

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 2018



**LAMBERT ENERGY ADVISORY LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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**LAMBERT ENERGY ADVISORY LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Directors:** Philip Lambert  
Sir Jeremy Greenstock  
Charles Hue Williams  
Alexander Landia  
Tan Sri Mohd Hassan Marican  
Tore Sandvold  
Onursal Soyur  
Andrew Gould

**Secretary:** Louise Norton

**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 Döhner  
65 Fleet Street  
London  
EC4Y 1HS

**LAMBERT ENERGY ADVISORY LIMITED**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their strategic report for the year ended 31 December 2018.

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 17 % from £13,089,833 to £15,264,455 in the current period. Profit after tax has increased from £1,785,100 to £1,918,174. 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 deposit.

**Credit risk**

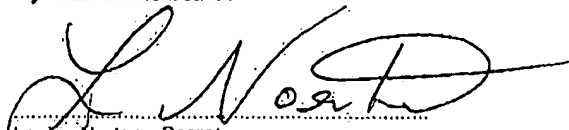
The majority of debtors arise from major energy corporations. As such the company has determined that the credit risk is minimal in relation to the majority of the debtors. The company invests available cash with various banks.

**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:

  
Louise Norton - Secretary

Date: 7/3/19

LAMBERT ENERGY ADVISORY LIMITED  
**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their report with the financial statements of the company for the year ended 31 December 2018.

**Dividends**

**Results and Dividends**

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

A dividend on ordinary shares was paid amounting to £1,248,188

**Directors**

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

Philip Lambert  
Sir Jeremy Greenstock  
Charles Hue Williams  
Alexander Landa  
Tan Sri Mohd Hassan Marican  
Tora Sandhold  
Omural Soyer

Other changes in directors holding office are as follows:

Andrew Gould - appointed 6 April 2018

**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**

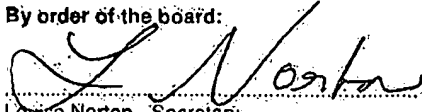
**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Auditors**

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

By order of the board:



.....  
Louise Norton - Secretary

Date: .....

7/3/19

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

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### Opinion

We have audited the financial statements of Lambert Energy Advisory Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

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**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.

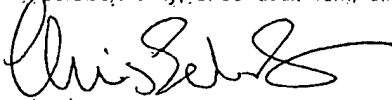
**Auditors' responsibilities for the audit of the financial statements**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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 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.



Chris 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: 8 March 2019



**LAMBERT ENERGY ADVISORY LIMITED**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Notes	2018 £	2017 £
Turnover	3	15,264,455	13,089,833
Administrative expenses		<u>(12,905,479)</u>	<u>(10,876,240)</u>
Operating profit	8	2,358,976	2,213,593
Interest receivable and similar income		<u>18,901</u>	<u>5,667</u>
Profit before taxation		2,377,877	2,219,260
Tax on profit	7	<u>(459,703)</u>	<u>(434,160)</u>
Profit for the financial year		<u>1,918,174</u>	<u>1,785,100</u>

The notes form part of these financial statements

**LAMBERT ENERGY ADVISORY LIMITED**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Notes	2018 £	2017 £
Profit for the year		1,918,174	1,785,100
Other comprehensive income		<u>          </u>	<u>          </u>
Total comprehensive income for the year		<u>1,918,174</u>	<u>1,785,100</u>

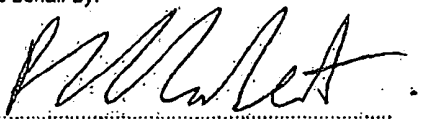
The notes form part of these financial statements

LAMBERT ENERGY ADVISORY LIMITED (REGISTERED NUMBER: 03838151)

STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		19,275		18,003
<b>Current assets</b>					
Debtors	10	3,874,573		2,334,388	
Cash at bank		<u>8,109,717</u>		<u>6,931,628</u>	
		11,984,290		9,266,016	
<b>Creditors</b>					
Amounts falling due within one year	11	<u>9,087,063</u>		<u>6,577,022</u>	
<b>Net current assets</b>			<u>2,897,227</u>		<u>2,688,994</u>
<b>Total assets less current liabilities</b>			<u>2,916,502</u>		<u>2,706,997</u>
<b>Capital and reserves</b>					
Called up share capital	15		1,289		1,279
Share premium	16		835,067		595,658
Retained earnings	16		<u>2,280,146</u>		<u>2,110,160</u>
<b>Shareholders' funds</b>			<u>2,916,502</u>		<u>2,706,997</u>

The financial statements were approved by the Board of Directors on 7 March 2019 and were signed on its behalf by:



Phillip Lambert - Director

The notes form part of these financial statements

**LAMBERT ENERGY ADVISORY LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
<b>Balance at 1 January 2017</b>	1,258	1,998,078	549,708	20	2,549,064
<b>Changes in equity</b>					
Issue of share capital	21	-	45,850	-	45,871
Dividends	-	(1,673,038)	-	-	(1,673,038)
Total comprehensive income	-	1,785,120	-	(20)	1,785,100
<b>Balance at 31 December 2017</b>	<u>1,279</u>	<u>2,110,160</u>	<u>595,558</u>	<u>-</u>	<u>2,706,997</u>
<b>Changes in equity</b>					
Cash share issue	10	-	39,509	-	39,519
Dividends	-	(1,748,188)	-	-	(1,748,188)
Total comprehensive income	-	1,918,174	-	-	1,918,174
<b>Balance at 31 December 2018</b>	<u>1,289</u>	<u>2,280,146</u>	<u>635,067</u>	<u>-</u>	<u>2,916,502</u>

The notes form part of these financial statements

**LAMBERT ENERGY ADVISORY LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	3,346,129	4,283,843
Tax paid		(470,834)	(374,865)
<b>Net cash from operating activities</b>		<b>2,875,295</b>	<b>3,908,978</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(7,438)	(5,250)
Interest received		18,901	5,667
<b>Net cash from investing activities</b>		<b>11,463</b>	<b>417</b>
<b>Cash flows from financing activities</b>			
Share transfer		10	21
Consideration on share issue in the year		39,509	45,850
Equity dividends paid		(1,748,188)	(1,673,038)
<b>Net cash from financing activities</b>		<b>(1,708,669)</b>	<b>(1,627,167)</b>
<b>Increase in cash and cash equivalents</b>		<b>1,178,089</b>	<b>2,282,228</b>
<b>Cash and cash equivalents at beginning of year</b>	2	<b>6,931,628</b>	<b>4,649,400</b>
<b>Cash and cash equivalents at end of year</b>	2	<b>8,109,717</b>	<b>6,931,628</b>

The notes form part of these financial statements

**LAMBERT ENERGY ADVISORY LIMITED**

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	2018	2017
	£	£
1. Reconciliation of profit before taxation to cash generated from operations:		
Profit before taxation	2,377,877	2,219,260
Depreciation charges	6,166	8,774
Finance income	<u>(18,901)</u>	<u>(5,667)</u>
	2,365,142	2,222,367
Increase in trade and other debtors:	<u>(1,551,536)</u>	<u>(954,339)</u>
Increase in trade and other creditors	<u>2,532,523</u>	<u>3,015,815</u>
Cash generated from operations	<u>3,346,129</u>	<u>4,283,843</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 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents:	<u>6,109,717</u>	<u>6,931,628</u>

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>

The notes form part of these financial statements

## LAMBERT ENERGY ADVISORY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 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

##### Financial Instruments

###### (i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

###### (ii) Trade and other receivables

Trade and other receivables are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost including the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the company assesses whether there is objective evidence that a receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised immediately in profit or loss.

###### (iii) Financial liabilities

Basic financial liabilities, including trade and other payables, loans and other borrowings are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at the undiscounted amount.

##### 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.

LAMBERT ENERGY ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies - continued

**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.

**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

	2018	2017
	£	£
Wages and salaries	9,370,479	7,972,331
Social security costs	1,207,626	1,030,734
Other pension costs	95,941	144,459
	<u>10,674,046</u>	<u>9,147,524</u>

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

	2018	2017
Operations and administration	<u>21</u>	<u>19</u>



**LAMBERT ENERGY ADVISORY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**5. Directors' remuneration**

	2018 £	2017 £
Remuneration for qualifying services	5,270,164	4,885,846
Company pension contributions to defined contribution schemes	<u>16,000</u>	<u>16,355</u>
	<u>5,286,164</u>	<u>4,902,201</u>

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

Remuneration for qualifying services	<u>2,033,759</u>	<u>1,939,367</u>
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**6. Operating profit**

The operating profit is stated after charging:

	2018 £	2017 £
Other operating leases	258,597	252,397
Depreciation - owned assets	6,166	8,774
Auditors' remuneration	5,252	5,252
Auditors' remuneration for non audit work	4,000	3,900
Foreign exchange differences	<u>59,947</u>	<u>2,672</u>

**7. Taxation**

**Analysis of the tax charge**

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

	2018 £	2017 £
<b>Current tax:</b>		
UK corporation tax	448,352	448,954
<b>Deferred tax</b>	<u>11,351</u>	<u>(14,794)</u>
<b>Tax on profit</b>	<u>459,703</u>	<u>434,160</u>

UK corporation tax has been charged at 19% (2017 - 19.25%).

