

REGISTERED NUMBER: 03838151 (England and Wales)

LAMBERT ENERGY ADVISORY LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017



LAMBERT ENERGY ADVISORY LIMITED (REGISTERED NUMBER: 03838151)

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FOR THE YEAR ENDED 31 DECEMBER 2017

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LAMBERT ENERGY ADVISORY LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

Directors:	Philip Lambert Sir Jeremy Greenstock Charles Hue Williams Alexander Landia Tan Sri Mohd Hassan Marican Tore Sandvold Onursal Soyer
Secretary:	Gillian Pronger
Registered office:	17 Hill Street London W1J 5LJ
Registered number:	03838151 (England and Wales)
Auditors:	The Gallagher Partnership LLP PO Box 698 69-85 Tabernacle Street London EC2A 4RR
Solicitors:	Freshfields Bruckhaus Deringer 65 Fleet Street London EC4Y 1HS

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their strategic report for the year ended 31 December 2017.

The purpose of the Strategic Report is to inform shareholders and help them to assess how the directors have performed their duties to promote the success of the company. The report, together with the further information in the Directors' Report, provides a fair and balanced review of the company's business.

Review of business

The principal activity of the company continues to be the provision of corporate finance advice to the energy industry. The company is authorised and regulated by the Financial Conduct Authority.

As reported in the company's Income Statement, revenue has shown an increase of 47% from £8,920,415 to £13,089,833 in the current period. Profit after tax has increased from £1,552,218 to £1,785,100. The results for the year and the financial position at the year end were considered satisfactory by the directors who expect the business to remain stable.

Principal risks and uncertainties

In providing corporate and finance advisory services the company is dependent upon its clients for its revenues. The company, therefore, faces the risk that these revenues might vary depending on the financial position of its clients, the level of competition in the corporate finance advisory sector and the level of merger and acquisition activity in the oil and gas industry. All these factors may affect the level of income the company may earn.

Financial risk management relates to risk to the company in respect of its own assets and liabilities. The company has very limited exposure to financial instruments in respect of its own assets and liabilities. They include cash deposits, trade receivables and payables. The main risks arising from financial instruments are limited to exposure to interest rate risk, liquidity risk and credit risk. Each of these risks is discussed in detail below.

Liquidity risk

It is the company's policy to ensure that it has sufficient access to funds to cover all forecast committed requirements for the next 12 months.

Interest rate risk

The company is exposed to interest rate risk with regard to its cash holdings. All cash holdings are at variable rates. The company does not have any borrowings and surplus funds are placed on short term deposits.

Credit risk

The majority of debtors arise from major energy corporations. As such the company has determined that the credit risk is minimal in relation to the majority of the debtors. The company invests available cash with various banks.

Key performance indicators

Management uses a range of performance measures to monitor and manage the business.

Given the straight forward nature of the business the directors are of the opinion that analysis using Key Performance Indicators is not necessary for the understanding of the development, performance or position of the business.

By order of the board:



.....
Gillian Pronger - Secretary

Date:

9th March 2018

LAMBERT ENERGY ADVISORY LIMITED (REGISTERED NUMBER: 03838151)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

Dividends

Results and Dividends

The results for the year are set out on page 7.

A dividend on ordinary shares was paid amounting to £1,673,038

Directors

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Philip Lambert
Sir Jeremy Greenstock
Charles Hue Williams
Alexander Landia
Tan Sri Mohd Hassan Marican
Tore Sandvold
Onursal Soyer

Disclosure in the strategic report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the Strategic Report on page 2. These matters relate to a description of principal risks and uncertainties.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

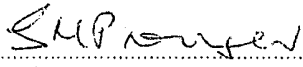
LAMBERT ENERGY ADVISORY LIMITED (REGISTERED NUMBER: 03838151)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017

Auditors

The auditors, The Gallagher Partnership LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

By order of the board:


.....
Gillian Pronger - Secretary

Date: 9th March 2018

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LAMBERT ENERGY ADVISORY LIMITED**

Opinion

We have audited the financial statements of Lambert Energy Advisory Limited (the 'company') for the year ended 31 December 2017 on pages seven to nineteen. 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).

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 a Report of the Auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.

Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LAMBERT ENERGY ADVISORY LIMITED

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 the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

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

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



Christopher Evans BSc FCA (Senior Statutory Auditor)
for and on behalf of The Gallagher Partnership LLP
PO Box 698
69-85 Tabernacle Street
London
EC2A 4RR

Date: 9 March 2018

LAMBERT ENERGY ADVISORY LIMITED (REGISTERED NUMBER: 03838151)

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	13,089,833	8,920,415
Administrative expenses		<u>(10,876,240)</u>	<u>(6,990,572)</u>
Operating profit	6	2,213,593	1,929,843
Interest receivable and similar income		<u>5,667</u>	<u>9,084</u>
Profit before taxation		2,219,260	1,938,927
Tax on profit	7	<u>(434,160)</u>	<u>(386,709)</u>
Profit for the financial year		<u><u>1,785,100</u></u>	<u><u>1,552,218</u></u>

The notes form part of these financial statements

LAMBERT ENERGY ADVISORY LIMITED (REGISTERED NUMBER: 03838151)

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Profit for the year		1,785,100	1,552,218
Other comprehensive income		-	-
Total comprehensive income for the year		<u>1,785,100</u>	<u>1,552,218</u>

The notes form part of these financial statements

LAMBERT ENERGY ADVISORY LIMITED (REGISTERED NUMBER: 03838151)

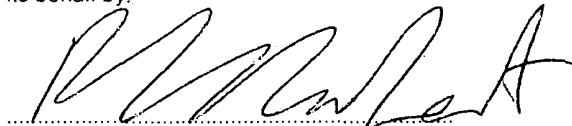
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	9		18,003		21,527
Current assets					
Debtors	10	2,334,388		1,365,255	
Cash at bank		6,931,628		4,649,400	
		<u>9,266,016</u>		<u>6,014,655</u>	
Creditors					
Amounts falling due within one year	11	6,577,022		3,487,118	
		<u>6,577,022</u>		<u>3,487,118</u>	
Net current assets			<u>2,688,994</u>		<u>2,527,537</u>
Total assets less current liabilities			<u>2,706,997</u>		<u>2,549,064</u>
Capital and reserves					
Called up share capital	15		1,279		1,258
Share premium	16		595,558		549,708
Capital redemption reserve	16		-		20
Retained earnings	16		2,110,160		1,998,078
			<u>2,706,997</u>		<u>2,549,064</u>
Shareholders' funds			<u>2,706,997</u>		<u>2,549,064</u>

The financial statements were approved by the Board of Directors on its behalf by:

9th March 2018

and were signed on



Philip Lambert - Director

The notes form part of these financial statements

LAMBERT ENERGY ADVISORY LIMITED (REGISTERED NUMBER: 03838151)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2016	1,278	1,964,101	549,708
Changes in equity			
Issue of share capital	(20)	-	-
Dividends	-	(1,596,975)	-
Total comprehensive income	-	1,552,218	-
Transfer	-	113,204	-
Purchase of own shares	-	(34,470)	-
Balance at 31 December 2016	<u>1,258</u>	<u>1,998,078</u>	<u>549,708</u>
Changes in equity			
Issue of share capital	21	-	45,850
Dividends	-	(1,673,038)	-
Total comprehensive income	-	1,785,120	-
Balance at 31 December 2017	<u>1,279</u>	<u>2,110,160</u>	<u>595,558</u>
	Capital redemption reserve £	Other reserves £	Total equity £
Balance at 1 January 2016	-	113,204	2,628,291
Changes in equity			
Issue of share capital	-	-	(20)
Dividends	-	-	(1,596,975)
Total comprehensive income	-	-	1,552,218
Transfer	-	(113,204)	-
Purchase of own shares	20	-	(34,450)
Balance at 31 December 2016	<u>20</u>	<u>-</u>	<u>2,549,064</u>
Changes in equity			
Issue of share capital	-	-	45,871
Dividends	-	-	(1,673,038)
Total comprehensive income	(20)	-	1,785,100
Balance at 31 December 2017	<u>-</u>	<u>-</u>	<u>2,706,997</u>

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	4,283,843	2,752,137
Tax paid		(374,865)	(324,861)
Net cash from operating activities		<u>3,908,978</u>	<u>2,427,276</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,250)	(6,617)
Interest received		5,667	9,084
Net cash from investing activities		<u>417</u>	<u>2,467</u>
Cash flows from financing activities			
Purchase of own shares		-	(34,470)
Share transfer		21	-
Consideration on share issue in the year		45,850	-
Equity dividends paid		(1,673,038)	(1,596,975)
Net cash from financing activities		<u>(1,627,167)</u>	<u>(1,631,445)</u>
Increase in cash and cash equivalents		2,282,228	798,298
Cash and cash equivalents at beginning of year	2	4,649,400	3,851,102
Cash and cash equivalents at end of year	2	<u><u>6,931,628</u></u>	<u><u>4,649,400</u></u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. Reconciliation of profit before taxation to cash generated from operations	2017	2016
	£	£
Profit before taxation	2,219,260	1,938,927
Depreciation charges	8,774	8,691
Finance income	(5,667)	(9,084)
	<u>2,222,367</u>	<u>1,938,534</u>
(Increase)/decrease in trade and other debtors	(954,339)	1,019,844
Increase/(decrease) in trade and other creditors	<u>3,015,815</u>	<u>(206,241)</u>
Cash generated from operations	<u><u>4,283,843</u></u>	<u><u>2,752,137</u></u>

