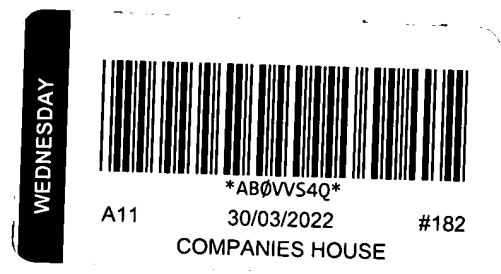


REGISTERED NUMBER: 04683805 (England and Wales)

CNG SERVICES LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2021**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Statement of Directors' Responsibilities	6
Independent Auditor's Report to the Members of CNG Services Ltd	7
Statement of comprehensive income	10
Balance Sheet	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15

CNG SERVICES LTD

COMPANY INFORMATION
for the Year Ended 31 March 2021

DIRECTORS: T J Baldwin
P Baldwin
T O Baldwin (resigned 4 March 2021)

SECRETARY: P Baldwin

REGISTERED OFFICE: Virginia House
56 Warwick Road
Olton
Solihull
West Midlands
B92 7HX

REGISTERED NUMBER: 04683805 (England and Wales)

INDEPENDENT AUDITORS: Azets Audit Services
6th Floor Bank House
Cherry Street
Birmingham
B2 5AL

**STRATEGIC REPORT
for the Year Ended 31 March 2021**

The directors present their strategic report for the year ended 31 March 2021.

REVIEW OF BUSINESS

CNG Services Ltd (CSL) reported a loss before tax for the year of £31,983 (2020 profit of £411,305). The net assets position of the business at 31 March 2021 was £5,603,884 (2020 £5,642,628).

The year was impacted by COVID 19 which caused a delay in completion of projects underway and deferment on new projects.

2022 should see a return to pre-COVID levels of activity as we have seen a significant upturn in new projects in our traditional Biomethane to Gas Grid activities, new areas of activity as well as improvements in how we execute our traditional work by embracing innovative techniques:

Generally, we have seen significant market growth due to high gas prices and CO2 recovery improving clients' economic models.

We have 16 live tenders with existing and new clients for Biomethane to Gas grid projects varying from £1m to £20m overall value. Of these projects, two clients wish to enter into exclusivity agreements with CSL to develop their six projects. The largest is a Biomethane project in Cheshire with CO2 and a network of dry biogas pipelines

Biomethane projects in NI are now being developed for the first time; three potential projects in 22/23 as the regimen for biomethane is set.

The Vale Green development as a major decanting centre to being satellite sources of compressed upgraded biogas. This will be an extension of the existing design and construction project on that site.

CNG Services Limited will benefit from the introduction of Reverse compression which will allow more projects to inject gas into the gas grids.

Soluforce 75 bar reinforced thermo-plastic has been proven by the Company at Theddlethorpe in 2021 using Horizontal Directional Drilling to be a great innovation which will reduce cost, construction risk and disruption to landowners.

PRINCIPAL RISKS AND UNCERTAINTIES

Biomethane market

A new support scheme (The Green Gas Support Scheme, "GGSS") is being introduced in late 2021 which will help the market. If this is delayed there will be a short term financial impact.

Foreign Currency risk

The company conducts a limited number of transactions in foreign currency; as such the financial risks are considered to be small, and as a result, no formal hedging strategy is in place.

Credit risk

The company's principal financial assets are cash plus bank balances and other trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Customers are subject to credit verification procedures.

Liquidity risk

The company manages its cash and borrowing requirements to ensure the company has sufficient liquid resources to meet the operating needs of the business.

STRATEGIC REPORT
for the Year Ended 31 March 2021

FUTURE PROSPECTS

The support mechanism for biomethane injected into the grid is sufficiently attractive to continue the growth in the market. The increase of the renewable transport fuel obligation buy out price to £0.50/certificate supports the use of biomethane as a truck fuel and presents an excellent opportunity for the company.

The Government policy of 'net zero' greenhouse gas (GHG) emissions by 2050 is expected to lead to significant opportunities for the company given its focus on low carbon gas opportunities. Netzero is very positive for biomethane, in particular with the CCUS (carbon capture, usage and storage) Clusters being funded by the UK Government. These will provide an option to sequester Bio-CO₂ produced from waste biomethane plants and allows the overall biomethane to be classed as GHG negative. The company is working on cow slurry biomethane with Bio-CO₂ projects that are highly GHG negative which makes the valuable.

