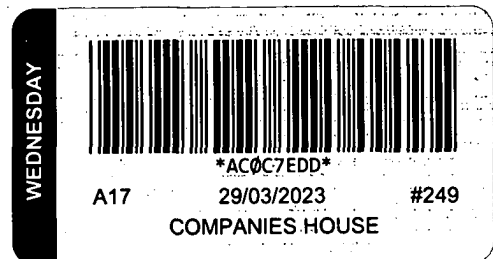


REGISTERED NUMBER: 04683805 (England and Wales)

**CNG SERVICES LTD**  
**ANNUAL REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**



**CONTENTS OF THE FINANCIAL STATEMENTS  
for the Year Ended 31 March 2022**

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**CNG SERVICES LTD**  
**COMPANY INFORMATION**  
**for the Year Ended 31 March 2022**

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**DIRECTORS:** T J Baldwin  
P Baldwin

**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 2022**

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The directors present their strategic report for the year ended 31 March 2022.

**REVIEW OF BUSINESS**

CNG Services Ltd (CSL) reported a loss before tax for the year of £36,593 (2021 loss of £31,983). The net assets position of the business at 31 March 2022 was £4,407,576 (2021 £5,603,884).

**Demerger**

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 distribution 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.

**Biomethane market**

A new support scheme (The Green Gas Support Scheme, "GGSS") was introduced in 2021 based on a tariff of 5.5 p/kWh with Tier 1 up to 60 million kWh/annum. Unfortunately, the GGSS does not support existing anaerobic digester plants such as food waste and sewage works. At least 50% of the biogas has to be produced by waste feedstock as per the previous renewable heat incentive scheme. It is expected there will be around 12 - 18 GGSS projects delivered by end 2023. The major issues holding back projects are feedstock availability, planning consent and gas grid capacity.

CSL is working on a number of biomethane into the National Transmission System (NTS) projects with no capacity issues and no need to enrich with biomethane. The largest project under development is a Biomethane project in Cheshire with liquid Bio-CO<sub>2</sub>, injection into the NTS and potential for a network of dry biogas pipelines linking further digesters.

CSL has 15 live biomethane projects under development from feasibility onwards with existing and new clients for Biomethane to Gas grid projects varying from £1m to £20m.

At Vale Green Energy, Pershore, a project is well advanced to make this into a major decanting centre to being satellite sources of compressed upgraded biogas and inject into the grid. This will be an extension of the existing biomethane production facility and is on track to be operational in April 2023.

The company is developing the first project in GB to be based on injection of biomethane from waste to generate RTFCs under the Renewable Transport Fuel Scheme. The project is in Wales and expected to be operational by April 2023 and is being done in partnership with Ceres Energy Ltd.

CSL has built a new Mobile Refuelling Unit that comprises a 20 ft X-Store storage module and a SAFE hydraulic compressor. This is being rented to CNG Fuels Ltd for use by them as a temporary Bio-CNG station ahead of completion of new grid connected stations.

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

**Hydrogen market**

CSL has completed a number of projects in the Hydrogen market including the first phase of an Ofgem funded Strategic Investment Project for injecting Green H<sub>2</sub> into the NTS.

CSL is involved in Hydrogen Business Model projects whereby BEIS will fund large industrial and commercial customers to move from natural gas to hydrogen. The projects are similar to some of the projects previously carried out by CSL involving conversion of industrial and commercial customer from oil to gas (eg Glenmorangie distillery, British Sugar Cantley).

**STRATEGIC REPORT**  
**for the Year Ended 31 March 2022**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

**Energy Prices**

Gas and electricity prices are very high in 2021/22 as a result of the Russian invasion of Ukraine. This is positive for biomethane projects but negative for Bio-CNG as the normal saving in pence per mile from switching from diesel to Bio-CNG has gone away due to high gas prices.

A number of onshore natural gas projects that were not economic at a gas price of 40 p/therm are now economic and this provides an opportunity.

**Biomethane projects and capacity**

The absence of capacity in the gas grid is the major issue holding back projects. CSL's Reverse Compression initiative aims to remove this barrier.