2. Cash and cash equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2017	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>6,931,628</u>	<u>4,649,400</u>
Year ended 31 December 2016	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u>4,649,400</u>	<u>3,851,102</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. **Statutory information**

Lambert Energy Advisory Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **Accounting policies**

Basis of preparing the financial statements

These financial statements are prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. Set out below is a summary of the principal accounting policies, all of which have been applied consistently (except as otherwise stated).

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are not considered to be any crucial accounting judgements.

Turnover

Turnover represents amounts receivable for services provided in the normal course of business. Revenue is recognised in line with accrual accounting based on fees received for services provided during the financial year.

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 and fittings - over 3 years on a straight line basis

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded and translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken to the Income Statement.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies - continued

Share-based payment transactions

The company has issued share options to certain employees. These must be measured at fair value and recognised as an expense in the Income Statement with a corresponding increase in equity. The fair value of the options was estimated at the date of grant by the directors. The fair value will be charged as an expense in the Income Statement over the vesting period. The charge is adjusted each year to reflect the expected and actual level of vesting.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

3. Turnover

The total turnover of the company for the year derives from its principal activity wholly undertaken in the United Kingdom.

4. Employees and directors

	2017	2016
	£	£
Wages and salaries	7,972,331	4,308,192
Social security costs	1,030,734	530,335
Other pension costs	144,459	66,000
	<u>9,147,524</u>	<u>4,904,527</u>

The average monthly number of employees during the year was as follows:

	2017	2016
Operations and administration	<u>19</u>	<u>17</u>

5. Directors' remuneration

	2017	2016
	£	£
Remuneration for qualifying services	4,885,846	2,116,594
Company pension contributions to defined contribution schemes	16,355	16,000
	<u>4,902,201</u>	<u>2,132,594</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>1,939,367</u>	<u>663,636</u>
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6. Operating profit

The operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Other operating leases	252,397	267,962
Depreciation - owned assets	8,774	8,691
Auditors' remuneration	5,252	5,252
Auditors' remuneration for non audit work	3,900	6,500
Foreign exchange differences	<u>2,672</u>	<u>(68,746)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

7. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2017 £	2016 £
Current tax:		
UK corporation tax	448,954	374,865
Deferred tax	<u>(14,794)</u>	<u>11,844</u>
Tax on profit	<u>434,160</u>	<u>386,709</u>

UK corporation tax has been charged at 19.25% (2016 - 20%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £
Profit before tax	<u>2,219,260</u>	<u>1,938,927</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	427,208	387,785
Effects of:		
Expenses not deductible for tax purposes	21,350	4,620
Depreciation in excess of capital allowances	476	159
Other adjustments	<u>(14,874)</u>	<u>(5,855)</u>
Total tax charge	<u>434,160</u>	<u>386,709</u>

8. Dividends

	2017 £	2016 £
Ordinary shares of 1p each		
Interim	<u>1,673,038</u>	<u>1,596,975</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

9.	Tangible fixed assets		Fixtures and fittings £
	Cost		
	At 1 January 2017		86,629
	Additions		5,250
	Disposals		(10,293)
	At 31 December 2017		<u>81,586</u>
	Depreciation		
	At 1 January 2017		65,102
	Charge for year		8,774
	Eliminated on disposal		(10,293)
	At 31 December 2017		<u>63,583</u>
	Net book value		
	At 31 December 2017		<u>18,003</u>
	At 31 December 2016		<u>21,527</u>
10.	Debtors: amounts falling due within one year	2017	2016
		£	£
	Trade debtors	2,016,859	1,053,418
	Deferred tax asset	23,860	9,066
	Prepayments and accrued income	293,669	302,771
		<u>2,334,388</u>	<u>1,365,255</u>
11.	Creditors: amounts falling due within one year	2017	2016
		£	£
	Trade creditors	-	26,503
	Corporation Tax	248,954	174,865
	Social security and other taxes	76,737	76,722
	VAT	91,232	99,229
	Accruals and deferred income	6,160,099	3,109,799
		<u>6,577,022</u>	<u>3,487,118</u>
12.	Leasing agreements		
	Minimum lease payments under non-cancellable operating leases fall due as follows:		
		2017	2016
		£	£
	Within one year	220,500	153,673
	Between one and five years	808,500	-
		<u>1,029,000</u>	<u>153,673</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

