

Company registration number 11104455 (England and Wales)

CNG STATION HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

CNG STATION HOLDINGS LIMITED

COMPANY INFORMATION

Directors

Mr P E Fjeld
Mr B J Gowrie-Smith
Mr M Ma
Ms S Trivellato
Mr I M Hussain (Appointed 11 October 2023)

Secretary

CNG Fuels Ltd

Company number

11104455

Registered office

1010 Eskdale Road
Winnersh Triangle
Wokingham
Berkshire
RG41 5TS

Auditor

FLB Audit LLP
1010 Eskdale Road
Winnersh Triangle
Wokingham
Berkshire
RG41 5TS

CNG STATION HOLDINGS LIMITED

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CNG STATION HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

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

Results and dividends

The directors find the results for the year satisfactory and as expected. The results for the year are set out on page 7.

No dividends were paid during the year and the directors do not recommend a payment of a final dividend.

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 S Trivellato

Mr I M Hussain

(Appointed 11 October 2023)

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.

Financial instruments

Details on the Company's risk management objectives and policies can be seen in the notes 12,15 and 19 to the financial statements.

Post reporting date events

On 27 September 2023, the loan facilities provided by GCP Asset Backed Income (UK) Limited were settled for a total amount of £3,010,875. Of this total amount, £2,918,909, which also includes prepayment fees of £138,996, was paid on behalf of the Company by its immediate parent, CNG Foresight Limited. Subsequently, a loan note was issued by the parent company.

Auditor

A resolution proposing that FLB Audit LLP be reappointed as auditor of the company 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 2023

Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has access to 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 the parent of the operational Group, CNG Foresight Limited, should the need for support arise.

The directors have also considered the 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 the wholesale gas up, post reporting date prices have stabilised at a comparatively low rate. Sales volumes also 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 continue as a going concern.

The directors have assessed the increased inflation environment that the business is operating in post year-end. This has led to inflation across the business in energy prices and some critical equipment manufactured for the maintenance of the Company's assets. The business does not have significant direct exposure to interest rate increases by the Bank of England.

Small companies

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

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.

Approved and authorised for issue by the board of directors and signed on its behalf by:

Mr B J Gowrie-Smith
Director

28 March 2024

CNG STATION HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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

We have audited the financial statements of CNG Station Holdings Limited (the 'Company') for the year ended 31 March 2023 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flow, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the United Kingdom.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the United Kingdom;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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.

CNG STATION HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CNG STATION HOLDINGS 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 directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

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.

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 risk of material impact on the financial statements from irregularities, including fraud, to be revenue recognition and management override.

Our audit procedures to response to the risk within revenue recognition include:

- Obtaining an understanding of the revenue recognition process within the entity, and confirming this is in line with relevant standards
- Recalculating expected annual revenue based on third party dispense reports

CNG STATION HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CNG STATION HOLDINGS LIMITED

Our audit procedures to response to the risk of management override include:

- 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.
- Reviewing accounting estimates & judgements for biases
- Performing risk based sample testing on the posting of journals for any unusual or unexpected transactions which may indicate risks of material misstatement due to fraud or error
- Enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations
- Reading minutes of meetings of those charged with governance
- Reviewing legal and professional expenses accounts for indications of undisclosed litigation, claims or instances of non-compliance
- Evaluating the business rationale of any significant transactions identified that are unusual or outside the normal course of business

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

Use of our report

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

Gary Bell (Senior Statutory Auditor)
For and on behalf of FLB Audit LLP

28 March 2024

Chartered Accountants
Statutory Auditor

1010 Eskdale Road
Winnersh Triangle
Wokingham
Berkshire
RG41 5TS

CNG STATION HOLDINGS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
		£	as restated £
Other operating income		5,156	4,715
Administrative expenses		(36,225)	(16,127)
Operating loss	4	(31,069)	(11,412)
Investment revenues	6	827	19
Finance costs	7	(344,093)	(325,347)
Loss before taxation		(374,335)	(336,740)
Income tax expense	8	-	-
Loss and total comprehensive expense for the year		(374,335)	(336,740)

CNG STATION HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023 £	2022 £
Non-current assets			
Investments	9	101	101
Current assets			
Trade and other receivables	11	7,001,825	6,820,522
Cash and cash equivalents		1,672,888	1,733,167
		8,674,713	8,553,689
Current liabilities			
Trade and other payables	13	4,457,267	3,878,490
Borrowings	14	1,299,350	723,609
		5,756,617	4,602,099
Net current assets		2,918,096	3,951,590
Non-current liabilities			
Borrowings	14	3,370,721	4,029,880
Net liabilities		(452,524)	(78,189)
Equity			
Called up share capital	17	100	100
Capital contribution reserve	18	157,178	157,178
Retained earnings		(609,802)	(235,467)
Total equity		(452,524)	(78,189)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 28 March 2024 and are signed on its behalf by:

Mr B J Gowrie-Smith
Director

Company registration number 11104455

CNG STATION HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Capital contribution reserve	Retained earnings	Total
	£	£	£	£
Balance at 1 April 2021	100	157,178	101,273	258,551
Year ended 31 March 2022:				
Loss and total comprehensive expense for the year	-	-	(336,740)	(336,740)
Balance at 31 March 2022	<u>100</u>	<u>157,178</u>	<u>(235,467)</u>	<u>(78,189)</u>
Year ended 31 March 2023:				
Loss and total comprehensive expense for the year	-	-	(374,335)	(374,335)
Balance at 31 March 2023	<u><u>100</u></u>	<u><u>157,178</u></u>	<u><u>(609,802)</u></u>	<u><u>(452,524)</u></u>

CNG STATION HOLDINGS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	23		896,325		1,557,805
Net cash inflow from operating activities			896,325		1,557,805
Investing activities					
Interest received		827		19	
Net cash generated from investing activities			827		19
Financing activities					
Repayment of borrowings		(702,229)		(341,518)	
Interest paid		(255,202)		(116,243)	
Net cash used in financing activities			(957,431)		(457,761)
Net (decrease)/increase in cash and cash equivalents			(60,279)		1,100,063
Cash and cash equivalents at beginning of year			1,733,167		633,104
Cash and cash equivalents at end of year			1,672,888		1,733,167

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 1010 Eskdale Road, Winnersh Triangle, Wokingham, Berkshire, RG41 5TS. 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 United Kingdom adopted International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

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 1010 Eskdale Road, Winnersh Triangle, Wokingham, Berkshire, RG41 5TS.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has access to 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 the parent of the operational Group, CNG Foresight Limited, should the need for support arise.

The directors have also considered the 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 the wholesale gas up, post reporting date prices have stabilised at a comparatively low rate. Sales volumes also 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 continue as a going concern.

The directors have assessed the increased inflation environment that the business is operating in post year-end. This has led to inflation across the business in energy prices and some critical equipment manufactured for the maintenance of the Company's assets. The business does not have significant direct exposure to interest rate increases by the Bank of England.

1.3 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.

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.4 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.

1.5 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.

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

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.

1.6 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'.

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.

1.7 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.

1.8 Taxation

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

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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, amendments and interpretations have been adopted by the Company. The impact of the adoption of these standards and amendments is not deemed to have a material effect on the current or prior period, and is not anticipated to have a material effect on future periods:

- Amendment to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting policies
- IFRS 17 Insurance Contracts, including Amendments to IFRS 17 and Initial Application of IFRS 17 and IFRS 9 - Comparative Information
- Annual Improvements to IFRS 2018-2020: Amendment to IFRS 1 First Time Adoption of IFRS (Subsidiary as a First-time Adopter), Amendments to IFRS 9 Financial Instruments (Fees in the '10 per cent' test for Derecognition of Financial Liabilities) and Amendment to IAS 41 Agriculture (Taxation in Fair Value Measurements).
- Amendment to IAS 37 - Onerous Contracts: Costs of Fulfilling a Contract
- Amendment to IAS 16 - Property Plant and Equipment: Proceeds before Intended Use
- Amendments to IFRS 3 - Reference to the Conceptual Framework

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 UK):

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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

(Continued)

- Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants, Deferral of Effective Date Amendment (published 15 July 2020) and Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (published 23 January 2020)
- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)
- International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The directors anticipate that the adoption of these standards, amendments and interpretations in future periods will not have a material impact on the financial statements of the Company.

3 Critical accounting estimates and judgements

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 critical judgements which have a significant risk of causing a material adjustment to the financial statements are outlined below. The directors do not believe there to be any key sources of estimation uncertainty.

4 Operating loss

	2023	2022
	£	£
Operating loss for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	11,000	10,625

5 Employees

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

	2023	2022
	Number	Number
Total	-	-

The directors are the only employees of the Company and received emoluments of £Nil (2022: £Nil) for their services to the Company.

