

CNG (Group) Limited

FINANCIAL STATEMENTS

for the period ended

31 October 2019



CNG (Group) Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P R Stanley
A A S Boughan
J L Hall
C J England
J R Leworthy
M J Walls
A Andrist

SECRETARY

S Franks

REGISTERED OFFICE

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2 Victoria Avenue
Harrogate
North Yorkshire
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AUDITOR

RSM UK Audit LLP
Chartered Accountants
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CNG (Group) Limited

STRATEGIC REPORT

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activities of the Group during the period were that of the supply of natural gas and electricity to non-domestic UK SME customers and provision of gas shipping services to domestic and non-domestic licenced gas suppliers, the sale and wholesale distribution of natural gas and energy connections.

There have not been any significant changes in the Group's principal activities in the period under review.

The Group has had a tough trading financial period, resulting in an operating loss for the 18 month period of £52.7m (2018 12 month period: £10.4m loss). Revenue in the 18 month financial period increased to £1,169.1m (2018 12 month period: £707.4m), principally attributable to the 18 month financial period, decreasing on a like for like basis. Exceptional losses of £45.5m related to write-offs, principally in relation to the wholesale division (discussed below). Cash as at 31 October 2019 was £15.2m (2018: £5.6m), with the trading losses funded through the balance sheet and creditor support.

The Group has undergone a period of transition and change across the financial period with additions to the senior management and leadership, a new minority shareholder Dagan AG (a Glencore plc investment subsidiary), with a representative joining the Board and a significant overhaul to the Group's risk management framework and governance approach. The financial and operational performance of the Group in the twelve months since 31 October 2019, demonstrates the positive impact from the robust framework that has been implemented during this period, with many of the initiatives originating during the financial period to 31 October 2019.

Wholesale gas prices experienced a period of pricing volatility across the 2018 calendar year and into early calendar 2019, in part related to a knock-on impact from the 'Beast from the East'. This resulted in an exceptional rise in gas prices in March 2018 and financial losses incurred during this cold snap weather event. The 'Beast from the East' is an important milestone event for both the Group and the wider industry. It prompted organisations to review their risk management approaches and processes specifically in relation to demand consumption, weather and pricing. Following its own review, the Group has made a significant investment in risk management tools, demand forecasting models and introduced a formal credit & risk framework and policy to better manage future price and volume risk.

Market price volatility, the destabilising financial impacts from the Beast from the East and the effects of increased competition in the domestic energy supply market led to a number of small and mid-sized energy suppliers struggling financially and subsequently exiting the market across the financial period. In total, 24 energy suppliers have exited the market since the beginning of calendar year 2018 to March 2020.

Over the course of recent years, the Group, through its Wholesale division, entered into contractual arrangements to provide independent gas shipping services and wholesale distribution of natural gas with a significant number of 'challenger' domestic energy suppliers. This has promoted competition within the market and allowed start-up energy suppliers to access fair wholesale pricing, risk management for gas trading and gas shipping services.

The Group did not anticipate the significant number of energy supply failures across a relatively short space of time, or the scale and impact of the subsequent credit defaults on the Group's financial performance and cash flow. Management mitigated losses where possible by adopting a robust credit and risk approach and enforcing security positions where there were clearly no other viable options and protected the interests of the Group.

The Group's non-domestic supply business traded robustly during the financial period, with net growth in contracted revenues across the period. Retail revenues increased to £154.9m for the 18 month period (2018 12-month period: £117m), decreasing on a like for like basis. Customer sales prices for renewals and new business have risen in line with the cost of wholesale gas. Gross margin declined due to an unprofitable winter 2019 hedging position caused by a lapse in trading discipline and departure from the risk management framework.

BALANCE SHEET AND WORKING CAPITAL

The balance sheet for the period reflects the impact of the exceptional trading losses, with net current liabilities of £30.1m (2018: £11.3m) and total net liabilities of £30.8m (2018: £10.0m net assets). The decrease is attributable to the funding of exceptional trading losses, funded through support from major creditors. Tangible assets have increased in the period due to additional office space as the workforce has grown year on year to accommodate

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specialist skills in relation to the overhaul of the groups credit and risk policy.

Overall Debtors decreased, adjusted for the exceptional write off relating to the Wholesale division there was a net increase of £18.1m attributable to the growth within the wholesale portfolio and average debtor days improved again to 27 days (2018: 34 days) showing the Group's continued commitment to monitoring the credit control processes. Creditors have also increased in line with the portfolio growth and average creditor days have increased to 42 days (2018: 41 days), driven by the increased creditor support during the period.

Customer satisfaction is highly valued by the Group and over the last 18 months the Group has continued to champion the need to keep focus on the SME customer and its key Third Party Intermediary Brokers. The Group was placed first, when it comes to complaint handling, in the most recent results that were independently published by the Citizens Advice Bureau as part of their new non-domestic energy supplier league tables. Whilst the best solution is to avoid such complaints in the first instance, sometimes things do go wrong and the Group is pleased to be judged so highly on their response.

DIVIDEND

The Board has not declared a dividend during the period, continuing their policy of re-investment in the future growth of the Group and increasing shareholder value.

KEY PERFORMANCE INDICATORS

As part of the Group's growth strategy, the board and management team is focusing its attention on a set of non-financial and financial Key Performance Indicators (KPIs) to monitor business performance towards achieving the Group's strategic objectives; to be one of the best customer service providers and employers across all industries and grow the Group's market share.

NON-FINANCIAL KPIs

Customer Measures – The Group monitors Net Promoter Score and the Citizens Advice Bureau supplier league tables as a measure of customer satisfaction and service excellence. The Group continues to invest in increased staff training to enable them to better understand the customer and respond to their needs.