**Inflation**

Higher prices for energy and other commodities are increasing the cost to deliver projects. The company is mitigating the inflation cost pressures with putting prices up and working on more efficient delivery processes.

**Order Books**

The company imports plant and equipment from EU and there are delays due to full order books and shortage of computer chips.

**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, the company does not often use foreign exchange forward contracts or interest rate swap contracts to hedge these exposures.

**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. All customers who wish to trade on credit terms 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 2022**

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**FUTURE PROSPECTS**

High gas commodity prices are now forecast to last through to 2025 and this supports the development of biomethane projects. However, high gas prices are not good for the Bio-CNG market and it is possible that development of H2 projects will be delayed as electricity to make Green H2 is very valuable in the normal electricity market due to the problems with the French nuclear fleet and high gas prices.

The Government policy of 'net zero' greenhouse gas (GHG) emissions by 2050 is positive for biomethane, in particular with the CCUS 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 them valuable.

The Vale Green decanting centre should be operational in Q2 2023 and there are a number of good prospects for bringing compressed upgraded biogas to that facility. In February 2023 a similar facility in Yorkshire was given the go ahead with CSL providing design and build services for that.

The CO2 price in EU and UK is very high and this is likely to encourage biomethane developments with liquid CO2 always produced for sale at typical prices now of £150/tonne compared to historic price of £40/tonne. Fertiliser is also now more expensive which makes digestate from anaerobic digester plants more valuable.

The company has the engineering competencies to work on BEIS Hydrogen Business Model projects that are expected to lead to revenue in financial year 2022/23 with significant EPC value in 2023/24.

**ON BEHALF OF THE BOARD:**

*T J Baldwin*

.....  
T J Baldwin - Director

Date: *28/3/23*  
.....

**REPORT OF THE DIRECTORS  
for the Year Ended 31 March 2022**

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The directors present their annual report and audited financial statements for the year ended 31 March 2022.

**PRINCIPAL ACTIVITIES**

CNG Services Ltd ("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.

**DIVIDENDS**

Dividends of £142,442 (2021: £82,464) were declared during the year. No final dividend is proposed (2021: £nil). A distribution in specie was declared in the year totalling £1,143,028 transferring investments in associates to CNG Services Assets Ltd.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

T J Baldwin  
P Baldwin

**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 £36,593 (2021 loss of £31,983), has net current assets of £3,079,343 (2021 - £3,836,487) and cash balances of £2,494,591 (2021 - £2,778,194). 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.

**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.

**REPORT OF THE DIRECTORS**  
**for the Year Ended 31 March 2022**

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**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.

**SIGNED ON ITS BEHALF:**

*T J Baldwin*

.....  
T J Baldwin - Director

Date: 28/3/23

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
for the Year Ended 31 March 2022**

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The directors are responsible for preparing the Strategic Report, the Report of the directors and the financial statements in accordance with applicable law and regulations, and in accordance with United Kingdom Generally Accepted Accounting Practice.

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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
CNG SERVICES LTD**

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**Opinion**

We have audited the financial statements of CNG Services Ltd (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement, the notes to the cashflow 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 2022 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 report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the report of the directors have been prepared in accordance with applicable legal requirements.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CNG SERVICES LTD

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### **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 report of the directors.

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

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

### **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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
CNG SERVICES LTD**

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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.



