

Company Registration No. 11104455 (England and Wales)

CNG STATION HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

CNG STATION HOLDINGS LIMITED

COMPANY INFORMATION

Directors

Mr P E Fjeld
Mr B J Gowrie-Smith
Mr M Ma (Appointed 4 December 2020)
Ms Stefania Trivellato (Appointed 4 December 2020)

Secretary

CNG Fuels Ltd

Company number

11104455

Registered office

250 Wharfedale Road
Winnersh Triangle
Wokingham
Berkshire
RG41 5TP

Auditor

Deloitte LLP, Statutory Auditor
Hill House
1 Little New Street
London
EC4A 3TR

CNG STATION HOLDINGS LIMITED

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CNG STATION HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the company in the year under review was that of the development and operation of compressed natural gas (CNG) filling stations.

On 4 December 2020, the Company was acquired by CNG Foresight Limited for consideration of £6,474,286 in loan notes and deferred consideration of £800,000. As a result, the Company's immediate and ultimate parent changed from CNG Fuels Ltd, to CNG Foresight Limited and Averon Park Limited.

Results and dividends

The results for the year are set out on page 8.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P E Fjeld

Mr B J Gowrie-Smith

Mr M Ma

Ms Stefania Trivellato

(Appointed 4 December 2020)

(Appointed 4 December 2020)

Directors' insurance

The directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. This was in force throughout the financial period and still in force at the time of approving the financial statements.

Post reporting date events

The entity has no post balance sheet events of note to report.

Auditor

Deloitte LLP, Statutory Auditor were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

CNG STATION HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

This expectation arises due to the financial support available to it from its parent CNG Foresight Limited and the wider CNG Foresight Limited group, should the need for support arise.

The directors have also considered the emerging conflict in Ukraine in their assessment of the Company's ability to continue in operational existence. Although this conflict has driven the market price of wholesale gas up, post year end sales volumes continue to grow and in the short term the directors do not believe the conflict is directly or indirectly causing material worry to the Company's ability to generate sales and profit and continue as a going concern.

Small companies

The Company has taken advantage of exemptions available to UK small companies under the Companies Act 2006, to not deliver a strategic report with these financial statements. It has also elected not to include optional disclosures for UK small companies within the directors report on matters of research and development activities and future developments.

On behalf of the board

Mr B J Gowrie-Smith
Director

4 August 2022

CNG STATION HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

CNG STATION HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CNG STATION HOLDINGS LIMITED

Opinion

In our opinion the financial statements of CNG Station Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flow;
- the statement of accounting policies; and
- the related notes 1 to 27.

The financial reporting framework that has been applied in their preparation is applicable law, and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The 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 our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

CNG STATION HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CNG STATION HOLDINGS LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

CNG STATION HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CNG STATION HOLDINGS LIMITED

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.

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

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Revenue recognition. Our procedures included:
- Obtaining an understanding of the relevant controls over key controls in relation to revenue recognition and testing key controls;
- Reviewing and assessing the commercial arrangements, to determine the correct point of revenue recognition for different agreements with customers;
- For a sample of revenue recognised we have determined if revenue was appropriately recognised by agreement to appropriate supporting information; and
- Testing a sample of credit notes raised post year end to determine if revenue was appropriately recognised in financial year 2021.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and

reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

CNG STATION HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CNG STATION HOLDINGS LIMITED

Report on other legal and regulatory requirements

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 directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Other matter

As the Company was exempt from audit under section 477 of the Companies Act 2006 in the prior year, we have not audited the corresponding amounts for that year.

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.

William Brooks FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

5 August 2022

CNG STATION HOLDINGS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020 as restated unaudited
	Notes	£	£
Revenue	4	1,595,959	1,596,575
Cost of sales		(1,595,962)	(941,608)
Gross (loss)/profit		(3)	654,967
Administrative expenses		(85,187)	(142,471)
Operating (loss)/profit	5	(85,190)	512,496
Investment revenues	7	6	236
Finance costs	8	(225,902)	(102,875)
(Loss)/profit before taxation		(311,086)	409,857
Income tax expense	9	-	-
(Loss)/profit and total comprehensive (loss)/income for the year		(311,086)	409,857