Employee Measures – The Group aims to have engaged employees as it recognises the direct link to quality service and customer satisfaction. To monitor this, management look at staff retention rates and impartial / third party assessment of staff feedback.

FINANCIAL KPIs

Sales performance – The product range and mix is monitored and reviewed on an ongoing basis in order to meet the needs and requirements of the customer. Sales are reviewed on a weekly and monthly basis to assess performance against targets and to ensure all sales opportunities are pursued. Sales acquisitions for the period were in line with expectations and renewal percentages increased to 62% (2018: 61%).

Gross profit margin – gross margins are constantly reviewed to identify areas to improve the profitability of the Group whilst retaining the non-financial objectives of the Group, in particular customer satisfaction. Gross profit increased by 0.9% in the period to 1.4% (2018: 0.6%), attributable to the higher wholesale gas price in the prior year, despite continued volatility during 2019.

Net working capital – the Group seeks to proactively manage its working capital to ensure that it maximises its asset base and cash flow to drive growth whilst managing debt levels. However, net working capital has decreased during the period to negative £30.1m (2018: £11.3m) this is as a result of the exceptional losses in the financial period.

Cash flow – cash flow is a key measure of the Group's financial performance and is closely monitored. The group have seen an increase in cash and cash equivalents and remained undrawn on an available invoice discount facility by the period end. The current ratio has decreased to 0.76 (2018: 1.12), this is attributable to the exceptional operating losses in the period, substantially offset by creditor term stretch.

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FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board is responsible for maintaining the Group's risk management and internal control systems and for the monitoring and mitigation of risks and opportunities in line with the Group's objectives. The Audit Committee also reviews risks on behalf of the Board and provides further oversight and risk mitigation within the overall risk framework and governance approach.

The Group operates an internal Credit and Risk Mitigation Policy and Framework designed to reduce and manage the financial and credit risk. The Policy aims to provide practical advice to assist in the management and handling of credit and risk across the Group. It aims to help employees understand how to recognise and deal with credit risk in a consistent way.

The Group operates a Credit Committee and Credit Review Team as part of its day to day financial risk management. They are responsible for assessing and advising on third party risks and mitigation, monitoring credit and performance risk, approve internal limits, security instruments, payment and credit terms within the mandated limits, report non-performing third parties and adverse credit events.

The Credit Committee is chaired by our Chief Financial Officer and is also responsible for reviewing the gas purchasing strategy and hedging position. The Credit Committee reports to the Audit Committee.

Credit Risk Framework encompasses the following areas:

Trade receivables	Unpaid goods where title has transferred or for services when performance has taken place (it does not matter whether goods or services have been delivered or not or if invoiced or not)
Prepayment or advance	Payments which are made before title passes for goods or before services have been performed
Loan & repayment plan	Short term to long term loans and repayments to a third party. This is paid on maturity (in instalments or as a lump sum)
Cash deposit	Cash deposited with a party either as overnight deposit or collateral

RISK AND UNCERTAINTY

The key risks and uncertainties faced by the Group in the period are outlined below, along with how management have addressed them.

Commodity risk

The Group is exposed to movements in wholesale gas markets and prices. The Group has to procure gas, using forward contracts, at fixed prices to meet uncertain levels of demand that are subject to seasonal fluctuations. Forecasts of commodity prices and customer demand are regularly reviewed to provide senior management with a clear perspective of the Group's profit position and pricing requirements.

Commodity Natural Gas prices are impacted by shifts in global demand, production and storage capacity, a historic intrinsic link to Oil prices and susceptible to political intervention and pressure. Current market prices are materially lower than the average weighted hedged position and the Group believes it can profitably manage its winter exposure. The Group has a hedging policy within a credit and risk framework to manage medium-term price risk by matching hedged gas to contracted volumes

Trading Risk

The underlying gas demand in the UK is correlated to weather and temperature. Variations to Seasonal Normal Demand (SND) continue to present a material risk on gas consumption and trading activities. The Group has an experienced in-house trading function, with significant investment in recent times, developing weather driven modelling with KPMG, working in partnership with IBM weather for daily and weekly weather reporting and

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greater senior management and Director oversight and control. The Group is reliant on gas supplies from around the world, to their access to reserves and the reliability of the storage, pipeline and gas processing. To help mitigate this risk, agreements are made with the Group's gas supplier for the purchase of gas using forward contracts and the supplier bears the risk on procurement to satisfy the contract orders.

Counterparty and Default Risk

The Group historically has principally extended credit terms to its customers in line with standard industry credit terms. The Group has a diversified portfolio of SME customers with a variety of sizes, that have been customers for varying lengths of time. The nature and spread of these relationships assist management in controlling its credit risk, in addition to the normal credit management processes. In order to manage credit risk the Group sets limits for its customers based on a combination of payment history, third party credit references and wider economic risk factors such as sector, within its overall credit and risk framework.

Technology risk

The Group's reputation and operations are critically dependent on the maintenance of robust and secure information systems. Effective and secure information systems are essential for the efficient management and accurate billing of the Group's customers. The confidentiality, integrity and availability of the information systems could be affected by factors that include human error, ineffective design, through malfunction or deliberate attack. Controls are in place to manage this risk, including monitoring and access restrictions. Business continuity plans are in place to help recover from significant outages or interruptions. To improve efficiency investments are continually made to the systems.

Loss of key personnel

The loss of key personnel may disrupt the Group and adversely affect the financial performance. The contributions of key personnel are depended upon for the future success of the Group. All personnel have employment agreements, changes in the senior management and any future departures of key employees may disrupt the business but would not materially adversely affect the results of operations due to the size of the organisation. To help mitigate this, employment agreements are used, succession planning is made, and remuneration packages are set to attract and retain a high calibre of employee.