The company is supporting CNG Fuels – an associated company during the year in its plans to build a national network of Bio-CNG stations and this market appears set for significant growth in 2022 and beyond as a deliverable "Netzero" option today for companies such as John Lewis Waitrose, Amazon, Royal Mail and Hermes.

The New Holland Bio-CNG tractor is expected to be in the market by early 2022 and this is highly attractive for biomethane producers. The company is well placed to offer refuelling services for such tractors.

The company has the engineering competencies to work on hydrogen projects and has a number of H₂ innovations that are expected to lead to revenue in financial year 22 and beyond.

The report was approved by the board on 28th March 22 and signed on its behalf by:



.....
T J Baldwin - Director

Date: 28th March 22

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2021**

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

PRINCIPAL ACTIVITIES

CNG Services Limited ("CSL") provides design, build and project management services in relation to new gas pipelines, CNG Filing stations, biomethane to grid plants and in relation to onshore natural gas processing plants. This includes connections to the high pressure LTS (Local Transmission System) and NTS (National Transmission System) where CSL integrates the design and build of the LTS/NTS connection and associated pipeline with the main project which can be CNG filing station, gas power plant, biomethane to grid plant or onshore gas processing facility.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounts to £43,720 (2020 - £377,846).

Dividends of £82,464 (2020: £75,840) were declared during the year. No final dividend is proposed (2020: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

T J Baldwin

P Baldwin

Other changes in directors holding office are as follows:

T O Baldwin - resigned 4 March 2021

POLITICAL DONATIONS AND EXPENDITURE

The Company made no political donations or incurred any political expenditure during the year.

GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future being at least 12 months from the approval of the financial statements.

At the year-end CNG Services Ltd achieved a loss before tax for the year of £31,983 (2020 profit of £411,305), has net current assets of £3,586,487 (2020 - £5,099,429) and cash balances of £2,778,194 (2020 - £3,845,643). After experiencing significant growth for the year ended 31 March 2020, the implications of the COVID-19 pandemic resulted in unprecedented economic consequences in 2021, and into 2022.

Whilst the impact to the company, after the balance sheet date has been significant, the company's cash position continues to remain healthy. After reviewing the company's latest management information, forecasts and making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future, meeting its liabilities as they fall due. The company has ambitious plans for future growth and is in a strong position to capitalise on the UK's transition to non-carbon fuels.

The directors have considered a range of plausible scenarios and even in worst case scenarios, the company still has adequate cash balances to meet liabilities as they fall due for at least 12 months from the approval of these financial statements.

For the reasons set out above, the directors have prepared the financial statements on a going concern basis and have concluded that no material uncertainties exist related to going concern.

REPORT OF THE DIRECTORS
for the Year Ended 31 March 2021

POST BALANCE SHEET EVENTS

In November 2021, CNG Services Ltd entered into a finance lease arrangement with CNG Fuels Limited, an associated company, to lease plant and equipment which at 31 March 2021 was classified as work in progress within inventory and amounted to £204,019.

In March 2022, a group reconstruction was undertaken in order to restructure the group. First, CNG Services Assets Ltd was incorporated and all of the ordinary shares in CNG Services Ltd, which were wholly owned by T J and P Baldwin, were transferred to CNG Services Assets Ltd. T J and P Baldwin remained ultimate controlling parties. Second, CNG Services Ltd distributed all of its investments in associated undertakings to CNG Services Assets Ltd via a dividend in specie. Third, all of the ordinary shares in CNG Services Ltd were again transferred to a further newly incorporated company – CNG Services Group Ltd – whose ultimate controlling parties are also T J and P Baldwin.

OTHER INFORMATION

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on Page 2.

Certain matters that are required to be disclosed in the Directors' Report under Schedule 7 of the Companies Act 2006 have instead been disclosed in the Strategic Report, as permitted by S.414C(11) of the Companies Act 2006.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, in so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITORS

Azets Audit Services 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.

The report was approved by the board on 28th March 22 and signed on its behalf by:


.....
T J Baldwin - Director

Date: 28-3-22

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
for the Year Ended 31 March 2021**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Generally Accounting Standards and applicable law).