CNG STATION HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

		2021	2020	as at 1 April 2019
	Notes	£	as restated unaudited £	as restated unaudited £
Non-current assets				
Investments	11	101	101	1
Current assets				
Inventories	13	-	4,429	-
Trade and other receivables	14	5,213,643	2,140,897	1,517,353
Cash and cash equivalents		633,104	542,486	621,253
		5,846,747	2,687,812	2,138,606
Current liabilities				
Trade and other payables	17	1,812,849	469,111	572,211
Borrowings	16	341,518	217,340	-
		2,154,367	686,451	572,211
Net current assets		3,692,380	2,001,361	1,566,395
Non-current liabilities				
Borrowings	16	3,433,930	1,589,003	1,063,794
Net assets		258,551	412,459	502,602
Equity				
Called up share capital	20	100	100	100
Other reserves	21	157,178	-	-
Retained earnings		101,273	412,359	502,502
Total equity		258,551	412,459	502,602

The financial statements were approved by the board of directors and authorised for issue on 4 August 2022 and are signed on its behalf by:

Mr B J Gowrie-Smith
Director

Company Registration No. 11104455

CNG STATION HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

		Share capital £	Other reserves £	Retained earnings £	Total £
As restated for the period ended 31 March 2020:					
Balance at 1 April 2019		100	-	502,502	502,602
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance at 1 April 2019	unaudited	100	-	502,502	502,602
Year ended 31 March 2020:					
Profit and total comprehensive income for the year		-	-	409,857	409,857
Dividends	10	-	-	(500,000)	(500,000)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance at 31 March 2020	unaudited	100	-	412,359	412,459
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Year ended 31 March 2021:					
Loss and total comprehensive loss for the year		-	-	(311,086)	(311,086)
Capital contributions received		-	157,178	-	157,178
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance at 31 March 2021		100	157,178	101,273	258,551
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

CNG STATION HOLDINGS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

		2021		2020 unaudited	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	25		(1,652,591)		(218,577)
Interest paid			(225,902)		(102,875)
Net cash outflow from operating activities			(1,878,493)		(321,452)
Investing activities					
Purchase of subsidiaries		-		(100)	
Interest received		6		236	
Net cash generated from investing activities			6		136
Financing activities					
Proceeds from borrowings		2,390,750		746,245	
Repayment of borrowings		(421,640)		(3,701)	
Dividends paid		-		(500,000)	
Net cash generated from financing activities			1,969,110		242,544
Net increase/(decrease) in cash and cash equivalents			90,623		(78,772)
Cash and cash equivalents at beginning of year			542,481		621,253
Cash and cash equivalents at end of year			633,104		542,481
Relating to:					
Bank balances and short term deposits			633,104		542,486
Bank overdrafts			-		(5)

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

CNG Station Holdings Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The registered office is 250 Wharfedale Road, Winnersh Triangle, Wokingham, Berkshire, RG41 5TP. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

This is the first year the financial statements have been prepared under IFRS, and more information about transitional adjustments can be seen in note 26 of the notes to the financial statements.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

CNG Station Holdings Limited is a wholly owned subsidiary of CNG Foresight Limited and the results of CNG Station Holdings Limited are included in the consolidated financial statements of CNG Foresight Limited which are available from 250 Wharfedale Road, Winnersh Triangle, Wokingham, Berkshire, United Kingdom, RG41 5TP.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

This expectation arises due to the financial support available to it from its parent CNG Foresight Limited and the wider CNG Foresight Limited group, should the need for support arise.

The directors have also considered the emerging conflict in Ukraine in their assessment of the Company's ability to continue in operational existence. Although this conflict has driven the market price of wholesale gas up, post year end sales volumes continue to grow and in the short term the directors do not believe the conflict is directly or indirectly causing material worry to the Company's ability to generate sales and profit and continue as a going concern.

1.3 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

The company recognises revenue from the following major sources:

- Natural gas

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

The nature, timing of satisfaction of performance obligations and significant payment terms of the company's major sources of revenue are as follows:

Natural gas

Natural gas sales relate to charges for the cost of natural gas drawn by customers. Natural gas costs are market driven which change monthly and are charged per kg of gas dispensed. Natural Gas revenue is recognised at the point of sale where control of the goods passes to the customers, who are invoiced monthly.

The Company is the principal seller to external customers in its contractual arrangement with its subsidiary, CNG Leyland Limited.