Liquidity and Cash Flow risk

Liquidity and Cash Flow risk is the risk that the Group is unable to meet its current and future financial obligations as they fall due from the Group's available cash resources. Management control and monitor the Group's cash flow on a daily basis, including forecasting future requirements and cash flows. Security & credit control procedures for the retail and shipping services business are being reviewed to guarantee the correct funds are available. The Group proposes to meet its expected commitments from the operating cash flows of the business, existing cash, borrowings, and existing committed lines of credit. Areas such as purchasing strategy, hedging products and risk premiums are being updated to protect against further volatility in the market.

Competitive landscape

The energy environment is highly competitive and there is limited scope for differentiation. Where customers switch suppliers based on price and service levels, there is always a risk of substantial customer losses if the Group loses its competitiveness. To retain the Group's competitive position, the aim is to be comparable on price, and to combine attractive products and propositions with high quality customer service.

Regulatory environment

The Group requires a licence to operate as a non-domestic gas and electricity supplier and gas shipper, issued and monitored by OFGEM. The energy sector remains subject to extensive political and regulatory scrutiny. The Group has an internal regulatory and compliance team that maintains a regular dialogue with the regulatory body OFGEM. They are supported by senior management, who have extensive regulatory industry experience, to ensure they remain fully informed and able to react to changes in market structure, policy and regulation. If the Group fails to comply with its licence obligations, it could be subject to fines or even the removal of its respective licences.

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FUTURE DEVELOPMENTS

The directors aim to improve performance, manage risk and achieve further growth via diversification in terms of products offered and markets targeted. The Group has worked hard to understand the commercial market for renewable energy and currently provides a green gas product for new and current customers, an alternative choice to natural gas. The Group continues to investigate other products that would complement the Group's current portfolio and market position across wholesale and retail.

Covid-19

Following the onset of the Covid-19 pandemic within the UK in March 2020 and subsequent UK lockdown, the Group experienced a significant short term impact on its financial performance. Across April and May there was a 40% reduction in gas consumption across the Group UK SME customers vs Seasonal Normal Demand ("SND"). Leisure and Hospitality sectors experienced a 70% reduction across the period as most businesses were closed and had restrictions on trade. A reduction in gas sales and a resulting loss on over hedged gas sold back to market with falling global oil and gas prices resulted in a gross margin loss for the period.

In the subsequent months to October 2020, the Group has traded robustly, with financial performance in its Retail division generating positive margin and its Wholesale division trading strongly, generating positive margin. To date, in the six months to the end of September 2020, actual consumption has resulted in 30% reduction to SND, compared with management's forecast of a 37% reduction, as Leisure and Hospitality sectors have recovered better than forecasted, supported by the Eat Out to Help Out scheme in August 2020.

The Directors have prepared data driven detailed forecasts in relation to the pandemic, assessing a number of variables and its short and medium term impact on Natural Gas demand consumption, wholesale market Natural Gas prices, credit default risk and price elasticity on customer margin. The Directors have also considered a variety of winter scenarios in relation to the pandemic and seasonality and run stress cases of the key assumptions.

The Directors have considered the Group exposure to sectors which they expect to be materially impacted by the ongoing government restrictions on movement and trade and segmented its contracted book into risk categories to manage the future exposure across its hedging position, credit and risk approach and cash collections from stretched credit terms.

The Group anticipates a 10% reduction in contracted revenue, volumes and margin over the next twelve months. It has adjusted its medium-term hedging outlook to reflect the prevailing view of demand consumption and is currently positioned appropriately into winter 2020 as it remains cautious on future demand. Lower wholesale gas market prices compared with the weighted average hedged position on the contracted margin means the Group has sufficient headroom to ensure it can manage its overall exposure profitably.

The Directors have also assumed that Covid-19 will result in increased bad debts from SME business failures and credit defaults and have ensured it has specifically provisioned for this outcome in FY20. The forecasts assume continued late customer payments and credit terms being stretched across the next twelve months. Cash collection throughout Covid-19 has performed above expectations, with the majority of the contracted customer book on monthly direct debit.

Operationally the Group has continued to provide industry leading customer service and support during the Covid-19 pandemic and has been successfully working from home, following a decision to transition colleagues to working from home in mid-March 2020. The Group continues to support colleagues, customers and partners during the current government restrictions on movement and trade and remained open for business during the pandemic, where many of its competitors have retrenched and operationally struggled to maintain service levels.

Brexit

The key product of Natural Gas purchased by the Group is denominated in Sterling, with the relevant cost being based on the fluctuations of the commodity markets. All currency risk is managed by the Group's trading partners, who are globally diversified and well capitalised. The Group's customers are majority UK SME and have a limited direct and indirect exposure to the EU. The Directors do not believe that Brexit will have a material impact on the Group or any of its customers or trading partners.

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Contingent Liability

The Group is involved in ongoing litigation in relation to an incident in March 2017. The limitation period for claims in respect of the incident has been extended to Q1 of 2021. The Directors have been advised that they expect the claim to be covered by the Group's insurance policy but it may be a number of years before the quantum and liability of the claim is settled. No provision has been made in these financial statements as the Group's management do not believe that there is probable loss.

MATTERS OF STRATEGIC IMPORTANCE

In January 2020, CNG Group appointed a new CEO and restructured its senior management team and Board of Directors. Paul Stanley joined the business to lead the ongoing turnaround and transformation of the Group as it continues to implement increased risk management and controls, embarks on a digital transformation and leverage its significant market position to diversify the Group's trading activities.

The Group commenced a reduction in force programme in January 2020, that was concluded in March 2020, that saw 40 people leave the Group following a period of consultation. The programme was designed at better aligning teams to ensure control over key risks areas, stop non-core activities and eliminate non-essential projects that delay the organisation, whilst maintaining a structure, processes and controls to the scale required to be operationally competent, compliant and deliver accepted levels of customer service.