13. Financial instruments

The company's financial instruments are all basic financial instruments. These include debtors, cash at bank, and creditors. The following balances are the company's financial instruments and are all carried on the amortised cost basis:

	2017 £	2016 £
Debtors	2,016,859	1,053,418
Creditors	-	26,503

14. Deferred tax

	£
Balance at 1 January 2017	(9,066)
Credit to Income Statement during year	(14,794)
Balance at 31 December 2017	(23,860)

The deferred tax balance recognised relates to decelerated capital allowances and other pension provision movements.

15. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
127,855	Ordinary	1p	1,279	1,258

In addition to the above issued share capital the company has one "B" ordinary share of £0.01 issued and fully paid.

During the year, 1,915 shares held in Treasury were sold to Onursal Soyer (a director), Patrick Agar and Rajeev Madhavan (employees) who exercised their share options for a consideration of £42,184.

Also during the year, 97 newly issued shares were sold to Patrick Agar and Rajeev Madhavan (employees) who exercised their share options for a consideration of £3,686.

16. Reserves

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2017	1,998,078	549,708	20	2,547,806
Profit for the year	1,785,100	-	-	1,785,100
Dividends	(1,673,038)	-	-	(1,673,038)
Cash share issue	-	45,850	-	45,850
Transfer	20	-	(20)	-
At 31 December 2017	2,110,160	595,558	-	2,705,718

Share premium account records the amount above nominal value received for shares sold, less transaction costs.

Capital redemption reserve records the nominal value of shares repurchased by the company.

NOTES TO THE FINANCIAL STATEMENTS - continued
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17. Pension commitments

Pensions and other post-retirement benefits
Defined contribution

	2017	2016
	£	£
Contributions payable by the company for the year	144,459	66,000
Contributions payable to the fund at the year end and included in creditors	<u>(134,804)</u>	<u>(61,032)</u>

18. Related party disclosures

Dividends to Directors

The following directors were paid dividends during the year as outlined in the table below:

	2017	2016
	£	£
Philip Lambert	966,163	966,163
Alexander Landia	69,250	62,500
Sir Jeremy Greenstock	40,613	33,863
Tore Sandvold	69,250	62,500
Rodney Batchelor (resigned on 17/7/2016)	0	57,688
Tan Sri Mohd Hassan Marican	23,675	16,925
Onursal Soyer	152,500	152,500
Charles Hue Williams	56,750	50,000
	<u>1,378,201</u>	<u>1,402,138</u>

During the year the company paid £330,000 (2016: £390,000) to Sandvold Energy AS, a company registered in Norway and controlled by Tore Sandvold, a non-executive director of the company.

19. Ultimate controlling party

The Ultimate Controlling Party is Philip Lambert.

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FOR THE YEAR ENDED 31 DECEMBER 2017

20. Share-based payment transactions

During the year ended 31 December 2017, the company had share-based payment arrangements, which are described below.

Employees have previously been granted options under an Enterprise Management Incentive Scheme and an unapproved Options Scheme which entitle the holders to hold options on ordinary shares in the company at a future date.

The issue of ordinary shares constitutes a share-based payment under FRS 102 and the value of this payment reflects estimates of fair value of each share. The expense recognised for share-based payments in this respect during the year was £nil (2016: £nil).

During the year, 2,012 share options were exercised at a weighted average exercise price of £22.80

The fair value of equity-settled share options granted was estimated at the date of the grant by the directors based on estimated maintainable post tax profits and taking into consideration private transactions in the shares of the company and agreements with HM Revenue & Customs regarding valuation of the shares granted under the EMI scheme.

	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
	2017	2017	2016	2016
		£		£
At 1 January	4,092	30.52	2,974	17.50
Issued	0	0	2,600	38.00
Exercised	(2,012)	22.80	0	0
Lapsed	0	0	(1,482)	17.50
Outstanding at 31 December	<u>2,080</u>	<u>38.00</u>	<u>4,092</u>	<u>30.52</u>