1.4 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision. The expected loss rates are based on the Company's historical credit losses experienced over the three year period to the year end. Other factors such as the wider economic environment the Company and its customers operate in are also considered, with any impairments recorded in the statement of comprehensive income within administrative expenses.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.8 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods:

- Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- Amendments to IFRS 3, 'Business combinations', IAS 16, 'Property, plant and equipment', and IAS 37 'Provisions, contingent liabilities and contingent assets'
- IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16
- Amendments to IAS 1 Presentation of financial statements' on classification of liabilities

The directors anticipated that the adoption of these standard and the interpretations in future period will have no material impact on the financial statements of the company.

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Adoption of new and revised standards and changes in accounting policies

(Continued)

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not believe there are any critical judgements, estimates or assumptions which have a significant risk of causing a material adjustment to the financial statements within the years reported.

4 Revenue

	2021	2020
	£	unaudited £
Revenue analysed by class of business		
Natural gas	1,595,959	1,596,575

	2021	2020
	£	unaudited £
Revenue analysed by geographical market		
United Kingdom	1,595,959	1,596,575

5 Operating (loss)/profit

	2021	2020
	£	unaudited £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	-	897
Fees payable to the company's auditor for the audit of the company's financial statements	7,000	-
Cost of inventories recognised as an expense	1,595,962	940,758

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 unaudited Number
Total	-	-

The directors are the only employees of the company and received emoluments of £Nil (2020: £Nil) for their services to the Company.

7 Investment income

	2021 £	2020 unaudited £
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	6	236

Income above relates to assets held at amortised cost, unless stated otherwise.

8 Finance costs

	2021 £	2020 unaudited £
Interest on bank overdrafts and loans	225,902	102,875

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Income tax expense

The charge for the year can be reconciled to the (loss)/profit per the income statement as follows:

	2021	2020 as restated unaudited
	£	£
(Loss)/profit before taxation	(311,086)	409,857
Expected tax (credit)/charge based on a corporation tax rate of 19.00% (2020: 19.00%)	(59,106)	77,873
Change in unrecognised deferred tax assets	29,863	-
Group relief	29,243	(77,873)
Taxation charge for the year	-	-

In the March 2021 Budget it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. The expected future impact of this will be an increase in current tax charges for any profits taxed at the main rate.

The Company has tax adjusted losses carried forward of £157,178 for which a deferred tax asset of £29,863 has not been recognised.

10 Dividends

	2021 per share	2020 per share unaudited	2021 Total	2020 Total unaudited
	£	£	£	£
Ordinary				
Interim dividend paid	-	5,000.00	-	500,000

11 Investments

	Non-current 2021	2020 unaudited
	£	£
Investments in subsidiaries	101	101
	101	101

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Principal activities	Class of shares held	% Held Direct
CNG Leyland Limited	250 Wharfedale Road, Winnersh Triangle, Wokingham, Berkshire, United Kingdom, RG41 5TP	Operation of a compressed natural gas filling station	Ordinary	100.00
CNG Knowsley Limited	250 Wharfedale Road, Winnersh Triangle, Wokingham, Berkshire, United Kingdom, RG41 5TP	Operation of a compressed natural gas filling station	Ordinary	100.00

13 Inventories

	2021 £	2020 unaudited £
Raw materials	-	4,429

14 Trade and other receivables

	2021 £	2020 as restated unaudited £
Trade receivables	71,279	36,713
Provision for bad and doubtful debts	(2,043)	-
	69,236	36,713
Amount owed by parent undertaking	-	1,203,460
Amounts owed by subsidiary undertakings	4,837,859	794,658
Accrued income	306,548	106,066
	5,213,643	2,140,897

Amounts owed by parent and subsidiary undertakings consist of informal intercompany loans, which are unsecured, bear no interest charges and are repayable on demand.

15 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Trade receivables - credit risk (Continued)

Movement in the allowances for doubtful debts	2021 £	2020 unaudited £
Additional allowance recognised	3,007	-
Amounts recovered in the year	(964)	-
Balance at 31 March 2021	2,043	-

At 31 March 2021, trade receivables are shown net of an allowance for doubtful debts of £2,043 (2020: £Nil). Write-offs, reversals and new provisions are detailed in the movements table above.

The expected credit loss rate applied to trade receivables is based on the Company's historical credit losses experienced over the three year period to 31 March 2021, which are historically very low (2020: £259). As such, the directors believe there is not a material provision to be recognised under the expected credit losses model to provide against receivables outstanding at the year end, beyond already provided for debts.