In February 2020, the Group completed a corporate restructure, formally separating its principal activities between Wholesale and Retail divisions, by affecting a migration of its Retail non-domestic supply business from Contract Natural Gas Limited to CNG Energy Limited (an existing non-domestic supply licenced business within the Group). The Group also entered into a new structured trading agreement with Glencore Energy UK (a trading subsidiary of Glencore plc), extending the existing credit facilities for Natural Gas trading to £30.0m across the Group.

In March 2020, CNG Group entered into a six-year loan agreement with Glencore Energy UK (a trading subsidiary of Glencore plc) for £35.0m, providing long term security for the Group.

In light of the Group's continued progress and momentum, the Board will continue to consider strategic options for maximising the Group's potential by enhancing the service offering to customers and ultimately enhancing shareholder value.

On behalf of the board



Director
A A S Boughan
Date: 30 October 2020

CNG (Group) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of CNG Group Limited for the 18 month period ended 31 October 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the period was that of a holding Company.

The principal activities of the subsidiary companies during the period were that of the supply of natural gas and provision of shipping services to other gas retailers, the sale and distribution of natural gas, electricity supply and other energy services and computer software development.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £48,591,766 (2018 – loss £9,013,324). No dividends were paid during the period (2018 - £nil).

DIRECTORS

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

J L Hall
C J England
J R Smith (appointed 12.02.19, resigned 02.07.20)
J R Leworthy
M J Walls
C R Hollins (resigned 31.01.20)
A A S Boughan (appointed 31.01.20)
P R Stanley (appointed 31.01.20)
C J Chambers (resigned 07.01.19)
T P Jones (appointed 13.06.19, resigned 31.01.20)
A Andrist (appointed 02.07.20)

The Company has purchased and maintained Directors' and Officers' liability insurance throughout 2018/9.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

STRATEGIC REPORT

In accordance with Section 414(c) of the Companies Act 2006 (Strategic Report & Directors Report) Regulations 2013, the company has prepared a Strategic Report, which includes information that would have previously been included in the Directors Report.

AUDITOR

RSM UK Audit LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

On behalf of the board



A A S Boughan

Director

Date: 30 October 2020

CNG (Group) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and 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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CNG (Group) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CNG GROUP LIMITED

Opinion

We have audited the financial statements of CNG (Group) Limited (the 'parent company') and its subsidiaries (the "group") for the period ended 31st October 2019 which comprise Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Statement of Financial Position, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent company's affairs as at 31 October 2019 and of its loss for the period 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 group 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the group incurred a net loss of £48,591,766 during the period ended 31 October 2019 and, as of that date, the group's current liabilities exceeded its total assets by £29,379,463. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period 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.

CNG (Group) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CNG GROUP LIMITED

Matters on which we are required to report by exception

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

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 by the parent company, 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, 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 group's and the parent 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 group or the parent 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

RSM UK Audit LLP

Daniel Varley (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

31 October 2020

CNG (Group) Limited
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period ended 31 October 2019

		2019 Exceptional Note 4	2019 Non-exceptional	Period 1 May 2018 to 31 October 2019 Total £	2018 Exceptional £	2018 Non-exceptional £	Year ended 30 April 2018 Total £
	Notes						
GROUP TURNOVER	3	-	1,169,125,668	1,169,125,668	15,514,264	691,924,133	707,438,397
Cost of sales		(3,968,996)	(1,148,562,654)	(1,152,531,650)	(32,605,332)	(670,706,349)	(703,311,681)
Gross (loss)/profit		(3,968,996)	20,563,014	16,594,018	(17,091,068)	21,217,784	4,126,716
Administrative expenses		(41,507,731)	(27,857,261)	(69,364,992)			(14,689,035)
Other operating income		-	45,189	45,189			128,210
OPERATING LOSS		(45,476,727)	(7,249,057)	(52,725,785)			(10,434,109)
Interest receivable	5			1,457,205			8,530
Interest payable and similar charges	6			(2,677,985)			(548,354)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	7			(53,946,565)			(10,973,933)
Taxation	11			5,354,799			1,960,609
LOSS FOR THE FINANCIAL PERIOD				(48,591,766)			(9,013,324)
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD				(48,591,766)			(9,013,324)
Loss attributable to non-controlling interest				(6,787)			-
Loss attributable to members of the parent company				(48,584,979)			(9,013,324)
The loss for the period arises from the Group's continuing operations.							

CNG (Group) Limited**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 October 2019

		31 October 2019	30 April 2018
	Notes	£	£
FIXED ASSETS			
Intangible assets	12	749,172	631,517
Tangible assets	13	819,857	365,445
		<u>1,569,029</u>	<u>996,962</u>
CURRENT ASSETS			
Debtors	17	85,407,501	104,003,335
Cash at bank and in hand		15,237,826	5,653,162
		<u>100,645,327</u>	<u>109,656,497</u>
CREDITORS			
Amounts falling due within one year	18	(131,593,819)	(98,327,686)
NET CURRENT (LIABILITIES)/ASSETS		<u>(30,948,492)</u>	<u>11,328,811</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(29,379,463)</u>	<u>12,325,773</u>
Creditors: Amounts falling due after more than one year	19	(1,372,745)	(2,360,868)
NET (LIABILITIES)/ASSETS		<u>(30,752,208)</u>	<u>9,964,905</u>
CAPITAL AND RESERVES			
Called up share capital	21	13,916	11,133
Share premium	22	8,335,984	338,767
ESOP reserve	22	(6,694,809)	(6,694,809)
Other reserves	22	1,001,764	1,001,764
Profit and loss account	22	(33,276,929)	15,308,050
SHAREHOLDERS' (DEFECIT)/ FUNDS		<u>(30,620,074)</u>	<u>9,964,905</u>
Non-controlling interest		(132,134)	-
		<u>(30,752,208)</u>	<u>9,964,905</u>

