receivable from other Gazprom Group companies, additional administrative costs that will be covered by the company after immediate parent liquidation, the Company's cash forecasts and projections, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements. Under severe scenario with no revenue from operations, further increase in costs by 10%, no cash received from group tax relief and loan from fellow subsidiary of the group, that is currently assessed by management as remote, the Company will still have sufficient cash on its bank account to cover its operating needs for 12 months after accounts sign off till 31 May 2023.

Subsequent to year-end, a range of international sanctions have been imposed against the Russian Federation (in particular, by the EU, UK and USA) which could impact trading with customer, settlements with operator, cash transfers and overall business of the entity. As of the signing date none of the current trade restrictions directly affects the Company. The likelihood of future government interventions and direct sanctions against the Company's activities is unknown.

The Company is in a net asset position.

Independent Auditors

In April 2022 Ernst & Young LLP have notified the Company about ceasing to hold office as auditor of Gazprom UK Resources, S.A., after completion of 2021 audit.

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

Directors' Report (continued)

Statement of Disclosure of Information to Auditors

Each Director in accordance with Section 418 of the Companies Act 2006 has confirmed the following statement that in respect of the audit of the financial statements of the Company for the year ended 31 December 2021:

- all relevant audit information has been made available to the Company's auditors; and
- as Directors we have taken all appropriate steps to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved and signed on behalf of the Board of Directors.



Alexander Syromyatin
Director
19 May 2022

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- 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.

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAZPROM UK RESOURCES, S.A.

Opinion

We have audited the financial statements of Gazprom UK Resources, S.A. (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Other Comprehensive Income, the Statement of Financial Position, the Statement of changes in equity and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view 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.

Emphasis of matter – Effects of uncertainties of international sanctions against Russian Federation

We draw attention to Note 19 of the financial statements, which describes uncertainties in relation to consequences the company might face as a result of further international sanctions that may be imposed against the Russian Federation and major state-owned enterprises which could impact trading with customers, settlements with the operator, cash transfers and the overall business of the entity. Our opinion is not modified in respect of this matter.

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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 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 the 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 or directors' report.

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAZPROM UK RESOURCES, S.A. (continued)

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, 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,

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, health and safety.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk. We incorporated testing of manual journals, including segregation of duties, and into our testing of revenue recognition. We tested specific transactions backing to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria.

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

Use of our report

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

Ernst & Young LLP

Oxana Dorrington (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

19 May 2022

Gazprom UK Resources, S.A
Financial Statements for period ended 31 December 2021

Statement of Comprehensive Income

Year ended 31 December 2021

		Year ended 31 December 2021	Year ended 31 December 2020
Continuing operations	Note	\$	\$
Revenue	4	8,232,960	1,943,001
Cost of sales		(2,583,893)	(2,985,207)
Depreciation and amortisation		-	(750,984)
Gross profit/(loss)		5,649,067	(1,793,190)
Administrative expenses	5	(747,791)	(904,992)
Change in decommissioning estimate	15	449,800	(2,881,258)
Foreign currency exchange (loss)/gain		(8,706)	105,301
Operating profit/(loss)		5,342,370	(5,474,139)
Interest expense	7	(40,093)	(101,653)
Other Income		20,473	-
Profit/(loss) on ordinary activities before taxation		5,322,750	(5,575,792)
Tax (charge)/credit	8	(1,981,525)	174,659
Current year losses surrendered as group relief		1,394,266	1,820,068
Profit/(loss) for the financial year		4,735,491	(3,581,065)
Profit/(loss) attributable to equity shareholders		4,735,491	(3,581,065)

All operations were continuing in the current and prior year.
The notes on pages 16 to 27 form an integral part of the Financial Statements.

Gazprom UK Resources, S.A
Financial Statements for period ended 31 December 2021

Statement of Other Comprehensive Income

Year ended 31 December 2021

	Year ended 31 December 2021	Year ended 31 December 2020
	\$	\$
Profit/(loss) for the financial year	<u>4,735,491</u>	<u>(3,581,065)</u>
Total comprehensive income/(expense) for the year	<u>4,735,491</u>	<u>(3,581,065)</u>
Total comprehensive income/(expense) attributable to: Owners of the Company	<u>4,735,491</u>	<u>(3,581,065)</u>

All operations were continuing in the current and prior year.