Ben Sheldon ACA (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services

6th Floor Bank House  
Cherry Street  
Birmingham  
B2 5AL

Statutory Auditor

Date: 28/03/2023

**STATEMENT OF COMPREHENSIVE  
INCOME**  
for the Year Ended 31 March 2022

	Notes	2022		2021 as restated	
		£	£	£	£
<b>TURNOVER</b>	4		7,937,665		3,131,324
Cost of sales			<u>(6,694,494)</u>		<u>(2,095,199)</u>
<b>GROSS PROFIT</b>			1,243,171		1,036,125
Administrative expenses			<u>(1,383,888)</u>		<u>(1,570,329)</u>
			(140,717)		(534,204)
Other operating income	5		<u>94,303</u>		<u>218,195</u>
<b>OPERATING LOSS</b>	7		(46,414)		(316,009)
Income from shares in group undertakings			-	125,324	
Interest receivable and similar income	9	<u>16,270</u>		<u>164,831</u>	
			<u>16,270</u>		<u>290,155</u>
			(30,144)		(25,854)
Interest payable and similar expenses	10		<u>(6,449)</u>		<u>(6,129)</u>
<b>LOSS BEFORE TAXATION</b>			(36,593)		(31,983)
Tax on loss	11		<u>125,755</u>		<u>75,703</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			89,162		43,720
<b>OTHER COMPREHENSIVE INCOME</b>			<u>-</u>		<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<u>89,162</u>		<u>43,720</u>

The notes on pages 16 to 30 form part of these financial statements

**BALANCE SHEET**  
31 March 2022

	Notes	2022		2021 as restated	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	14		1,406,327		712,184
Investments	15		-		1,143,028
			<u>1,406,327</u>		<u>1,855,212</u>
<b>CURRENT ASSETS</b>					
Stocks	16		-	204,020	
Debtors	17	2,931,579		2,836,581	
Cash at bank		<u>2,494,591</u>		<u>2,778,194</u>	
		5,426,170		5,818,795	
<b>CREDITORS</b>					
Amounts falling due within one year	18	<u>(2,346,827)</u>		<u>(1,982,308)</u>	
<b>NET CURRENT ASSETS</b>			<u>3,079,343</u>		<u>3,836,487</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,485,670		5,691,699
<b>PROVISIONS FOR LIABILITIES</b>	20		<u>(78,094)</u>		<u>(87,815)</u>
<b>NET ASSETS</b>			<u>4,407,576</u>		<u>5,603,884</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital and reserves	21		2		2
Retained earnings			<u>4,407,574</u>		<u>5,603,882</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>4,407,576</u>		<u>5,603,884</u>

Included within debtors within current assets are amounts due after more than one year totalling £44,162 (2021 - £266,047).

The financial statements were approved by the Board of Directors and authorised for issue on 28/03/23 and were signed on its behalf by:

*T J Baldwin*

.....  
T J Baldwin - Director

*P Baldwin*

.....  
P Baldwin - Director

The notes on pages 16 to 30 form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY**  
for the Year Ended 31 March 2022

	Called up share capital and reserves £	Retained earnings £	Total equity £
<b>Balance at 1 April 2020</b>	2	5,642,626	5,642,628
<b>Changes in equity</b>			
Dividends and Distributions	-	(82,464)	(82,464)
Total comprehensive income	-	43,720	43,720
<b>Balance at 31 March 2021</b>	<u>2</u>	<u>5,603,882</u>	<u>5,603,884</u>
<b>Changes in equity</b>			
Dividends	-	(142,442)	(142,442)
Distribution in Specie	-	(1,143,028)	(1,143,028)
Total comprehensive income	-	89,162	89,162
<b>Balance at 31 March 2022</b>	<u><u>2</u></u>	<u><u>4,407,574</u></u>	<u><u>4,407,576</u></u>

The notes on pages 16 to 30 form part of these financial statements

**CASH FLOW STATEMENT**  
for the Year Ended 31 March 2022

	Notes	2022 £	2021 as restated £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1*	413,350	(281,429)
Interest element of hire purchase or finance lease rental payments paid		(6,449)	(6,129)
Tax paid		<u>160,937</u>	<u>86,580</u>
Net cash from operating activities		<u>567,838</u>	<u>(200,978)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(749,809)	(255,876)
Purchase of fixed asset investments		-	(1,112,221)
Sale of tangible fixed assets		5,000	85,000
Interest received		16,270	164,831
Dividends received		<u>-</u>	<u>125,324</u>
Net cash from investing activities		<u>(728,539)</u>	<u>(992,942)</u>
<b>Cash flows from financing activities</b>			
Government grant		19,540	208,935
Equity dividends paid		<u>(142,442)</u>	<u>(82,464)</u>
Net cash from financing activities		<u>(122,902)</u>	<u>126,471</u>
<b>Decrease in cash and cash equivalents</b>			
<b>Cash and cash equivalents at beginning of year</b>	2*	<u>2,778,194</u>	<u>3,845,643</u>
<b>Cash and cash equivalents at end of year</b>	2*	<u><u>2,494,591</u></u>	<u><u>2,778,194</u></u>