The financial statements on pages 12 to 36 were approved by the board of directors and authorised for issue 30 October 2020 and are signed on their behalf by:



.....
A A S Boughan
Director

CNG (Group) Limited
STATEMENT OF FINANCIAL POSITION
31 October 2019

	Notes	31 October 2019 £	30 April 2018 £
FIXED ASSETS			
Investments	14	<u>4,529,346</u>	<u>4,529,339</u>
CURRENT ASSETS			
Debtors	17	148,950	8,500
Cash at bank and in hand		<u>5,756</u>	<u>5,814</u>
		154,706	14,314
CREDITORS			
Amounts falling due within one year	18	<u>(1,520,450)</u>	<u>(8,185,734)</u>
NET CURRENT LIABILITIES		<u>(1,365,744)</u>	<u>(8,171,420)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,163,602</u>	<u>(3,642,081)</u>
Creditors: Amounts falling due after more than one year	19	<u>(1,372,745)</u>	<u>(2,360,868)</u>
NET ASSETS/(LIABILITIES)		<u><u>1,790,857</u></u>	<u><u>(6,002,949)</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	13,916	11,133
Share premium	22	8,335,984	338,767
ESOP reserve	22	(6,694,809)	(6,694,809)
Other reserves	22	1,001,764	1,001,764
Profit and loss account	22	<u>(865,998)</u>	<u>(659,804)</u>
SHAREHOLDERS' FUNDS/(DEFICIT)		<u><u>1,790,857</u></u>	<u><u>(6,002,949)</u></u>

COMPANY STATEMENT OF COMPREHENSIVE INCOME

As permitted by s408 Companies Act 2006, the company has not presented its own Statement of Comprehensive Income and related notes. The Company's loss for the period was £206,194 (2018: £218,655 loss).

The financial statements on pages 12 to 36 were approved by the board of directors and authorised for issue on 30 October 2020 and are signed on their behalf by:



.....
A A S Boughan
Director

CNG (Group) Limited
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 October 2019

	Notes	Share Capital £	Share Premium £	ESOP Reserves £	Other Reserves £	Profit and loss account £	Non- controlling Interest	Total £
BALANCE AT 1 MAY 2017		11,133	338,767	(6,694,809)	1,001,764	24,321,374	-	18,978,229
Loss for the year		-	-	-	-	(9,013,324)	-	(9,013,324)
Total comprehensive loss for the year		-	-	-	-	(9,013,324)	-	(9,013,324)
BALANCE AT 30 APRIL 2018		11,133	338,767	(6,694,809)	1,001,764	15,308,050	-	9,964,905
Issue of shares		2,783	7,997,217	-	-	-	-	8,000,000
Total transactions with owner		2,783	7,997,217	-	-	-	-	8,000,000
Acquisition of CNG Switch	15	-	-	-	-	-	(125,347)	(125,347)
Loss for the period		-	-	-	-	(48,584,979)	(6,787)	(48,591,766)
Total comprehensive income for the year		-	-	-	-	(48,584,979)	(132,134)	(48,717,113)
BALANCE AT 31 OCTOBER 2019		13,916	8,335,984	(6,694,809)	1,001,764	(33,976,929)	(132,134)	(30,752,208)

CNG (Group) Limited
STATEMENT OF CHANGES IN EQUITY
For the period ended 31 October 2019

	Share Capital £	Share Premium £	ESOP Reserves £	Other Reserves £	Profit and loss account £	Total £
BALANCE AT 1 MAY 2017	11,133	338,767	(6,694,809)	1,001,764	(441,149)	(5,784,294)
Loss for the year	-	-	-	-	(218,655)	(218,655)
Total comprehensive loss for the year	-	-	-	-	(218,655)	(218,655)
BALANCE AT 30 APRIL 2018	11,133	338,767	(6,694,809)	1,001,764	(659,804)	(6,002,949)
Issue of shares	2,783	7,997,217	-	-	-	8,000,000
Total transactions with owner	2,783	7,997,217	-	-	-	8,000,000
Loss for the period	-	-	-	-	(206,194)	(206,194)
Total comprehensive loss for the period	-	-	-	-	(206,194)	(206,194)
BALANCE AT 31 OCTOBER 2019	13,916	8,335,984	(6,694,809)	1,001,764	(865,998)	1,790,857

CNG (Group) Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
for the period ended 31 October 2019

		Period ended 31 October 2019 £	Year ended 30 April 2018 £
	Notes		
OPERATING ACTIVITIES			
Cash generated from/(used in) operations	22 (a)	15,689,850	(21,569,863)
Interest paid		(2,677,985)	(329,718)
Income taxes paid (received)/paid		60,988	(1,215,320)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES		13,072,853	(23,114,901)
INVESTING ACTIVITIES			
Purchase of intangible fixed assets	12	(559,853)	(594,168)
Purchase of tangible fixed assets		(872,504)	(44,539)
Interest received	5	1,457,205	8,530
Acquisition of subsidiary	15	(132,134)	-
NET CASH (USED IN) INVESTING ACTIVITIES		(107,286)	(630,177)
FINANCING ACTIVITIES			
Repayments on purchase of own shares		(1,705,000)	(1,000,000)
Proceeds from issuance of ordinary shares		8,000,000	-
Invoice financing facility		(9,675,902)	9,675,902
NET CASH (USED IN)/FROM FINANCING ACTIVITIES		(3,380,903)	8,675,902
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		9,584,665	(15,069,176)
Cash and cash equivalents at beginning of period		5,653,162	20,722,338
CASH AND CASH EQUIVALENTS AT END OF PERIOD	23 (b)	15,237,827	5,653,162
Relating to:-			
		2019 £	2018 £
Bank balances and short term deposits included in cash at bank and in hand		15,237,827	5,653,162
		<u>15,237,827</u>	<u>5,653,162</u>

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the period ended 31 October 2019

1 ACCOUNTING POLICIES

GENERAL INFORMATION

CNG Group Limited ("the Company") is a company limited by shares and domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is 2 Victoria Avenue, Harrogate, North Yorkshire, HG1 1EL.