Gazprom UK Resources, S.A
Financial Statements for period ended 31 December 2021

Statement of Financial Position

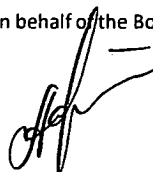
As at 31 December 2021

		31 December 2021	31 December 2020
Assets	Note	\$	\$
Oil and gas properties	9	-	-
Right of use asset	10	<u>71,221</u>	<u>93,565</u>
		71,221	93,565
Current assets			
Trade and other receivables	13	3,282,407	2,550,118
Cash and cash equivalents	14	<u>7,592,839</u>	<u>1,839,183</u>
		10,875,246	4,389,301
Total assets		10,946,467	4,482,866
Current liabilities			
Trade and other payables	16	(2,309,076)	(126,037)
Lease liability	11	(19,683)	(15,011)
Other liabilities from related parties	16	<u>(42,354)</u>	<u>(48,424)</u>
		(2,371,113)	(189,472)
Net current assets		8,504,133	4,199,829
Non-current liabilities			
Lease liability	11	(59,926)	(98,252)
Provisions	15	<u>(6,976,939)</u>	<u>(7,392,144)</u>
		(7,036,865)	(7,490,396)
Net assets/(liabilities)		<u>1,538,489</u>	<u>(3,197,002)</u>
Equity			
Ordinary share capital	17	1,980	1,980
Other reserves		198	198
Capital reserve		225,794,299	225,794,299
Accumulated losses		<u>(224,257,988)</u>	<u>(228,993,479)</u>
Total equity		<u>1,538,489</u>	<u>(3,197,002)</u>

The notes on pages 16 to 27 form an integral part of the Financial Statements.

Approved and signed on behalf of the Board of Directors

Alexander Syromyatin
 Director
 19 May 2022



Gazprom UK Resources, S.A
Financial Statements for period ended 31 December 2021

Statement of Changes in Equity

Year ended 31 December 2021

	Ordinary share capital	Other reserves	Capital reserves	Retained earnings	Total equity
Balance at 1 January 2020	1,980	198	225,794,299	(225,412,414)	384,063
Adjustment on transition to IFRS 16	-	-	-	-	-
Losses for the financial year and total comprehensive expense	-	-	-	(3,581,065)	(3,581,065)
Balance at 31 December 2020	<u>1,980</u>	<u>198</u>	<u>225,794,299</u>	<u>(228,993,479)</u>	<u>(3,197,002)</u>
Balance at 1 January 2021	1,980	198	225,794,299	(228,993,479)	(3,197,002)
Adjustment on transition to IFRS 16	-	-	-	-	-
Profit for the financial year and total comprehensive income	-	-	-	4,735,491	4,735,491
Balance at 31 December 2021 17	<u>1,980</u>	<u>198</u>	<u>225,794,299</u>	<u>(224,257,988)</u>	<u>1,538,489</u>

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

Notes to the Financial Statements

Year ended 31 December 2021

1 Corporate information

Gazprom UK Resources, S.A. (the Company) was incorporated in Venezuela on 26 September 2005. The Company changed its name from Urdanetagazprom-1, S.A. to Gazprom UK Resources, S.A. on 7 October 2014. The Company's legal address is Piso 7, Oficini 76, Municipio Chacao Campo Alegre, Torre Kyra, Ave. Francisco De Miranda, Caracas 1060, Bolivarian Republic of Venezuela. A permanent establishment of the Company was registered with UK Companies House and tax residence was registered at (and accepted by) Her Majesty's Revenue and Customs. Since March 2014 all meetings of the Board of Directors have been held in the UK.

2 Basis of preparation

The Company's Financial Statements have been properly prepared in accordance with United Kingdom accounting standards (United Kingdom General Accepted Accounting Practice), including Financial Reporting Standard 101, Reduced Disclosure Framework ('FRS 101').

The Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

The Company is a qualifying entity for the purposes of FRS 101. Note 18 gives details of the Company's ultimate parent and from where its consolidated Financial Statements prepared in accordance with IFRS may be obtained.