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CNG SERVICES LTD FOR THE YEAR ENDED 31 MARCH 2021**

Opinion

We have audited the financial statements of CNG Services Ltd (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement, the notes to the cash flow statement 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 United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CNG SERVICES LTD FOR THE YEAR ENDED 31 MARCH 2021**

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

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

Responsibility of directors

As explained more fully in the statement of directors' responsibilities, 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.

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

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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CNG SERVICES LTD FOR THE YEAR ENDED 31 MARCH 2021**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

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

Azets Audit Services

Ben Sheldon ACA (Senior Statutory Auditor)

Date: *28 March*.....2022

for and on behalf of Azets Audit Services

Statutory Auditor

6th Floor Bank House
Cherry Street
Birmingham
B2 5AL

**STATEMENT OF COMPREHENSIVE
INCOME**
for the Year Ended 31 March 2021

	Notes	2021		2020	
		£	£	£	£
TURNOVER	4		3,131,324		10,745,782
Cost of sales			<u>(2,095,199)</u>		<u>(8,408,478)</u>
GROSS PROFIT			1,036,125		2,337,304
Administrative expenses			<u>(1,570,329)</u>		<u>(1,966,232)</u>
			(534,204)		371,072
Other operating income	5		<u>218,195</u>		<u>833</u>
OPERATING (LOSS)/PROFIT	7		(316,009)		371,905
Income from shares in group undertakings		125,324		-	
Interest receivable and similar income	9	<u>164,831</u>		<u>39,400</u>	
			<u>290,155</u>		<u>39,400</u>
			(25,854)		411,305
Interest payable and similar expenses	10		<u>(6,129)</u>		-
(LOSS)/PROFIT BEFORE TAXATION			(31,983)		411,305
Tax on loss/profit	11		<u>75,703</u>		<u>(33,459)</u>
PROFIT FOR THE FINANCIAL YEAR			43,720		377,846
OTHER COMPREHENSIVE INCOME			<u>-</u>		<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			43,720		377,846

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

CNG SERVICES LTD (REGISTERED NUMBER: 04683805)

**BALANCE SHEET
31 March 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	13	962,184	617,062
Investments	14	<u>1,143,028</u>	<u>30,807</u>
		2,105,212	647,869
CURRENT ASSETS			
Stocks	15	204,020	-
Debtors	16	2,586,581	2,704,910
Cash at bank		<u>2,778,194</u>	<u>3,845,643</u>
		5,568,795	6,550,553
CREDITORS			
Amounts falling due within one year	17	<u>(1,982,308)</u>	<u>(1,451,124)</u>
NET CURRENT ASSETS		<u>3,586,487</u>	<u>5,099,429</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,691,699	5,747,298
PROVISIONS FOR LIABILITIES	19	<u>(87,815)</u>	<u>(104,670)</u>
NET ASSETS		<u>5,603,884</u>	<u>5,642,628</u>
CAPITAL AND RESERVES			
Called up share capital and reserves	20	2	2
Retained earnings		<u>5,603,882</u>	<u>5,642,626</u>
SHAREHOLDERS' FUNDS		<u>5,603,884</u>	<u>5,642,628</u>

Included within debtors within current assets are amounts due after more than one year totalling £266,047 (2020 - £200,000).

The financial statements were approved by the Board of Directors and authorised for issue on 29th March 22 and were signed on its behalf by:

T J Baldwin
T J Baldwin - Director

P Baldwin
P Baldwin - Director

The notes on pages 14 to 28 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 March 2021

	Called up share capital and reserves £	Retained earnings £	Total equity £
Balance at 1 April 2019	2	5,340,620	5,340,622
Changes in equity			
Dividends	-	(75,840)	(75,840)
Total comprehensive income	-	<u>377,846</u>	<u>377,846</u>
Balance at 31 March 2020	<u>2</u>	<u>5,642,626</u>	<u>5,642,628</u>
Changes in equity			
Dividends	-	(82,464)	(82,464)
Total comprehensive income	-	<u>43,720</u>	<u>43,720</u>
Balance at 31 March 2021	<u><u>2</u></u>	<u><u>5,603,882</u></u>	<u><u>5,603,884</u></u>

The notes on pages 14 to 28 form part of these financial statements

CNG SERVICES LTD (REGISTERED NUMBER: 04683805)