The Group consists of CNG Group Limited and all of its subsidiaries.

The Company's and the Group's principal activities are disclosed in the Directors' Report.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 including the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares.
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

GOING CONCERN

The Group incurred a net loss of £48.6m for the period ended 31 October 2019 and, as of that date the group's current liabilities exceeded its total assets by £30.9m.

The Group's business activities, together with the factors likely to affect its future development, performance and liquidity position are set out in the Strategic Report on pages 2 to 7.

The Group appointed a new CEO and CFO in January 2020 and together with implementing increased risk management and controls, focusing on cost control and the Group completed a corporate restructure, formally separating its principal activities between Wholesale and Retail divisions. The Group also entered into a new structured trading agreement and six-year loan agreement with Glencore Energy UK (a trading subsidiary of Glencore plc), providing long term security for the Group. The Directors are confident of a continued improvement of the underlying business and financial performance, with the Group returning to positive EBITDA for the year ended 31 October 2020.

The Group prepares detailed forecasts and projections of financial performance and cash flow over the coming twelve to thirty-six months, considering several scenarios and the impact on market pricing, demand volumes and consumption and credit risk. Covid-19 scenarios have specifically been considered and stress tested. The Group has confidence in achieving such targets and forecasts in the current business environment.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the period ended 31 October 2019

1 ACCOUNTING POLICIES (*continued*)

However, given the unpredictable nature and growing impact of the Covid-19 (Coronavirus) outbreak, and how rapidly the responses to the outbreak are changing, the directors are unable to predict the full extent of the impact on the Group and its customers which may cast significant doubt about the ability of the Group to continue as a going concern.

Whilst the impact of Covid-19 on the business will be material, despite this the business's long-term strategy for value creation remains unchanged. The directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and have therefore continued to adopt the going concern basis in preparing the financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of CNG Group Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the period are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 October 2019.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The consolidated financial statements are presented in sterling which is also the functional currency of the Group and Company.

TURNOVER

Turnover represents the fair value of the right to consideration of goods sold and services provided to

customers in respect of the supply of natural gas and provision of shipping services to other gas retailers and other service providers in the normal course of business, net of discounts, VAT and other sales taxes.

OTHER INCOME

Interest Income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Rents received

Rent is received from tenants with regards to the sub-letting of 5 Victoria Avenue, Harrogate.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the period ended 31 October 2019

1 ACCOUNTING POLICIES (*continued*)

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from

The inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

RETIREMENT BENEFITS

The Group operates a money purchase pension scheme for the directors and offers a stakeholder shell pension scheme for its employees. The amount charged to the statement of comprehensive income is the contribution payable in the year. Differences between contribution payable in the year and contributions actually paid are included in either accruals or prepayments.

EMPLOYEE SHARE OWNERSHIP PLANS

The Company operates an ESOP trust and has de facto control of the shares held by the trust and bears their benefits and risks. The Company records assets and liabilities of the trust as its own. Consideration paid by the ESOP scheme for shares of the Company is deducted from equity. Finance costs and administrative expenses incurred by the Company in relation to the ESOP are recognised on an accruals basis.

INTANGIBLE FIXED ASSETS

Intangible fixed assets are initially measured at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated so as to write off the cost of an intangible fixed asset, less its estimated residual value, over the useful economic life of that assets as follows:

Computer software	-	33.33% straight line
Licence	-	33.33% straight line (from date of commercial viability)

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the period ended 31 October 2019

1 ACCOUNTING POLICIES (*continued*)

INTANGIBLE FIXED ASSETS – GOODWILL

Goodwill representing the excess of the consideration for an acquired subsidiary compared with the fair value of net assets acquired is capitalised and written off evenly over six years as in the opinion of the directors this represents the period over which the goodwill is expected to give rise to economic benefits. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation is calculated so as to write off the cost of goodwill over the useful economic life of that asset as follows:

Positive goodwill - Straight line over 6 years

TANGIBLE FIXED ASSETS

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Fixtures and fittings - 25% straight line
Equipment - 33.33% straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

INVESTMENTS

Long term investments are classified as fixed assets. Fixed asset investments are stated at cost in the Company Statement of Financial Position. Unlisted investments are stated at cost. Provision is made for any impairment in the value of fixed asset investments.

IMPAIRMENTS OF FIXED ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

LEASES

The Group as Lessee – Operating Leases

All leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 October 2019

1 ACCOUNTING POLICIES (*continued*)

The Group as Lessor – Operating Leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

FINANCIAL INSTRUMENTS

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group manages commodity risk by entering into forward contracts for a variety of periods. Energy procurement contracts are entered into and continue to be held for the purpose of the receipt of a non-financial item which is in accordance with the Group's expected purchase and sale requirements and are, therefore, specifically excluded from the scope of FRS 102 Section 11 'Basic Financial Instruments' because they are not financial instruments. These forward contracts are accounted for as executory contracts and, as such, changes in fair value do not immediately impact profit and loss or equity.

Financial assets

Trade, group and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the period ended 31 October 2019

1 ACCOUNTING POLICIES (*continued*)

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

PROVISIONS

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based upon the present value of those amounts, reflects the risk specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group makes judgement in relation to a number of the provisions made. The most material of these provisions are the bad debt provision.