The Company has taken advantage of the following disclosure exemptions under FRS101:

- a) the requirements of IFRS7: *Financial Instruments - Disclosures* ;
- b) the requirements of paragraph 91 – 99 of IFRS 13: *Fair Value Measurement* ;
- c) the requirements of paragraphs 30 and 31 of IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* , and
- d) the requirements in IAS 24: *Related Party Disclosures* ;
- e) Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of paragraph
- f) IAS1: *Exemption from capital management disclosure requirement*; and
- g) IAS 7: *Statement of cash flows*

Going concern

The Directors have adopted the going concern basis when preparing the financial statements, having assessed the principal risks and considered the potential downside risks presented by the COVID-19 pandemic and economic sanctions against Russian state-owned enterprises.

The Company has prepared a cash flow forecast covering 12 months from the approval date of the financial statements till 31 May 2023. Key assumptions used in the base case scenario for cash flow forecast include: annual decrease in production volume by 67% due to end of life cycle of the project, increase in gas price by 7% in line with the market, decrease in costs by 29% linked to decrease in production. Having considered the Company's financial position, including the amounts payable to and receivable from other Gazprom Group companies, additional administrative costs that will be covered by the company after immediate parent liquidation, the Company's cash forecasts and projections, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements. Under severe scenario with no revenue from operations, further increase in costs by 10%, no cash received from group tax relief and loan from fellow subsidiary of the group, that is currently assessed by management as remote, the Company will still have sufficient cash on its bank account to cover its operating needs for 12 months after accounts sign off till 31 May 2023.

Basis of measurement

The Financial Statements have been prepared on the historical cost and going concern bases.

The Company is in a net asset position.

Consolidation

The Company is included in the financial statements of PAO Gazprom which are publicly available, therefore meets the other requirements under section 401 of the CA 2006, and is exempt from the requirement to prepare consolidated financial statements.

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

Notes to the Financial Statements (continued)

Year ended 31 December 2021

3 Summary of accounting policies

Accounting policies have been applied consistently with those disclosed in the Company's statutory financial statements, other than where new policies have been adopted. Certain presentational changes have been made to the comparative numbers to make them consistent with the current period.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Financial Statements requires the Company to make judgements, estimates and assumptions regarding various matters that affect the Financial Statements and related disclosures. The Company believes that the estimates used in preparing the Financial Statements are reasonable, relevant and reliable. Actual results could differ from these estimates.

Revenue

Revenue, which is stated net of value added tax, represents amounts invoiced to customers and amounts accrued for sales of crude oil, natural gas and natural gas liquids supplied but not yet invoiced at the end of the year.

Oil and Gas Properties

Oil and Gas Properties are recognised when it is probable that future economic benefit will flow to the entity and the cost of the Oil and Gas Properties can be measured reliably. The Oil and Gas Properties are recognised at cost less accumulated depreciation and impairment. Depreciation is charged on the units of production method.

Oil and Gas Properties are assessed for impairment if there are any triggers of impairment identified, such as a decreased amount of reserves.

At each reporting date, management assesses whether there is any indication that the recoverable value of the Company's Oil and Gas Properties has declined below their carrying value. When such a decline is identified, the carrying amount is reduced to the estimated recoverable amount. The amount of the reduction is recorded in the Statement of Comprehensive Income in the period in which the reduction is identified. An impairment loss recognised for an asset in prior years may be reversed if there has been a change in the estimates used to determine the asset's recoverable amount, and this amount now exceeds the carrying value.

Interest income and expense

Interest income and interest expense is receivable or payable on bank and related party cash deposits and loans. Interest income and interest expense are recognised in the Statement of Comprehensive Income within 'Interest income' and 'Interest expense' respectively as the interest accrues. Interest is calculated using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Cash

Cash comprises cash in hand and demand deposits.

Joint arrangements

The Company has contractual arrangements, which are not entities, with other companies to carry on exploration development and production activities. The financial statements reflect the share of income, production, operating costs and capital expenditure applicable to the Company's joint arrangement interests.

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

Notes to the Financial Statements (continued)

Year ended 31 December 2021

3 Summary of accounting policies (continued)

Cost related to exploration and development of natural resources

The Company applies the successful efforts method, which requires costs incurred in searching for, acquiring, and developing gas reserves to be capitalised if they result directly in acquiring, finding, or developing proved reserves. All other costs are recognised in the Statement of Comprehensive Incomes in the period that they arise.

Depreciation, depletion and amortisation of oil and gas properties (DD&A) is calculated using the unit-of-production method, which is the ratio of oil and gas production in the period to the estimated quantities of total proved and probable reserves at the end of the period plus the production in the period by a group of fields which are reliant on common infrastructure. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future field development costs.