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Investment income

	2023	2022
	£	£
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	827	19
	<u> </u>	<u> </u>

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

7 Finance costs

	2023	2022
	£	£
Interest on bank overdrafts and loans	255,202	283,712
Interest payable to parent undertaking	88,891	41,635
	<u> </u>	<u> </u>
Total interest expense	<u>344,093</u>	<u>325,347</u>

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Income tax expense

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

	2023 £	2022 £
Loss before taxation	(374,335)	(336,740)
Expected tax credit based on a corporation tax rate of 19.00% (2022: 19.00%)	(71,124)	(63,981)
Change in unrecognised deferred tax assets	93,584	-
Group relief	-	63,981
Effect of change in tax rate applied to deferred tax	(22,460)	-
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 £460,420 (2022: £86,085) and no other temporary differences, for which a deferred tax asset of £115,105 (2022: £21,521) has not been recognised, as the timing of future taxable profits arising within the Company against which to utilise these losses, is uncertain. The value of the unrecognised deferred tax asset disclosed is calculated at 25%, being the rate of tax expected to apply to the Company's taxable profits, at the point at which the losses are utilised.

The tax adjusted losses carried forward do not have an expiry date.

9 Investments

	Non-current 2023 £	2022 £
Investments in subsidiaries	101	101

10 Subsidiaries

Details of the Company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Principal activities	Class of shares held	% Held Direct
CNG Leyland Limited	1010 Eskdale Road, Winnersh Triangle, Wokingham, Berkshire, RG41 5TS	Operation of a compressed natural gas filling station	Ordinary	100.00
CNG Knowsley Limited	1010 Eskdale Road, Winnersh Triangle, Wokingham, Berkshire, RG41 5TS	Operation of a compressed natural gas filling station	Ordinary	100.00

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Trade and other receivables

	2023	2022 as restated
	£	£
Trade receivables	464,776	144,127
Provision for bad and doubtful debts	-	(2,043)
	<u>464,776</u>	<u>142,084</u>
VAT recoverable	-	18,480
Amounts owed by subsidiary undertakings	5,471,750	5,583,805
Accrued income	1,065,299	1,076,153
	<u>7,001,825</u>	<u>6,820,522</u>

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

In 2022, £1,076,153 was recognised as a contract asset. It has been concluded that a more accurate representation of this balance is as accrued income. Consequently, the balance in 2022 has been reclassified to accrued income to align with the presentation in 2023.

12 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.

The Company considers its exposure to credit risk which the directors determine as being the risk that trade receivables, amounts owed to the Company by the parent undertaking, or amounts recognised as accrued income to be invoiced, are not recoverable from the counterparty.

The directors have considered the nature of the relationship with the Company's primary receivables, its parent undertaking and CNG Fuels Ltd, in their assessment of the credit risk attached to balances due from these parties, and judge it to be remote, due to the nature of the relationships and ongoing commercial arrangements in place.

The Company is party to and monitors financial information available relating to both of its primary receivables, to make an ongoing assessment of the credit worthiness of each party, and uses this information to ensure they respond effectively to any signs of credit risk, should they arise.

No receivable balances are impaired at the reporting end date.

At 31 March 2023, trade receivables are shown net of an allowance for doubtful debts of £Nil (2022: £2,043). Write-offs, reversals and new provisions are detailed in the movements table below.

The expected credit loss rate applied to trade receivables and accrued income is based on the Company's historical credit losses experienced over the three year period to 31 March 2023, which are historically very low. As such, the directors believe there is not a material provision to be recognised under the expected credit losses model to provide against receivables and contract balances outstanding at the year end, beyond already provided for debts.

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Credit risk (Continued)

Movement in the allowances for impairment of trade receivables	2023 £	2022 £
Balance at 1 April 2022	2,043	2,043
Amounts written off as uncollectible	(2,043)	-
Balance at 31 March 2023	-	2,043

13 Trade and other payables

	2023 £	2022 £
Trade payables	106,404	13,683
Amount owed to parent undertaking	33,513	244,813
Amounts owed to subsidiary undertakings	1,634,470	1,537,859
Amounts owed to related parties	1,443,905	990,204
Accruals	1,238,975	1,091,931
	4,457,267	3,878,490

All trade payables outstanding at year end are owed to related parties conducted under the suppliers' standard payment terms. Trade payable balances are unsecured and do not bear interest.

Amounts owed to parent, subsidiaries and related parties consist of intercompany loans which are unsecured, carry no interest and are repayable on demand.

14 Borrowings

	Current		Non-current	
	2023 £	2022 £	2023 £	2022 £
Borrowings held at amortised cost:				
Other loans	1,299,350	723,609	1,599,820	2,877,790
Loans from parent undertaking	-	-	1,770,901	1,152,090
	1,299,350	723,609	3,370,721	4,029,880

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Borrowings

(Continued)

Included within other loans are secured debts of £2,899,170 (2022: £3,601,399).

Other loans consist of 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 March 2025.