Impairment of Debtors

At each statement of financial position date the collectability of trade debtors is evaluated and provisions for doubtful debts are recognised based on experience including comparisons of the relative age of accounts and consideration of actual write-off history. The actual level of debt collected may differ from the estimated levels of recovery and could impact future operating results positively or negatively. See note 17 for impairments.

Gas Prepayment

The Group makes judgements in relation to a number of the accruals and prepayments made. The most material of these is the prepayment in relation to differences between the value of therms purchased and therms sold.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the period ended 31 October 2019

3 TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the Group.

An analysis of turnover is given below:

	Period ended 31 October 2019 £	Year ended 30 April 2018 £
Retail	154,856,785	117,007,400
Wholesale	1,014,268,883	590,430,997
Total	<u>1,169,125,668</u>	<u>707,438,397</u>

4 EXCEPTIONAL ITEMS

The exceptional item in administration expenses relates to an impairment in respect of trade receivables due from customers who are known to be in financial difficulty and from whom payment the group is unlikely to recover. In addition, a change in accounting estimate in relation to aged debtors for the company's direct customer portfolio resulted in a more prudent provision being generated during the period.

The Beast from the East storm, during winter 2018, directly and indirectly impacted energy supply partners with short term pricing risk (similar to CNG balancing losses in Mar 18) and indirectly caused pricing volatility in the underlying commodity markets that realised financial losses in thinly capitalised supply companies and the impact of this is reflected in cost of sales.

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	Period Ended 31 October 2019 £	Year Ended 30 April 2018 £
Interest on bank deposits	5,459	8,530
Interest charged on late payments	1,451,746	-
	<u>1,457,205</u>	<u>8,530</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	Period Ended 31 October 2019 £	Year Ended 30 April 2018 £
On bank loans and overdrafts	488,165	217,116
On late payments	1,983,636	27,617
On deferred consideration	206,183	218,633
Other interest	-	84,988
	<u>2,677,985</u>	<u>548,354</u>

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the period ended 31 October 2019

7 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging:

	Period Ended 31 October 2019 £	Year Ended 30 April 2018 £
Amortisation of intangible assets	442,197	183,745
Depreciation of owned tangible fixed assets	418,091	394,270
Operating lease costs:		
- Land and buildings	673,597	245,752
- Other	111,566	5,884

8 AUDITOR'S REMUNERATION

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows;

	Period Ended 31 October 2019 £	Year Ended 30 April 2018 £
Audit services:-		
Audit of the financial statements of the group and company	15,000	12,500
Audit of the financial statements of the company's subsidiaries	79,000	38,500
Other services:-		
Taxation compliance services	18,450	11,950
All other non-audit services	25,071	9,425
	<u>137,521</u>	<u>72,375</u>

9 PARTICULARS OF EMPLOYEES

The average number of staff (including directors) employed during the financial year was:

	Group		Company	
	Period Ended 31 October 2019 No	Year Ended 30 April 2018 No	Period Ended 31 October 2019 No	Year Ended 30 April 2018 No
Number of administrative staff	202	175	-	-
Number of management staff	8	25	-	-
	<u>210</u>	<u>200</u>	<u>-</u>	<u>-</u>

The aggregate payroll costs of the above were:

	Period Ended 31 October 2019 £	Year Ended 30 April 2018 £	Period Ended 31 October 2019 £	Year Ended 30 April 2018 £
Wages and salaries	8,727,542	5,481,642	-	-
Social security costs	805,143	548,784	-	-
Other pension costs	618,429	337,304	-	-
	<u>10,151,114</u>	<u>6,367,730</u>	<u>-</u>	<u>-</u>

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 October 2019

10 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	Period Ended 31 October 2019 £	Year Ended 30 April 2018 £
Remuneration receivable	532,245	438,146
Company pension contributions to money purchase schemes	51,347	34,966
	<u>583,592</u>	<u>473,112</u>

During the period there were 4 directors accruing relevant benefits under money purchase pension schemes (2018 – 4).

Remuneration of highest paid director:

	Period Ended 31 October 2019 £	Year Ended 30 April 2018 £
Total remuneration (excluding pension contributions)	193,342	163,945
Pension contributions	19,255	13,112
	<u>212,597</u>	<u>177,057</u>

11 TAXATION ON ORDINARY ACTIVITIES

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	Period Ended 31 October 2019 £	Year Ended 30 April 2018 £
<i>Current tax:</i>		
Current tax on income for the period	-	(1,227,666)
Adjustment to tax charge in respect of prior periods	(60,985)	(42,849)
Total current tax	<u>(60,985)</u>	<u>(1,270,515)</u>
<i>Deferred tax</i>		
Origination of timing differences	(5,302,086)	(690,094)
Effect of changes in tax rate	(71,679)	
Adjustment in respect of prior periods	79,951	
Total deferred tax	<u>(5,293,814)</u>	<u>(690,094)</u>
Total tax	<u>(5,354,799)</u>	<u>(1,960,609)</u>

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 October 2019

11 TAXATION ON ORDINARY ACTIVITIES *(Continued)*

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 19% (2018 – 19%), as explained below:

	Period Ended 31 October 2019 £	Year Ended 30 April 2018 £
Loss on ordinary activities before taxation	(53,946,565)	(10,973,933)
by rate of tax	(10,249,848)	(2,085,047)
Effects of:		
Expenses not deductible for tax purposes	299,596	93,410
Deferred tax not recognised	3,535,363	79,705
Fixed asset differences	-	2,054
Other permanent differences	-	2,835
Amounts relating to changes in tax rates	1,047,811	28,664
Adjustment for tax charge in respect of prior periods	18,966	(42,849)
Other tax adjustments	(6,687)	(39,381)
Total tax credit	(5,354,799)	(1,960,609)