Changes in the estimates of proved and probable reserves or future field development costs are taken into account. The DD&A is calculated on a quarterly basis.

Where there has been a change in economic conditions that indicates a possible impairment in a discovery field, the recoverability of the net book value relating to that field is assessed by comparison with its recoverable amount being the higher of net realisable value and value in use. The value in use is assessed as the estimated discounted future cash flow based on management's expectation of future oil and gas prices and future costs. Where there is evidence of economic interdependency between fields, such as common infrastructure, the fields are grouped as a single cash generating unit for impairment purposes. Any impairment identified is charged to the Statement of Comprehensive Income.

Commercial reserves

Commercial reserves are classified and estimated based on the internationally used Petroleum Resources Management System (PRMS) approved by the Society for Petroleum Engineers (SPE). The commercially recoverable reserves are the estimated quantities of crude oil, natural gas, and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. The commercial reserves are categorised as proven, probable and possible depending on management's assessment of recoverability. For the commercial quantities used in the DD&A calculations, proved and probable reserves are taken.

Future decommissioning costs

A decommissioning provision and the associated cost are recognised when an asset is first constructed or purchased. The decommissioning cost is adjusted for the effects of inflation then discounted to present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

After initial recognition, the provision is increased to reflect the passage of time, with the increase being presented as interest payable and similar charges in the Statement of Comprehensive Income. Subsequent adjustments to the cost estimate of the decommissioning provision are reflected in the provision and the amounts continue to be capitalised and amortised over the useful life of the related assets.

The decommissioning asset is depleted (depreciated), in the same way as the other oil and gas assets, using the unit of production (UOP) basis.

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

Notes to the Financial Statements (continued)

Year ended 31 December 2021

3 Summary of accounting policies (continued)

Trade payables and receivables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Trade receivables are initially recognised at the amount of consideration that is unconditional, less expected credit losses, unless they contain a significant financing component in which case they are recognised at fair value.

Impairment of financial assets

At each reporting date, an assessment is made as to whether there is objective evidence of impairment in the value of financial assets classified as trade receivables. Trade receivables are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated future cash flows have been affected.

Trade receivables are carried at amortised cost and any impairment losses are measured as the difference between the carrying amount and the present value of the estimated future cash flows, discounted using the original effective interest rate. Any impairment losses, and any subsequent reversals, are recognised in the Statement of Comprehensive Income and are reflected in the carrying amount of the impaired asset on the Statement of Financial Position.

Reversals of impairment losses may occur when the amount of the estimated impairment loss decreases because of a specific event. These reversals are limited such that the value of the asset cannot exceed the amortised cost had the impairment not been recognised.

Foreign currency

a) *Functional and presentation currency*

The Company's financial statements are presented in US Dollars, which is also the Company's functional currency.

All currency amounts in the financial statements are rounded to the nearest US Dollar.

b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within the Statement of Comprehensive Income.

Taxation including deferred tax

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. It also reflects amounts to be received by the Company for the surrender of eligible losses to affiliate companies within the same tax group. Management is required to exercise judgement in respect of income tax positions taken where the applicable tax regulation is subject to interpretation. The Company establishes provisions or recognises receivables where appropriate on the basis of amounts expected to be paid to or received from the tax authorities or affiliate companies in respect of surrendered losses.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

Notes to the Financial Statements (continued)

Year ended 31 December 2021

3 Summary of accounting policies (continued)

Leases

The Company adopted IFRS 16 on 1 January 2019.

The Company leases office space for a fixed period with 3 years remaining.

A termination option provides the lessee and lessor with the right to terminate the lease before the end of the lease term.

Lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. The Company's lease payments consist only of fixed payments during the lease term, and as such the lease liability is the net present value of the fixed payments. The accounting policy for right-of-use assets can be found below.

Where the lease contains extension or termination options, the lease term is determined to be the non-cancellable period of the lease plus any additional period where the Company is reasonably certain to exercise an extension option or not to exercise a termination option.

The Company makes use of the exemption under IFRS 16 for short term leases, under which payments for leases with a term shorter than 12 months are recognised on a straight line basis through the Statement of Comprehensive Income. No right-of-use asset is recognised in these instances.