Loans from parent undertaking are comprised of loan notes due to CNG Foresight Limited. Interest on the loan notes is charged at a fixed rate of 7.5% per annum. The loan notes are unsecured and mature March 2025.

15 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 2022						
Trade and other payables	3,358,608	-	15	-	-	3,358,623
Borrowings	-	116,489	607,120	2,877,790	1,152,090	4,753,489
	<u>3,358,608</u>	<u>116,489</u>	<u>607,135</u>	<u>2,877,790</u>	<u>1,152,090</u>	<u>8,112,112</u>
At 31 March 2023						
Trade and other payables	3,218,292	-	-	-	-	3,218,292
Borrowings	-	286,735	1,012,615	3,370,721	-	4,670,071
	<u>3,218,292</u>	<u>286,735</u>	<u>1,012,615</u>	<u>3,370,721</u>	<u>-</u>	<u>7,888,363</u>

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Liquidity risk

(Continued)

Liquidity risk management

Responsibility for liquidity risk management rests with the board of directors, who have established an appropriate liquidity risk management framework suitable to the needs and considerations of the Company's funding and liquidity management requirements.

The Company's short term liquidity objectives are to ensure its trade and other payable balances are settled as they fall due and its working capital requirements are funded through a combination of the profits generated by the Company's principal operating activities and short term support available from the wider group should the need arise. Therefore the Company's key short term liquidity risk response is to ensure the working relationship with customers and suppliers is well managed and maintained to ensure payment terms are adhered to by its customers to enable the Company to settle its payables as they fall due.

The Company's has a number of significant creditors:

- Parent and subsidiary undertakings, to whom the Company owes short term intercompany balances detailed in note 13, which are repayable on demand.
- Other related parties: intercompany balances also repayable on demand, see note 13.
- Long term borrowings with the parent undertaking detailed in note 15, not due to mature until March 2025.
- Term loan facilities detailed in note 14, which carry varied repayments in the short and long term.

The directors consider the key liquidity risk to the Company being the recalling of intercompany loans payable and the risk of not being able to meet short term borrowing repayment as they fall due.

The Company's short term liquidity objectives are to ensure its trade and other payable balances and borrowing obligations are met as they fall due, to which the Company's key liquidity risk response is to work closely with fellow group undertakings including the parent company, to ensure sufficient group support is available to the Company to continue to fund its borrowing obligations and working capital requirements.

16 Financial instruments

	2023	2022
	£	as restated £
Carrying amount of financial assets		
<i>Measured at amortised cost:</i>		
Trade receivables	464,776	142,084
Accrued income	1,065,299	1,076,153
Amount owed by subsidiary undertaking	5,471,750	5,583,805
	<u>7,001,825</u>	<u>6,802,042</u>
Carrying amount of financial liabilities		
<i>Measured at amortised cost:</i>		
Trade payables	106,404	13,683
Amount owed to parent undertaking	33,513	244,813
Amounts owed to subsidiary undertakings	1,634,470	1,537,859
Amounts owed to related parties	1,443,905	990,204
Borrowings	4,670,071	4,753,489
	<u>7,888,363</u>	<u>7,540,048</u>

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Authorised, 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.

There were no movements in share capital during the year.

18 Capital contribution reserve

	2023 £	2022 £
At the beginning and end of the year	157,178	157,178

19 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the mix of debt and equity. The Company's overall capital structure and capital risk management strategy remains unchanged from the prior year as the directors believe the objectives of the Company are being met under the current strategy.

The capital structure of the Company consists of intragroup debt (note 13) and external borrowing facilities (note 14).

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 year. Please refer to note 20 regarding the settlement of the external borrowings post year end.

20 Events after the reporting date

On 27 September 2023, the term loan facilities provided by GCP Asset Backed Income (UK) Limited were repaid for a total settlement value of £3,010,875. This figure includes an early repayment charge of £138,996.

Of this total settlement amount, £2,918,909 was paid by CNG Foresight Limited, the immediate parent, on behalf of the Company. The parent issued a new loan note borrowing to the Company of the same amount.

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 Controlling party

The immediate parent company is CNG Foresight Limited and its registered office is 1010 Eskdale Road, Winnersh Triangle, Wokingham, Berkshire, United Kingdom, RG41 5TS.

The smallest and largest group into which the company is consolidated is the CNG Foresight Limited group, whose financial statements are available at 1010 Eskdale Road, Winnersh Triangle, Wokingham, Berkshire, United Kingdom, RG41 5TS.

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.