16 Borrowings

	Current 2021 £	2020 unaudited £	Non-current 2021 £	2020 unaudited £
Borrowings held at amortised cost:				
Bank overdrafts	-	5	-	-
Other loans	341,518	217,335	3,433,930	1,589,003

Included within other loans are secured debts of £3,775,448 (2020: £1,806,338).

The debts are term loan facilities which are secured by way of fixed and floating charges, held by GCP Asset Backed Income (UK) Limited, against all the undertaking, property and other assets of the company and the assets of its subsidiaries CNG Leyland Limited and CNG Knowsley Limited. The charges contain a negative pledge restricting the Chargor from, except with prior written consent of the Security Agent, creating or permitting to subsist any security on, or in relation to, any charged asset other than any security created by this charge.

Interest is charged at 7.5% per annum on each interest payment date on outstanding loans. Repayments are due on the basis of a percentage of the outstanding principal on the relevant repayment dates. Final maturity of the facility will arise in January 2025.

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Trade and other payables

	2021	2020 unaudited
	£	£
Trade payables due to related parties	30,000	75,558
Amount owed to parent undertaking	393,499	-
Amounts owed to subsidiary undertakings	522,170	-
Amounts owed to related parties	320,274	-
Accruals	489,742	393,553
Social security and other taxation	57,164	-
	<u>1,812,849</u>	<u>469,111</u>

Amounts owed to parent undertaking consist of loan notes issued by CNG Foresight Limited to the Company. These loan notes are unsecured, carry interest of 9% per annum which compounds monthly and matures February 2031.

Amounts owed to subsidiary undertakings consist of informal intercompany loans due to the Company's subsidiary, CNG Leyland Limited. This loan is unsecured, carries no interest and is repayable on demand.

Amounts owed to related parties consist of informal intercompany loans due CNG Fuels Ltd, an entity with significant influence over the Company. This loan is unsecured, carries no interest and is repayable on demand.

18 Liquidity risk

The following table details the remaining contractual maturity for the company's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the company may be required to pay.

	Less than 1 month £	1 – 3 months £	3 months to 1 year £	1 – 5 years £	5+ years £	Total £
At 31 March 2020 - unaudited						
Trade and other payables	75,558	-	-	-	-	75,558
Borrowings	-	80,817	340,828	1,384,693	-	1,806,338
	<u>75,558</u>	<u>80,817</u>	<u>340,828</u>	<u>1,384,693</u>	<u>-</u>	<u>1,881,896</u>
At 31 March 2021						
Trade and other payables	872,444	-	57,164	-	393,499	1,323,107
Borrowings	-	96,990	360,770	3,317,687	-	3,775,447
	<u>872,444</u>	<u>96,990</u>	<u>417,934</u>	<u>3,317,687</u>	<u>393,499</u>	<u>5,098,554</u>

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Liquidity risk

(Continued)

Liquidity risk management

Responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

19 Fair value of financial liabilities

The directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

20 Share capital

	2021	2020	2021	2020
	Number	unaudited Number	£	unaudited £
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	100	100	100	100

The company has one class of Ordinary shares which have attached to them the right to vote, receive a dividend and capital distributions upon the liquidation or winding up of the company.

21 Other reserves

	Capital contribution reserve £
Balance at 1 April 2019	-
Balance at 31 March 2020	-
Contributions received	157,178
Balance at 31 March 2021	157,178

During the year, the previous parent company, CNG Fuels Ltd, made capital contributions to the Company, by way of the release of intercompany loans payable to that parent.

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Capital risk management

The Company's primary borrowing facility is a term loan facility with GCP Asset Backed Income (UK) Limited (also known as Gravis), under which the agreement requires the Company to maintain certain ratios of the following:

- Default loan life cover of 1.20:1.
- Lock-up debt service cover of 1.40:1
- Default debt service cover of 1.1:1

The Company has complied with these capital requirements during the period. The Company received default waivers from the 30 September and 31 December 2021, and 31 March 2022 covenant requirements post the balance sheet date, and subsequently loan amendments have been agreed and executed with the lender, which have deferred required loan repayments and have amended covenant ratios such that no covenant breach is currently forecast.