The notes on pages 16 to 30 form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT**  
for the Year Ended 31 March 2022

**1\*. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2022	2021 as restated
	£	£
Loss before taxation	(36,593)	(31,983)
Depreciation charges	53,120	80,175
Profit on disposal of fixed assets	(2,454)	(4,421)
Movement in WIP	(502,692)	587,345
Movement in amount owed by related parties	190,809	94,112
Movement in investments	(22)	-
Movement in finance lease balance	21,119	(87,166)
Government grants	(19,540)	(208,935)
Finance costs	6,449	6,129
Finance income	<u>(16,270)</u>	<u>(290,155)</u>
	(306,074)	145,101
Decrease/(increase) in stocks	204,020	(204,020)
Decrease/(increase) in trade and other debtors	311,148	(812,520)
Increase in trade and other creditors	<u>204,256</u>	<u>590,010</u>
<b>Cash generated from operations</b>	<u><u>413,350</u></u>	<u><u>(281,429)</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 2022**

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u>2,494,591</u>	<u>2,778,194</u>

**Year ended 31 March 2021**

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

**3\*. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>2,778,194</u>	<u>(283,603)</u>	<u>2,494,591</u>
	<u>2,778,194</u>	<u>(283,603)</u>	<u>2,494,591</u>
<b>Total</b>	<u><u>2,778,194</u></u>	<u><u>(283,603)</u></u>	<u><u>2,494,591</u></u>

The notes on pages 16 to 30 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Year Ended 31 March 2022**

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**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 £.

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 £36,593 (2021 loss of £31,983), has net current assets of £3,079,343 (2021 - £3,836,487) and cash balances of £2,494,591 (2021 - £2,778,194). 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 2022

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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.

Assets under construction are depreciated when they become available for use and are transferred to an appropriate asset class.

**Distribution in specie**

A distribution in specie occurs where the company makes a distribution of an identified non-cash assets, without first declaring an amount in cash. A distribution in specie may also occur if an asset is transferred at below market value as part of an intra-group reorganisation, where the value of the transferred asset is subsidised partly or in full by the transferring company.

**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.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

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3. ACCOUNTING POLICIES - continued

**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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2022**

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3. **ACCOUNTING POLICIES - continued**

**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.

**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.

**Operating lease under lessor**

The operating lease represents the lease of the mobile refuelling unit to CNG Fuels Limited. The lease has been negotiated over the term of 5 years and 1 month with the rental value fixed for the entire leased period of £9,050.90 received monthly in advance. There is no options in place for either party to extend the lease terms.

**Finance lease under lessor**

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of leases.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

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3. ACCOUNTING POLICIES - continued

**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.

**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. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2022**

**3. ACCOUNTING POLICIES - continued****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.

**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).

**4. TURNOVER**

The turnover and loss before taxation are attributable to the principal activities of the company.

An analysis of turnover by class of business is given below:

	2022	2021 as restated
	£	£
Construction contract turnover	5,907,010	2,357,610
Rendering of services	<u>2,030,655</u>	<u>773,714</u>
	<u>7,937,665</u>	<u>3,131,324</u>

All turnover arose in the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2022**

**5. OTHER OPERATING INCOME**

	2022	2021 as restated
	£	£
Rents received	72,407	-
Sundry receipts	2,356	9,260
Grants received	<u>19,540</u>	<u>208,935</u>
	<u>94,303</u>	<u>218,195</u>

**6. EMPLOYEES AND DIRECTORS**

	2022	2021 as restated
	£	£
Wages and salaries	1,052,638	978,792
Social security costs	112,942	99,924
Other pension costs	<u>85,206</u>	<u>60,775</u>
	<u>1,250,786</u>	<u>1,139,491</u>