**LAMBERT ENERGY ADVISORY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**7. Taxation - continued**

**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:

	2018 £	2017 £
Profit before tax	<u>2,377,877</u>	<u>2,219,280</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	451,797	427,208
Effects of:		
Expenses not deductible for tax purposes	11,964	21,350
Depreciation in excess of capital allowances	405	476
Other adjustments	(4,463)	(14,874)
Total tax charge	<u>459,703</u>	<u>434,160</u>

**8. Dividends**

	2018 £	2017 £
Ordinary shares of 1p each Interim	<u>1,748,188</u>	<u>1,673,038</u>

**9. Tangible fixed assets**

	Fixtures and fittings £
<b>Cost</b>	
At 1 January 2018	81,586
Additions	<u>7,438</u>
At 31 December 2018	<u>89,024</u>
<b>Depreciation</b>	
At 1 January 2018	63,583
Charge for year	<u>6,166</u>
At 31 December 2018	<u>69,749</u>
<b>Net book value</b>	
At 31 December 2018	<u>19,275</u>
At 31 December 2017	<u>18,003</u>

**10. Debtors: amounts falling due within one year**

	2018 £	2017 £
Trade debtors	3,567,807	2,016,859
Deferred tax asset	12,509	23,860
Prepayments and accrued income	<u>294,257</u>	<u>293,668</u>
	<u>3,874,573</u>	<u>2,334,388</u>

**LAMBERT ENERGY ADVISORY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**11. Creditors: amounts falling due within one year**

	2018	2017
	£	£
Corporation Tax	226,472	248,954
Social security and other taxes	94,778	76,737
VAT	144,624	91,232
Accruals and deferred income	<u>8,621,191</u>	<u>6,160,099</u>
	<u>9,087,063</u>	<u>6,577,022</u>

**12. Leasing agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	220,500	220,500
Between one and five years	<u>588,000</u>	<u>808,500</u>
	<u>808,500</u>	<u>1,029,000</u>

**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:

	2018	2017
	£	£
Trade debtors and accrued income	3,567,807	2,016,859
Accruals	(8,621,191)	(6,160,099)
Cash at bank	<u>8,109,717</u>	<u>8,931,628</u>

**14. Deferred tax**

	£
Balance at 1 January 2018	(23,860)
Provided during year	<u>11,351</u>
Balance at 31 December 2018	<u>(12,509)</u>

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:	2018	2017
			£	£
128,895	Ordinary	1p	<u>1,289</u>	<u>1,279</u>

1,040 Ordinary shares of 1p each were allotted as fully paid at a premium of £38 per share during the year.

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, 1,040 newly issued shares were sold to employees who exercised their share options for a consideration of £39,520.

**LAMBERT ENERGY ADVISORY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**16. Reserves**

	Retained earnings £	Share premium £	Totals £
At 1 January 2018	2,110,160	595,558	2,705,718
Profit for the year	1,918,174	-	1,918,174
Dividends	(1,748,188)	-	(1,748,188)
Cash share issue	-	39,509	39,509
At 31 December 2018	<u>2,280,146</u>	<u>635,067</u>	<u>2,915,213</u>

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.

**17. Pension commitments**

Pensions and other post-retirement benefits  
Defined contribution.

	2018 £	2017 £
Contributions payable by the company for the year	95,941	144,459
Contributions payable to the fund at the year end and included in creditors	<u>(81,194)</u>	<u>(134,804)</u>

**18. Related party disclosures**

**Dividends to Directors**

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

	2018 £	2017 £
Phillip Lambert	966,163	966,163
Alexander Landia	89,250	89,250
Sir Jeremy Greenstock	40,613	40,613
Tore Sandvold	69,250	69,250
Tan Sri Mohd Hassan Marican	23,675	23,675
Onursal Soyer	171,150	152,500
Charles Hue Williams	56,750	56,750
	<u>1,396,851</u>	<u>1,378,201</u>

During the year the company paid £324,000 (2017: £330,000) to Sandvold Energy AS, a company registered in Norway and controlled by Tore Sandvold, a non-executive director of the company. At the year end the company owed £54,000 (2017: £54,000) to Sandvold Energy AS in respect of these services.

**19. Ultimate controlling party**

The Ultimate Controlling Party is Phillip Lambert.

**LAMBERT ENERGY ADVISORY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**20. Share-based payment transactions**

During the year ended 31 December 2018, 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 (2017: £nil).

During the year, 1,040 share options were exercised at a weighted average exercise price of £38.

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
	2018	2018 £	2017	2017 £
At 1 January	2,080	38.00	4,092	30.52
Issued	0	0	0	0
Exercised	(1,040)	38.00	(2,012)	22.80
Lapsed	0	0	0	0
Outstanding at 31 December	<u>1,040</u>	<u>38.00</u>	<u>2,080</u>	<u>38.00</u>