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Related party transactions

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2021	2020	2021	2020
	£	£	£	£
Subsidiaries	-	-	1,595,962	-
Other related parties	28,467	-	-	-
	<u>28,467</u>	<u>-</u>	<u>1,595,962</u>	<u>-</u>

Interest charged in the year:

	2021	2020
	£	£
Parent company	3,562	-
	<u>3,562</u>	<u>-</u>

Sale of goods to related parties during the year relate to the recharge of natural gas to fellow group undertakings at market rate. Purchase of goods relate to the purchase of natural gas from the Company's subsidiary, CNG Leyland Limited, before the goods are sold on to external customers.

Interest charges from the Company's parent, CNG Foresight Limited, relate to interest charged on loan notes provided to the Company, bearing an interest rate of 9% per annum.

The following amounts were outstanding at the reporting end date:

	2021	2020
	£	£
Amounts due to related parties		
Parent company	393,499	1,203,460
Entities with joint control or significant influence over the company	350,274	-
Subsidiaries	522,170	-
	<u>1,265,943</u>	<u>1,203,460</u>

	2021	2020
	£	£
Amounts due from related parties		
Subsidiaries	4,837,859	794,658
Other related parties	34,160	-
	<u>4,872,019</u>	<u>794,658</u>

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Related party transactions

(Continued)

Outstanding balances owed to and by related parties at the year end are unsecured, will be settled in cash and are repayable on demand. No amounts outstanding at year end carry interest, except for the balance of £393,499 owed to the Company's parent undertaking which is a loan note instrument carrying 9% interest per annum and due to mature February 2031.

24 Controlling party

The immediate parent company is CNG Foresight Limited and its registered office is 250 Wharfedale Road, Winnersh Triangle, Wokingham, Berkshire, United Kingdom, RG41 5TP.

The smallest and largest group into which the company is consolidated is the CNG Foresight Limited group, whose financial statements are available at 250 Wharfedale Road, Winnersh Triangle, Wokingham, Berkshire, United Kingdom, RG41 5TP.

The ultimate parent company is Averon Park Limited and its registered office is C/O Foresight Group LLP, The Shard, 32 London Bridge Street, London, United Kingdom, SE1 9SG.

Averon Park Limited is owned by a number of shareholders and individually no shareholder can exert control.

Changes in control and ultimate parent undertaking in year

On 4 December 2020, the Company was acquired by CNG Foresight Limited for consideration of £6,474,286 in loan notes and deferred consideration of £800,000. As a result, the Company's immediate and ultimate parent changed from CNG Fuels Ltd, to CNG Foresight Limited and Averon Park Limited.

25 Cash absorbed by operations

	2021	2020
	£	unaudited £
(Loss)/profit for the year after tax	(311,086)	409,857
Adjustments for:		
Finance costs	225,902	102,875
Investment income	(6)	(236)
Movements in working capital:		
Decrease/(increase) in inventories	4,429	(4,429)
Increase in trade and other receivables	(3,072,746)	(623,544)
Increase/(decrease) in trade and other payables	1,500,916	(103,100)
Cash absorbed by operations	(1,652,591)	(218,577)

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

26 Prior period adjustment

Reconciliation of changes in equity

	Notes	1 April 2019 £	31 March 2020 £
Equity as previously reported		502,602	362,459
Adjustments to prior year			
Correction of rent charges recognised	1	-	50,000
Equity as adjusted		502,602	412,459

Analysis of the effect upon equity

Retained earnings		-	50,000
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Reconciliation of changes in profit for the previous financial period

	Notes	2020 £
Profit as previously reported		359,857
Adjustments to prior year		
Correction of rent charges recognised	1	50,000
Profit as adjusted		409,857

Notes to reconciliation

1. Correction of rent charges recognised

A prior period adjustment has been identified and corrected during the year, to reflect rental charges that should not have passed through the income statement of the Company in the comparative year. The changes made reflect the rental charges payable to the Company from its subsidiaries upon whose behalf costs were recognised.

Amounts restated as a result of this prior year adjustment impacting the year to 31 March 2020 were as follows:

- A decrease in administrative expenses of £50,000
- An increase trade and other receivables of £50,000
- An increase in equity of £50,000

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

27 IFRS Transition adjustments

The Company has adopted International Financial Reporting Standards (IFRS) for the preparation of these financial statements. This is the first time of adoption of IFRS and the date of transition is 1 April 2019.

Previously the Company prepared its financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The Company has applied all relevant standards and the adoption did not lead to any transition adjustments arising within the financial statements.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.