**CASH FLOW STATEMENT
for the Year Ended 31 March 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1*	(31,429)	(337,977)
Interest element of hire purchase or finance lease rental payments paid		(6,129)	-
Tax paid		<u>86,580</u>	<u>(78,662)</u>
Net cash from operating activities		<u>49,022</u>	<u>(416,639)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(505,876)	(174,564)
Purchase of fixed asset investments		(1,112,221)	-
Sale of tangible fixed assets		85,000	-
Interest received		164,831	39,400
Dividends received		<u>125,324</u>	<u>-</u>
Net cash from investing activities		<u>(1,242,942)</u>	<u>(135,164)</u>
Cash flows from financing activities			
Government grant		208,935	-
Equity dividends paid		<u>(82,464)</u>	<u>(75,840)</u>
Net cash from financing activities		<u>126,471</u>	<u>(75,840)</u>
Decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2*	<u>3,845,643</u>	<u>4,473,286</u>
Cash and cash equivalents at end of year	2*	<u><u>2,778,194</u></u>	<u><u>3,845,643</u></u>

The notes on pages 14 to 28 form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 2021

1*. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
(Loss)/profit before taxation	(31,983)	411,305
Depreciation charges	80,175	62,774
Profit on disposal of fixed assets	(4,421)	-
Movement in WIP	587,345	104,158
Movement in amounts owed by part int.	94,112	(135,784)
Movement in contract costs provision	-	(200,000)
Movement in finance lease balance	(87,166)	-
Government grants	(208,935)	-
Finance costs	6,129	-
Finance income	<u>(290,155)</u>	<u>(39,400)</u>
	145,101	203,053
Increase in stocks	(204,020)	-
(Increase)/decrease in trade and other debtors	(562,520)	2,338,275
Increase/(decrease) in trade and other creditors	<u>590,010</u>	<u>(2,879,305)</u>
Cash generated from operations	<u><u>(31,429)</u></u>	<u><u>(337,977)</u></u>

2*. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	<u>2,778,194</u>	<u>3,845,643</u>

Year ended 31 March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	<u>3,845,643</u>	<u>4,473,286</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20	Cash flow	At 31.3.21
	£	£	£
Net cash			
Cash at bank	<u>3,845,643</u>	<u>(1,067,449)</u>	<u>2,778,194</u>
	<u>3,845,643</u>	<u>(1,067,449)</u>	<u>2,778,194</u>
Total	<u><u>3,845,643</u></u>	<u><u>(1,067,449)</u></u>	<u><u>2,778,194</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2021**

1. STATUTORY INFORMATION

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

The presentation currency of the financial statements is the Pound Sterling (£), with amounts rounded to the nearest pound.

CNG Services (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 04683805 and the registered address is Virginia House, 56 Warwick Road, Olton, Solihull, West Midlands, United Kingdom B92 7HX.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements are prepared on the going concern basis under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future being at least 12 months from the approval of the financial statements.

At the year-end CNG Services Ltd achieved a loss before tax for the year of £31,983 (2020 profit of £411,305), has net current assets of £3,586,487 (2020 - £5,099,429) and cash balances of £2,778,194 (2020 - £3,845,643). After experiencing significant growth for the year ended 31 March 2020, the implications of the COVID-19 pandemic resulted in unprecedented economic consequences in 2021, and into 2022.

Whilst the impact to the company, after the balance sheet date has been significant, the company's cash position continues to remain healthy. After reviewing the company's latest management information, forecasts and making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future, meeting its liabilities as they fall due. The company has ambitious plans for future growth and is in a strong position to capitalise on the UK's transition to non-carbon fuels.

The directors have considered a range of plausible scenarios and even in worst case scenarios, the company still has adequate cash balances to meet liabilities as they fall due for at least 12 months from the approval of these financial statements.

For the reasons set out above, the directors have prepared the financial statements on a going concern basis and have concluded that no material uncertainties exist related to going concern.

Turnover

Turnover is recognised based on the estimated percentage completion of each contract. The percentage completion is generally determined using output methods (such as progress against milestones), unless the circumstances of the contract are such that input methods (such as costs incurred) are considered more appropriate.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as a separate items of tangible fixed assets, for example land is treated separately from buildings.