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

	2022	2021 as restated
Management	2	2
Administrative	<u>23</u>	<u>25</u>
	<u>25</u>	<u>27</u>

Pension benefits were accruing for nil directors (2021: 1)

	2022	2021 as restated
	£	£
Directors' remuneration	<u>32,914</u>	<u>59,785</u>

**7. OPERATING LOSS**

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

	2022	2021 as restated
	£	£
Other operating leases	1,534	3,014
Depreciation - owned assets	53,120	80,175
Profit on disposal of fixed assets	(2,454)	(4,421)
Foreign exchange differences	53,526	2,876
Bad debt expenses	<u>(366,613)</u>	<u>55,682</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2022**

8.	<b>AUDITOR'S REMUNERATION</b>	2022	2021 as restated
		£	£
	Fees payable to the company's auditors for the audit of the company's financial statements	<u>19,750</u>	<u>17,225</u>
	Total audit fees	<u>19,750</u>	<u>17,225</u>
9.	<b>INTEREST RECEIVABLE AND SIMILAR INCOME</b>	2022	2021 as restated
		£	£
	Deposit account interest	112	768
	Other interest	<u>16,158</u>	<u>164,063</u>
		<u>16,270</u>	<u>164,831</u>
10.	<b>INTEREST PAYABLE AND SIMILAR EXPENSES</b>	2022	2021 as restated
		£	£
	Leasing	<u>6,449</u>	<u>6,129</u>
11.	<b>TAXATION</b>		
	<b>Analysis of the tax credit</b>		
	The tax credit on the loss for the year was as follows:	2022	2021 as restated
		£	£
	Current tax:		
	UK corporation tax	-	314
	Adjustments in respect of prior periods	<u>(116,034)</u>	<u>(59,162)</u>
	Total current tax	<u>(116,034)</u>	<u>(58,848)</u>
	Deferred tax (see note 20)	<u>(9,721)</u>	<u>(16,855)</u>
	Tax on loss	<u>(125,755)</u>	<u>(75,703)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2022**

**11. TAXATION - continued****Reconciliation of total tax credit 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:

	2022	2021 as restated
	£	£
Loss before tax	<u>(36,593)</u>	<u>(31,983)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(6,953)	(6,077)
Effects of:		
Expenses not deductible for tax purposes	(12,489)	(3,507)
Adjustments to tax charge in respect of previous periods	-	(59,162)
Origination and reversal of temporary differences	9,721	16,855
Dividends received not taxable	-	(23,812)
R&D tax credit	<u>(116,034)</u>	<u>-</u>
Total tax credit	<u>(125,755)</u>	<u>(75,703)</u>

**12. DIVIDENDS AND DISTRIBUTIONS**

	2022	2021 as restated
	£	£
Ordinary shares of £1 each		
Interim	142,442	82,464
Distribution in specie (note15)	<u>1,143,028</u>	<u>-</u>
	<u>1,285,470</u>	<u>82,464</u>

**13. PRIOR YEAR ADJUSTMENT**

In the year ended 31 March 2021, the company along with third parties acquired the plant and equipment at Grindley House Farm for redevelopment purposes for £500,000. The company provided the funds necessary to acquire the assets, but recognised the full amount as assets under construction when the % acquired was attributable to a 50% share for CNG Services Ltd.

Accordingly a prior year restatement has been processed to reduce assets under construction by £250,000 and increase other debtors by £250,000. The restatement has no impact upon reported net assets or reported profit.