The Company makes use of the exemption under IFRS 16 for leases of certain low-value assets. Under this exemption, payments for leases of low value assets are recognised on a straight line basis through the Statement of Comprehensive Income. No right-of-use asset is recognised in these instances.

Where possible, lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- Uses a bottom-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, and
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

Right-of-use assets

Right-of-use assets are measured at cost comprising of:

- The amount of initial measurement of the associated lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs

Right-of-use assets are depreciated over the lease term on a straight-line basis, as each asset's useful life is considered equal or greater than the lease term.

Where the lease liability has been reassessed to reflect changes in the lease payments due to the exercise of extension or termination options, or lease modifications have been made but not accounted for as a separate lease, the amount of the remeasurement of the lease liability is recorded as an adjustment to the right-of-use asset.

Gazprom UK Resources, S.A
Financial Statements for period ended 31 December 2021

Notes to the Financial Statements (continued)

Year ended 31 December 2021

4 Revenue and Cost of sales

	Year ended 31 December 2021 \$	Year ended 31 December 2020 \$
Revenue relating to Wingate (refer to Note 9)	8,232,960	1,943,001
Costs relating to Wingate	(2,388,581)	(2,809,791)
Costs relating to Wingate – Gazprom Marketing & Trading Ltd commission	(195,312)	(175,416)
Depreciation and amortisation (refer to Note 9)	-	(750,984)
Gross (Loss)/Profit	5,649,067	(1,793,190)

5 Administrative expenses

	Year ended 31 December 2021 \$	Year ended 31 December 2020 \$
Operating profit is stated after charging:		
Staff costs (refer to Note 6)	339,681	533,161
Consultancy (excluding auditors' remuneration)	79,237	96,103
Auditors' remuneration:		
Fees for audit of the Company's financial statements	61,599	57,014
Travel expenses	5,140	1,367
Depreciation - right of use assets (refer to Note 10)	22,344	24,163
Expenses from other group undertakings – rent and related costs	7,916	6,486
Insurance	73,300	44,798
Other costs	158,574	141,900
Total administrative expenses	747,791	904,992

Insurance costs relate to the Wingate Project and Directors' Liability insurance.

Other costs include guarantee fees payable to Gazprom Germania GmbH of \$132,772 (2020: \$121,083) for guaranteeing the financial viability of the Company to Wingate project partners and the Oil and Gas Authority.

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

Notes to the Financial Statements (continued)

Year ended 31 December 2021

6 Directors' and employees' emoluments

	Year ended 31 December 2021 \$	Year ended 31 December 2020 \$
Directors' remuneration	255,926	317,063
Wages and salaries	63,418	169,708
Social security costs	20,337	40,900
Other pension costs	-	5,490
Total staff costs	339,681	533,161

The remuneration of the highest paid Director is \$75,635 p.a. (2020: \$70,620).

No contributions were made to personal pension plans in respect of any of the Directors (2020: \$nil).

	Year ended 31 December 2021	Year ended 31 December 2020
Average monthly number of persons employed	5	9

Number of employees includes 5 directors.

7 Interest expense

	Year ended 31 December 2021 \$	Year ended 31 December 2020 \$
Unwinding of the decommissioning provision	34,595	99,113
Interest expense on lease liability (refer Note 11)	2,060	2,398
Deposit account bank charges	3,438	142
Total interest expense	40,093	101,653

Gazprom UK Resources, S.A
Financial Statements for period ended 31 December 2021

Notes to the Financial Statements (continued)

Year ended 31 December 2021

8 Taxation on Profit/(Loss) on Ordinary Activities

	Year ended 31 December 2021 \$	Year ended 31 December 2020 \$
Current tax receivable/(payable)		
Current tax (payable)/receivable	(1,965,140)	174,659
Prior year adjustment	(16,385)	-
Amounts receivable in respect of current year losses surrendered as group relief	<u>1,394,266</u>	<u>1,820,068</u>
Taxation on profit/(loss) on ordinary activities	<u>(587,259)</u>	<u>1,994,727</u>
	Year ended 31 December 2021 \$	Year ended 31 December 2020 \$
Profit/(loss) on ordinary activities before taxation	<u>5,322,750</u>	<u>(5,575,792)</u>
Tax (charge)/credit for year based on statutory rate of 40% (2020: 40%)	(2,129,100)	2,230,317
Effects of:		
Expenses not deductible for tax purposes	(1,351)	(1,676)
Deferred tax movement not recognised	2,954,374	2,147,435
Tax rate differences	(531)	(386,622)
Prior year adjustment for group relief	(16,385)	-
Group relief payment at 50% of statutory rate	<u>(1,394,266)</u>	<u>(1,994,727)</u>
Total tax (expense)/credit	<u>(587,259)</u>	<u>1,994,727</u>