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Plant and machinery	- 10% straight line
Office and computer equipment	- 25% & 33% straight line
Motor vehicles	- 25% straight line
Leasehold property	- 2% straight line
Property improvements	- 10% straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct material and direct labour costs and those overheads that have been incurred in bringing stocks to their present location and condition.

Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in associates

These are separate financial statements of the Company. Investments in associates are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Cash flow statement.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021**

3. **ACCOUNTING POLICIES - continued**

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation and settlement of the carrying amount of assets and liabilities, using effective tax rates enacted or substantively enacted at the balance sheet.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost are in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Construction contract debtors

Construction contract debtors represent the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date (see the turnover accounting policy) less a provision for foreseeable losses and less progress billings. Variations are included in contract turnover when they are reliably measurable and it is probable that the customer will approve the variation itself and turnover arising from the variation. Claims are included in contracted turnover only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Costs includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity.

Construction contract debtors are presented as part of debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as accruals and deferred income in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

3. ACCOUNTING POLICIES - continued

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease unless the payment to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable and other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in Statement of Comprehensive Income as they accrue, using the effective interest method.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Research and Development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved projects.

Government grants

Government grants (including grants relating to the Coronavirus Job Retention Scheme) are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

3. ACCOUNTING POLICIES - continued**Impairment excluding deferred tax assets**

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through the profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Impairment losses are recognised in profit or loss.

Accounting estimates and judgements

The preparation of the financial statements in accordance with FRS 102 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the report year. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from these statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. 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 current period of the revision and future periods if the revision affects both current and future periods.

Significant estimates and judgements involved in the preparation of these financial statements are set out below:

Percentage Completion estimate

The determination of turnover recognition and associated work in progress and deferred income balances requires the exercise of judgement in relation to the estimated percentage completion (see turnover accounting policy).

Trade debtor provisions

The provision for doubtful debts is provided for on a specific customer by customer basis based on historical experience with the customers concerned and therefore involves judgements and estimates regarding the likelihood of receipt of monies.

4. TURNOVER

The turnover and loss (2020 - profit) before taxation are attributable to the principal activities of the company. An analysis of turnover by class of business is given below:

	2021	2020
	£	£
Construction contract turnover	2,357,610	8,059,336
Rendering of services	<u>773,714</u>	<u>2,686,446</u>
	<u><u>3,131,324</u></u>	<u><u>10,745,782</u></u>

All turnover arose in the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

5. OTHER OPERATING INCOME		2021	2020
		£	£
Sundry receipts		9,260	833
Grants received		<u>208,935</u>	<u>-</u>
		<u>218,195</u>	<u>833</u>
6. EMPLOYEES AND DIRECTORS		2021	2020
		£	£
Wages and salaries		978,792	1,160,892
Social security costs		99,924	122,491
Other pension costs		<u>60,775</u>	<u>132,298</u>
		<u>1,139,491</u>	<u>1,415,681</u>
The average number of employees during the year was as follows:		2021	2020
Management		2	2
Administrative		<u>23</u>	<u>25</u>
		<u>25</u>	<u>27</u>
		2021	2020
		£	£
Directors' remuneration		<u>59,785</u>	<u>51,053</u>
Pension benefits were accruing for 1 director (2020 – 1).			
7. OPERATING (LOSS)/PROFIT			
The operating loss (2020 - operating profit) is stated after charging/(crediting):			
		2021	2020
		£	£
Other operating leases		3,014	4,190
Depreciation - owned assets		80,175	62,774
Profit on disposal of fixed assets		(4,421)	-
Foreign exchange differences		2,876	(7,053)
Bad debt expense		<u>55,682</u>	<u>126,605</u>
8. AUDITOR'S REMUNERATION		2021	2020
		£	£
Fees payable to the company's auditors for the audit of the company's financial statements		<u>17,225</u>	<u>16,500</u>
Total audit fees		<u>17,225</u>	<u>16,500</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£	£
Deposit account interest	768	23,136
Other interest	<u>164,063</u>	<u>16,264</u>
	<u>164,831</u>	<u>39,400</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Leasing	<u>6,129</u>	<u>-</u>

11. TAXATION**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	314	59,162
Adjustments in respect of prior periods	<u>(59,162)</u>	<u>(44,734)</u>
Total current tax	(58,848)	14,428
Deferred tax (see note 18)	<u>(16,855)</u>	<u>19,031</u>
Tax on (loss)/profit	<u>(75,703)</u>	<u>33,459</u>

UK corporation tax has been charged at 19% in 2021 (2020 - 19%).