In the year ended 31 March 2022, the company has acquired the full rights and obligations to the assets for further consideration of £150,000. The £250,000 paid on behalf of other parties in the year ended 31 March 2021 has therefore been reclassified as additions to assets under construction in the current year.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

14. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 April 2021	386,180	19,156	152,086
Additions	-	-	48,056
Transferred from inventory			295,779
Disposals	-	-	(6,500)
At 31 March 2022	<u>386,180</u>	<u>19,156</u>	<u>489,421</u>
<b>DEPRECIATION</b>			
At 1 April 2021	33,149	8,144	91,262
Charge for year	7,724	1,916	26,938
Eliminated on disposal	-	-	(3,954)
At 31 March 2022	<u>40,873</u>	<u>10,060</u>	<u>114,246</u>
<b>NET BOOK VALUE</b>			
At 31 March 2022	<u>345,307</u>	<u>9,096</u>	<u>375,175</u>
At 31 March 2021	<u>353,031</u>	<u>11,012</u>	<u>60,824</u>

	Office and computer equipment £	Motor vehicles £	Asset under construction £	Totals £
<b>COST</b>				
At 1 April 2021 (restated)	175,189	25,154	250,000	1,007,765
Additions	5,974	-	400,000	454,030
Transferred from inventory				295,779
Disposals	-	-	-	(6,500)
At 31 March 2022	<u>181,163</u>	<u>25,154</u>	<u>650,000</u>	<u>1,751,074</u>
<b>DEPRECIATION</b>				
At 1 April 2021 (restated)	156,737	6,289	-	295,581
Charge for year	10,253	6,289	-	53,120
Eliminated on disposal	-	-	-	(3,954)
At 31 March 2022	<u>166,990</u>	<u>12,578</u>	<u>-</u>	<u>344,747</u>
<b>NET BOOK VALUE</b>				
At 31 March 2022	<u>14,173</u>	<u>12,576</u>	<u>650,000</u>	<u>1,406,327</u>
At 31 March 2021 (restated)	<u>18,452</u>	<u>18,865</u>	<u>250,000</u>	<u>712,184</u>

Assets under construction relate to Plant and Equipment at Grindley House Farm. Plant and machinery with net book value totalling £283,455 is leased under operating leases to third parties. (2021: £nil).

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

15. FIXED ASSET INVESTMENTS

	Interest in associate £
<b>COST</b>	
At 1 April 2021	1,143,028
Distribution in specie	<u>(1,143,028)</u>
At 31 March 2022	-
<b>NET BOOK VALUE</b>	
At 31 March 2022	<u>-</u>
At 31 March 2021	<u>1,143,028</u>

A distribution in specie was declared in the year totalling £1,143,028 transferring investments in associates to CNG Services Assets Ltd.

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:	2022 % holding	2021 % holding
Ordinary £0.01	nil	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:	2022 % holding	2021 % holding
Ordinary £1	nil	20.00

**CNG Investments Limited**

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

Nature of business: Non trading company.

Class of shares:	2022 % holding	2021 % holding
Ordinary £0.01	nil	21.60

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.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2022**

**16. STOCKS**

	2022	2021 as restated
	£	£
Work-in-progress	<u>-</u>	<u>204,020</u>

Work-in-progress related to plant and equipment which was being developed for sale, but during the year was leased to CNG Fuels Limited and has been transferred to tangible fixed assets.

**17. DEBTORS**

	2022	2021 as restated
	£	£
Amounts falling due within one year:		
Trade debtors	1,649,167	934,432
Amounts owed by related parties	18,984	49,194
Work in progress	683,137	180,445
Amounts receivable in respect of finance leases	21,885	21,119
Other debtors	303,465	275,069
Tax	-	45,217
Prepayments	<u>210,779</u>	<u>1,065,058</u>
	<u>2,887,417</u>	<u>2,570,534</u>
Amounts falling due after more than one year:		
Amounts receivable in respect of hire purchase contracts	44,162	66,047
Other debtors	<u>-</u>	<u>200,000</u>
	<u>44,162</u>	<u>266,047</u>
Aggregate amounts	<u>2,931,579</u>	<u>2,836,581</u>

Other debtors falling due after more than one year totalling £200,000 at 31 March 2021 related to loans receivable bearing interest at 8% with the principal balances due for repayment in one instalment on the maturity date of 25 August 2022. Amounts have therefore been reclassified as current debtors at 31 March 2021.

Trade debtors are stated net of provisions totalling £Nil (2021: £380,690).