22 Related party transactions

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

	Interest charged in the year:		Purchase of services	
	2023	2022	2023	2022
	£	£	£	£
Parent company	88,891	41,635	185	-
Entities with significant influence over the company	-	-	24,139	16,107
	<u>88,891</u>	<u>41,635</u>	<u>24,324</u>	<u>16,107</u>

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 7.5% (2022: 9%) per annum.

Purchase of services relate to recharges of general operation and management costs.

The following amounts were outstanding at the reporting end date:

	2023	2022
	£	£
Amounts due to related parties		
Parent company	1,829,614	1,396,903
Entities with or significant influence over the company	1,525,108	1,003,872
Subsidiaries	1,634,470	1,537,859
	<u>4,989,192</u>	<u>3,938,634</u>

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Related party transactions

(Continued)

Amounts due to parent company consist of:

- Loan note borrowings of £1,770,901 (2022: £1,152,090) which are unsecured, carry fixed interest at 7.5% (2022: 9%) per annum, and mature March 2025.
- Trade payable balances of £25,200 (2022: £nil) which are unsecured, bear no interest and are due within the supplier's standard credit terms
- Intercompany loans of £33,513 (2022: £244,813) which are unsecured, carry no interest and are repayable on demand.

Amounts due to entities with significant influence over the Company consist of:

- Intercompany loans of £1,443,905 (2022: £990,204), which are unsecured, carry no interest and are repayable on demand.
- Trade payable balances of £81,203 (2022: £13,668), which are unsecured, bear no interest and are due within the supplier's standard credit terms.

Amounts owed to subsidiaries consist of intercompany loans, which are unsecured, carry no interest and are repayable on demand.

The following amounts were outstanding at the reporting end date:

	2023	2022
	£	£
Amounts due from related parties		
Entities with significant influence over the company	464,006	-
Subsidiaries	5,471,750	5,583,805
	<u>5,935,756</u>	<u>5,583,805</u>

Amounts due from entities with significant influence over the Company consist of trade receivable balances due from CNG Fuels Ltd, which are unsecured, bear no interest and are due within the Company's standard credit terms.

Amounts due from subsidiaries consist of intercompany loans, which are unsecured, carry no interest and are repayable on demand.

23 Cash generated from operations

	2023	2022
	£	as restated £
Loss for the year before income tax	(374,335)	(336,740)
Adjustments for:		
Finance costs	344,093	325,347
Investment income	(827)	(19)
Movements in working capital:		
Decrease/(increase) in trade and other receivables	321,422	(1,483,965)
Increase in trade and other payables	605,972	3,053,182
Cash generated from operations	<u>896,325</u>	<u>1,557,805</u>

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 Cash generated from operations

(Continued)

Contact assets has been reclassified to accrued income in prior year (please see note 11), resulting to change in the movement in working capital.

24 Reconciliation of liabilities arising from financing activities

	1 April 2022	Cash flow	interest charged	Other non-cash changes	31 March 2023
	£	£	£	£	£
Borrowings excluding overdrafts	(4,753,489)	957,431	(344,093)	(529,920)	(4,670,071)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1 April 2021	Cash flow	interest charged	Other non-cash changes	31 March 2022
	£	£	£	£	£
Prior year:					
Borrowings excluding overdrafts	(4,168,947)	457,761	(325,347)	(716,956)	(4,753,489)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Other non-cash changes in both the current and prior year relate to drawdowns on borrowing facilities that did not result in a direct cash inflow to the Company.

CNG STATION HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

25 Prior period restatement

During the year, management have reviewed the substance of the contractual arrangements and relevant factors around the Company's position concerning the invoicing of revenue and recognition of costs of sales.

Previously, the Company recognised gross revenue invoiced to end customers and the cost charged by the dispensing CNG station itself, through its statement of comprehensive income. However, management have since concluded that the Company does not generate revenue or profit arising on these transactions and did not act as a principal or an agent in the dispensing of natural gas by its operating stations to end customers.

A prior period restatement has therefore been reflected in these financial statements to revise the statutory revenue and cost of sales measures on the statement of comprehensive income. The following adjustments were made:

- Revenue has been restated from £7,280,386 to nil, to reflect the removal of £7,275,671 of pass through revenue and a further £4,715 of other operating income not deemed to constitute a revenue stream.
- Cost of sales has been restated from £7,275,671 to nil, to reflect the removal of pass through cost of sales not attributable to the Company.
- Gross profit as such has been restated from £4,715 to nil, due to the reclassification of the other operating revenues.
- No change to the loss and total comprehensive expenses for the prior year as a result of these adjustments.

No changes arose to the statement of financial position, cash flows or total equity, as a result of this restatement.

Following these changes, the Company is not deemed to have any revenue in either reporting year, and as such has not delivered any disclosures or accounting policies relating to revenue.

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