Reconciliation of total tax (credit)/charge included in profit and loss

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

	2021	2020
	£	£
(Loss)/profit before tax	<u>(31,983)</u>	<u>411,305</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(6,077)	78,148
Effects of:		
Expenses not deductible for tax purposes	(3,507)	(18,986)
Adjustments to tax charge in respect of previous periods	(59,162)	(44,734)
Dividends received not taxable	(23,812)	
Origination and reversal of temporary differences deferred taxation	16,855	19,031
Total tax (credit)/charge	<u>(75,703)</u>	<u>33,459</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

12. DIVIDENDS

	2021 £	2020 £
Ordinary shares of £1 each		
Interim	<u>82,464</u>	<u>75,840</u>

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Plant and machinery £
COST			
At 1 April 2020	386,180	19,156	152,086
Additions	-	-	-
Disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>386,180</u>	<u>19,156</u>	<u>152,086</u>
DEPRECIATION			
At 1 April 2020	25,425	6,228	76,052
Charge for year	7,724	1,916	15,210
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>33,149</u>	<u>8,144</u>	<u>91,262</u>
NET BOOK VALUE			
At 31 March 2021	<u>353,031</u>	<u>11,012</u>	<u>60,824</u>
At 31 March 2020	<u>360,755</u>	<u>12,928</u>	<u>76,034</u>

	Office and computer equipment £	Motor vehicles £	Asset under construction £	Totals £
COST				
At 1 April 2020	169,313	163,288	-	890,023
Additions	5,876	-	500,000	505,876
Disposals	<u>-</u>	<u>(138,134)</u>	<u>-</u>	<u>(138,134)</u>
At 31 March 2021	<u>175,189</u>	<u>25,154</u>	<u>500,000</u>	<u>1,257,765</u>
DEPRECIATION				
At 1 April 2020	142,234	23,022	-	272,961
Charge for year	14,503	40,822	-	80,175
Eliminated on disposal	<u>-</u>	<u>(57,555)</u>	<u>-</u>	<u>(57,555)</u>
At 31 March 2021	<u>156,737</u>	<u>6,289</u>	<u>-</u>	<u>295,581</u>
NET BOOK VALUE				
At 31 March 2021	<u>18,452</u>	<u>18,865</u>	<u>500,000</u>	<u>962,184</u>
At 31 March 2020	<u>27,079</u>	<u>140,266</u>	<u>-</u>	<u>617,062</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

14. FIXED ASSET INVESTMENTS

	Interest in associate £
COST	
At 1 April 2020	30,807
Additions	<u>1,112,221</u>
At 31 March 2021	<u>1,143,028</u>
NET BOOK VALUE	
At 31 March 2021	<u>1,143,028</u>
At 31 March 2020	<u>30,807</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Associated companies**CNG Fuels Limited**

Registered office: 250 Wharfedale Road, Winnersh Triangle, Wokingham, Berkshire, RG41 5TP
 United Kingdom.

Nature of business: Sale of Compressed natural gas

Class of shares:	2021	2020
	% holding	% holding
Ordinary £0.01	20.55	20.55

Barrow Shipping Limited

Registered office: C/o Wilkin Chapman LLP The Maltings 11-15 Brayford Wharf East. Lincoln LN5 7AY.

Nature of business: Provision of gas shipping services.

Class of shares:	2021	2020
	% holding	% holding
Ordinary £1	20.00	nil

On 4 February 2021, CNG Services Ltd purchased 50% of the share capital in Barrow Shipping Limited, who until 4 February were a related party in lieu of J Baldwin's minority shareholding in Barrow Shipping. Also on 4 February 2021, CNG Service disposed of 30% of the share capital to an unconnected company for no profit or loss. This leaves a residual 20% holding in Barrow Shipping Limited as at 31 March 2021.

CNG Investments Limited

Registered office: 16 Berkeley Street, London, England, W1J 8DZ.

Nature of business: Non trading company.