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the Year Ended 31 March 2022

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021 as restated
	£	£
Trade creditors	980,543	646,819
Amounts owed to Related parties	160,599	-
Amounts owed to participating interests	-	22
Corporation tax creditor	-	314
Social security and other taxes	37,606	26,347
VAT	575,433	193,539
Other creditors	15,278	8,171
Directors' current accounts	388	388
Accruals and deferred income	<u>576,980</u>	<u>1,106,708</u>
	<u>2,346,827</u>	<u>1,982,308</u>

**19. LEASING AGREEMENTS**

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

	2022	2021 as restated
	£	£
Within one year	17,640	21,403
Between one and five years	<u>7,066</u>	<u>24,469</u>
	<u>24,706</u>	<u>45,872</u>

**20. PROVISIONS FOR LIABILITIES**

	2022	2021 as restated
	£	£
Deferred tax		
Accelerated capital allowances	<u>78,094</u>	<u>87,815</u>

	Deferred tax	Contract Costs Provision
	£	£
Balance at 1 April 2021	87,815	-
Provided during year	<u>(9,721)</u>	-
Balance at 31 March 2022	<u>78,094</u>	-

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 March 2022**

**21. CALLED UP SHARE CAPITAL AND RESERVES**

Allotted, issued and fully paid:		Nominal value:	2022	2021 as restated
Number:	Class:			
2	Ordinary	£1	£ <u>2</u>	£ <u>2</u>

Retained earnings consists of accumulated profits and losses.

**22. PENSION COMMITMENTS**

At the 31 March 2022 the company was committed to £8,203 (2021 £7,866) of pension contributions.

**23. RELATED PARTY DISCLOSURES****Other related parties**

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 related party transactions and balances:

	Sales to		Purchases from	
	2022	2021	2022	2021
	£	£	£	£
CNG Fuels Limited	99,563	136,460	nil	2,500
Barrow Shipping Limited	<u>6,000</u>	<u>6,000</u>	<u>nil</u>	<u>nil</u>

	Receivables outstanding With the finance lease receivable too		Payables	
	2022	2021	2022	2021
	£	£	£	
CNG Fuels Limited	84,431	141,889		
Barrow Shipping Limited	600	600		
CNG Services Assets Limited	-	-	<u>160,599</u>	

During 2021, 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. During 2022, CNG Services leased an asset to CNG Fuels Ltd on an operating lease basis the details being as follows:

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 March 2022

<b>Operating lease lessor split between current and non-current Lease</b>				
<b>Lease</b>	<b>Lease period</b>	<b>Lease term</b>	<b>Paid (months)</b>	<b>O/S (months)</b>
Plant and machinery	<u>01/08/2021-31/08/2026</u>	<u>61</u>	<u>8</u>	<u>53</u>
<b>Payment Terms</b>	<b>Monthly rental</b>	<b>Due within 1 year</b>	<b>2-5 years</b>	<b>More than 5 years</b>
<u>Monthly in advance</u>	<u>9,050.90</u>	<u>108,611</u>	<u>371,087</u>	<u>-</u>

**Finance lease receivable**

The finance lease receivable balance relates to an asset sold to CNG Fuels Limited in the prior year for £85,000 (Iveco Stralis AS440S46TP).

CNG Fuels Limited are paying for the asset over 4 years at 1.75% in instalments (£1,985 per month).

As the disposal is being paid over 4 years, it should be treated as a finance lease. This is due to the fact that the risk and rewards transfer over to CNG Fuels limited at the end of the finance lease.

	<b>PV minimum lease payments</b>
Not later than one year	21,885.15
Later than one year and not later than five years	44,161.86
Later than five years	<u>-</u>

**Transactions with key management personnel**

There are no key management personal other than the directors.

Dividends paid in the year to the principal owners, being the directors, amounted to £142,442 (2021: £82,464).

**24. ULTIMATE CONTROLLING PARTY**

The controlling party is CNG Services Group Limited, following the group reconstruction detailed in note 15.

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 holding company CNG Services Group Limited.