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 on 26 October 2015 and Finance Bill 2016 on 17 September 2016. These included reductions to the main rate of corporation tax to reduce it to 19% from 1 April 2017 and to 17% from 1 April 2020. As the company has no deferred tax balances there is no impact of this change on the financial statements. The March 2020 Budget revoked the reduction to 17% and the tax rate remains at 19%.

The March 2021 Budget announced an increase to the corporation tax rate to 25% from 1 April 2023.

The companies trading profits are within the oil activities ring fence and are liable to tax at 40% being a combination of corporation tax at the ring fence rate of 30% and supplementary charge at 10%.

The supplementary charge "SCT" is not available for group relief, due to changes in the interpretation of the SCT charges by HMRC in 2020.

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

Notes to the Financial Statements (continued)

Year ended 31 December 2021

9 Non-current assets

Oil and gas properties

Cost

At 1 January 2020	30,340,316
Adjustment to decommissioning provision for change in estimates	939,650
At 31 December 2020	31,279,966

Depletion and impairment

At 1 January 2020	27,647,724
Charge for the period	750,984
Provision for impairment	2,881,258
At 31 December 2020	31,279,966

Net book value

At 1 January 2020	2,692,592
At 31 December 2020	-

Cost

At 1 January 2021	31,279,966
Adjustment to decommissioning provision for change in estimates	-
At 31 December 2021	31,279,966

Depletion and impairment

At 1 January 2021	31,279,966
Charge for the period	-
Provision for impairment	-
At 31 December 2021	31,279,966

Net book value

At 1 January 2021	-
At 31 December 2021	-

Effective 1st July 2016 the Company acquired from Gazprom International UK Ltd a 20% interest in the Wingate project. The Wingate project consists of two UK Seaward licences: P1239 (blocks 44/18d, 44/23f and 44/24b) and P1733 (block 44/19f). There is a Joint Operating Agreement in place between Wintershall Noordzee B.V. (64.5%) (the 'operator'), XTO UK Ltd. (15.5%) and the Company (20%) (the 'partners'). The operator charges capital and operational expenses to the partners via monthly cash calls.

There was no impairment in the period to 31 December 2021 recognised in respect of Oil and Gas Properties (2020: \$2.9m). The recoverable amount of the assets was based on the estimated discounted future net cash flows from the Wingate project. The estimated future net cash flows include forecast sales of gas based on management's projected natural gas prices at European hubs, other cash flows from operating and investing activities, and consideration of tax payable. The following key assumptions were applied:

- For the first three years TTF forward price curve is applied.
- An exchange rate of 1.2 USD/EUR has been applied for each year until 2025 and then an exchange rate of 1.3 USD/EUR thereafter (2020: 1.1)
- The discount rate post tax is 6.1% (2020: 6.1%).
- Production volumes, operating expenses and capitalised expenses were obtained from approved budgets of management's forecast.

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

Notes to the Financial Statements (continued)

Year ended 31 December 2021

10 Right of Use Asset

	31 December 2021 \$
Cost	
At 1 January 2021	142,713
Revaluation	
At 31 December 2021	142,713
Accumulated depreciation	
At 1 January 2021	49,148
Charge for the period	22,344
At 31 December 2021	71,492
Net book value	
At 31 December 2020	93,565
At 31 December 2021	71,221

The right of use asset relates to the office space in London, which is subleased from Gazprom (U.K.) Limited.