Class of shares:	2021	2020
	% holding	% holding
Ordinary £0.01	21.60	21.60

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

15. STOCKS

	2021	2020
	£	£
Work-in-progress	<u>204,020</u>	<u>-</u>

16. DEBTORS

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	934,432	1,236,844
Amounts owed by participating interests	49,194	143,284
Work in progress	180,445	767,790
Amounts receivable in respect of finance leases	21,119	-
Other debtors	25,069	22,155
Tax	45,217	131,797
Prepayments	<u>1,065,058</u>	<u>203,040</u>
	<u>2,320,534</u>	<u>2,504,910</u>

Amounts falling due after more than one year:

Amounts receivable in respect of finance leases	66,047	-
Other debtors	<u>200,000</u>	<u>200,000</u>
	<u>266,047</u>	<u>200,000</u>

Aggregate amounts	<u>2,586,581</u>	<u>2,704,910</u>
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Trade debtors are stated net of a provision totalling £380,690 (2020 - £436,372). Debtors, including £266,047 (2020 - £200,000) due after more than one year.

The loans receivable bear interest at 8% and the principal balances are due for repayment in one instalment on the maturity date of 25 August 2022.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	646,819	641,988
Amounts owed to participating interests	22	-
Corporation tax creditor	314	59,162
Social security and other taxes	26,347	35,420
VAT	193,539	233,330
Other creditors	8,171	14,105
Directors' current accounts	388	388
Accruals and deferred income	<u>1,106,708</u>	<u>466,731</u>
	<u>1,982,308</u>	<u>1,451,124</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

18. LEASING AGREEMENTS

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

	2021	2020
	£	£
Within one year	21,403	12,875
Between one and five years	<u>24,469</u>	<u>20,964</u>
	<u>45,872</u>	<u>33,839</u>

19. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	<u>87,815</u>	<u>104,670</u>

		Deferred tax
		£
Balance at 1 April 2020		104,670
Credit to Statement of comprehensive income during year		<u>(16,855)</u>
Balance at 31 March 2021		<u>87,815</u>

20. CALLED UP SHARE CAPITAL AND RESERVES

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

Retained earning consists of accumulated profits and losses.

21. PENSION COMMITMENTS

At the 31 March 2021 the company was committed to £7,866 (2020 £11,724) of pension contributions.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2021

22. RELATED PARTY DISCLOSURES

Other related parties

Other related party transactions and balances:

	Sales to		Purchases from	
	2021	2020	2021	2020
	£	£	£	£
CNG Fuels Limited	136,460	253,659	2,500	182,911
Barrow Shipping Limited	6,000	6,500	nil	nil

	Receivables outstanding	
	2021	2020
	£	£
CNG Fuels Limited	141,889	143,284
Barrow Shipping Limited	600	nil

In addition to the above, a loan was made in the year to CNG Fuels Limited amounting to £1,750,000. This bore interest at a rate of 20% per annum. This was repaid during the year.

During the year, CNG Services Ltd sold a vehicle to CNG Fuels Ltd for £85,000. This is accounted for as a finance lease over a four year period, with interest charged of 1.75% per annum.

Transactions with key management personnel

Total compensation of key management personnel, including the directors, in the year amounted to £17,544 (2020: £16,848).

Dividends paid in the year to the principal owners, being the directors, amounted to £82,464 (2020: £75,840).

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling parties are T J Baldwin and P Baldwin, both directors of the company, who together hold the entire issued share capital of the company.

24. EVENTS AFTER THE REPORTING DATE

In November 2021, CNG Services Ltd entered into a finance lease arrangement with CNG Fuels Limited, an associated company, to lease plant and equipment which at 31 March 2021 was classified as work in progress within inventory and amounted to £204,019.

In March 2022, a group reconstruction was undertaken in order to restructure the group. First, CNG Services Assets Ltd was incorporated and all of the ordinary shares in CNG Services Ltd, which were wholly owned by T J and P Baldwin, were transferred to CNG Services Assets Ltd. T J and P Baldwin remained ultimate controlling parties. Second, CNG Services Ltd distributed all of its investments in associated undertakings to CNG Services Assets Ltd via a dividend in specie. Third, all of the ordinary shares in CNG Services Ltd were again transferred to a further newly incorporated company – CNG Services Group Ltd – whose ultimate controlling parties are also T J and P Baldwin.