11 Lease liability

	31 December 2021 \$	31 December 2020 \$
Opening balance - 1 January	113,263	147,064
Transitional adjustment additions	-	-
Revaluation	(20,473)	(21,742)
Interest expense	2,060	2,398
Less payments made	(13,769)	(18,287)
Foreign exchange gain	(1,472)	3,830
Closing balance	79,609	113,263
Current lease liability Non-current lease liability	19,683	15,011
	59,926	98,252
Total Lease Liability	79,609	113,263

12 Lease amounts recognised in the Statement of Comprehensive Income

The Statement of Comprehensive Income includes the following amounts relating to leases:

	Note	Year ended 31 December 2021 \$	Year ended 31 December 2020 \$
Depreciation of right-of-use assets, included within administrative expenses	5	22,344	24,163
Lease interest expense, included within interest expense	7	2,060	2,398

Gazprom UK Resources, S.A
Financial Statements for period ended 31 December 2021

Notes to the Financial Statements (continued)

Year ended 31 December 2021

13 Trade and other receivables

	31 December 2021	31 December 2020
	\$	\$
Amounts receivable:		
from third parties	95,218	-
from affiliated companies (Gazprom (U.K.) Limited & Gazprom Marketing and Trading Ltd)	1,791,133	219,394
Prepayments and other receivables	1,790	39,499
Taxes and social security	-	296,498
Tax losses surrendered to another group company in the year	1,394,266	1,994,727
Total trade and other receivables	3,282,407	2,550,118

14 Cash and cash equivalents

	31 December 2021	31 December 2020
	\$	\$
Cash in hand and at bank	7,592,839	1,839,183
Total cash and cash equivalents	7,592,839	1,839,183

The estimated fair value of all classes of cash and cash equivalents is the same as their carrying amounts. The maximum exposure to credit risk at the reporting date is the fair value of cash and cash equivalents mentioned above.

15 Provisions

	31 December 2021	31 December 2020
	\$	\$
As at 1 January	7,392,144	6,353,383
(Decrease)/Increase in provision due to change in estimates	(449,800)	939,648
Unwinding of discount on decommissioning provisions	34,595	99,113
As at 31 December	6,976,939	7,392,144

The provision relates to EUR 5.9m (2020: same) decommissioning costs to be incurred at the end of the Wingate project to restore the fields in the North Sea, with the outflow of economic benefits occurring during 2026. This was discounted using a discount factor of 1.26% (2020: 0.47%). Inflation was also taken into account. Total decommissioning fund for Wingate project is EUR 29.25m (2020: 29.35m), 20% is attributable to Gazprom UK Resources, S.A.

Gazprom UK Resources, S.A

Financial Statements for period ended 31 December 2021

Notes to the Financial Statements (continued)

Year ended 31 December 2021

16 Trade and other payables

	31 December 2021 \$	31 December 2020 \$
Amounts falling due within one year:		
VAT payable	15,943	3,312
Other liabilities to related parties	42,354	48,424
Accruals and deferred income	93,128	58,009
Amounts owed to other creditors	485,880	64,716
Taxes and social security	1,714,125	-
Total trade and other payables	2,351,430	174,461

The estimated fair value of all classes of payables is the same as their carrying amounts.

Other liabilities to related parties includes amounts owed to Gazprom Marketing and Trading Ltd for 2021 tax compliance services recharge, Q4 21 office lease and Q4 21 accounting services.

Amounts owed to other creditors include December 2021 cash call of \$439,750 and Wintershall Insurance accrual for 12 months of \$44,0

17 Equity

Ordinary share capital

	31 December 2021 \$	31 December 2020 \$
Called up, allotted and fully paid		
1,980 ordinary shares of \$1 each (2020: 1,980)	1,980	1,980

The balance classified as share capital includes the total nominal proceeds on issue of the Company's equity share capital, comprising \$1 ordinary shares.

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings. All shares rank equally with regard to the Company's residual assets.

18 Ultimate parent company and controlling party

The ultimate parent Company and controlling party is PAO Gazprom, a Company incorporated in Russia and the immediate parent is Gazprom (U.K) Limited. Gazprom (U.K) Limited is a Company incorporated in and registered in England and Wales. Copies of the Financial Statements of Gazprom UK Resources, S.A. are available from Companies House. Copies of the consolidated financial statements of PAO Gazprom are available from 16 Nametkina str., 117997, Moscow, Russia and at www.gazprom.com.

19 Subsequent events

Subsequent to year-end, a range of international sanctions have been imposed against the Russian Federation (in particular, by the EU, UK and USA) which could impact trading with customer, settlements with operator, cash transfers and overall business of the entity. As of the signing date none of the current trade restrictions directly affects the Company. The likelihood of future government interventions and direct sanctions against the Company's activities is unknown.