12 INTANGIBLE FIXED ASSETS

Group	Computer Software	Licence	Goodwill	Total
Cost	£	£	£	£
At 1 May 2018	775,807	100,001	205,871	1,081,679
Additions - separately acquired	267,369	-	-	267,369
Additions - Business combinations	-	-	292,483	292,483
At 31 October 2019	<u>1,043,176</u>	<u>100,001</u>	<u>498,354</u>	<u>1,641,531</u>
Amortisation				
At 1 May 2018	244,291	-	205,871	450,162
Charge for the period	430,010	-	12,187	442,197
At 31 October 2019	<u>674,301</u>	<u>-</u>	<u>218,058</u>	<u>892,359</u>
Net book value				
At 31 October 2019	<u>368,875</u>	<u>100,001</u>	<u>280,296</u>	<u>749,172</u>
At 30 April 2018	<u>531,516</u>	<u>100,001</u>	<u>-</u>	<u>631,517</u>

The company had no intangible assets at 31 October 2019 or 30 April 2018. Amortisation is included in Admin Expenses.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 October 2019

13 TANGIBLE FIXED ASSETS

Group	Fixtures & Fittings £	Equipment £	Total £
Cost			
At 1 May 2018	671,094	1,068,107	1,739,201
Additions	783,651	88,852	872,503
At 31 October 2019	<u>1,454,745</u>	<u>1,156,959</u>	<u>2,611,704</u>
Depreciation			
At 1 May 2018	456,844	916,912	1,373,756
Charge for the period	254,140	163,951	418,091
At 31 October 2019	<u>710,984</u>	<u>1,080,863</u>	<u>1,791,847</u>
Net book value			
At 31 October 2019	<u>743,761</u>	<u>76,096</u>	<u>819,857</u>
At 30 April 2018	<u>214,250</u>	<u>151,195</u>	<u>365,445</u>

The company had no tangible assets at 31 October 2019 or 30 April 2018.

14 INVESTMENTS

Company	Group companies £
Cost	
At 1 May 2018	4,529,339
Additions	7
At 31 October 2019	<u>4,529,346</u>
Net book value	
At 31 October 2019	<u>4,529,346</u>
At 30 April 2018	<u>4,529,339</u>

15 ACQUISITIONS

On 25th July 2019 CNG (Group) Limited acquired 70% of the issued share capital of CNG Switch Limited. CNG Switch Limited is a company incorporated in the UK offering Energy Broker services. The cost of the acquisition comprised cash consideration of £7.

Consolidated turnover and loss after tax comprise turnover of £50,253 and loss after tax of £15,837 contributed by CNG Switch Limited between the date of acquisition and 31st October 2019.

The goodwill arising on acquisition of £292,483 is considered to have a useful life of 6 years.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 October 2019

15 ACQUISITIONS *(continued)*

CNG Switch has been accounted for using the purchase method of accounting. At 25th July 2019 (the 'acquisition date') the assets and liabilities of CNG Switch Limited were consolidated at their fair values to the group as set out below:

	Fair value at date of acquisition £
Tangible fixed assets	4,814
Other debtors	3
Prepayments	2,888
Cash at bank	18,945
Total Assets	26,650
Trade Creditors	1,000
Other Creditors	428,519
Accruals	14,955
Total Liabilities	444,474
Net Liabilities	(417,823)
Non-controlling interest	(125,347)
Goodwill	292,483
Total Consideration	7
Satisfied by	
Deferred cash consideration	7

CNG (Group) Limited

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16 SUBSIDIARY UNDERTAKINGS

The Company's subsidiary undertakings are:

	Address of registered office	Holding	Proportion of voting rights and shares held	Nature of business
Contract Natural Gas Software Limited	2 Victoria Avenue, Harrogate, North Yorkshire, HG1 1EL	Ordinary shares	100%	Computer software development
Contract Natural Gas Limited	2 Victoria Avenue, Harrogate, North Yorkshire, HG1 1EL	Ordinary shares	100%	Supply of natural gas and provision of shipping services to other gas retailers
CNG Energy Limited (Formerly Total Energy Gas Supplies Limited)	2 Victoria Avenue, Harrogate, North Yorkshire, HG1 1EL	Ordinary shares	100%	Sale and distribution of natural gas
Contract Natural Gas 2 Limited	2 Victoria Avenue, Harrogate, North Yorkshire, HG1 1EL	Ordinary shares	100%	Dormant
CNG Trustees Limited	2 Victoria Avenue, Harrogate, North Yorkshire, HG1 1EL	Ordinary shares	100%	Dormant
CNG Electricity Limited	2 Victoria Avenue, Harrogate, North Yorkshire, HG1 1EL	Ordinary shares	100%	Supply of electricity
CNG EBT Limited	2 Victoria Avenue, Harrogate, North Yorkshire, HG1 1EL	Ordinary shares	100%	Employee Benefit Trust
CNG Switch Limited	2 Victoria Avenue, Harrogate, North Yorkshire, HG1 1EL	Ordinary shares	70%	Energy broker

CNG Group Limited holds 100% of the Ordinary share capital of Contract Natural Gas Limited, which in turn holds 100% of the Ordinary share capital of each of Total Energy Gas Supplies Limited, CNG Trustees Limited and Contract Natural Gas 2 Limited. All other subsidiaries are directly held by the company.

The subsidiary companies Contract Natural Gas 2 Limited, CNG Trustees Limited and CNG EBT Limited have taken the exemption in section 479A of the Companies Act 2006 (the Act) from the requirement in the Act for their individual accounts to be audited. The guarantee given by the companies under section 479A of the Act is disclosed in Note 25 Contingent Liabilities.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the period ended 31 October 2019

17 DEBTORS

	Group		Company	
	31 October 2019	30 April 2018	31 October 2019	30 April 2018
	£	£	£	£
Trade debtors	43,951,719	69,885,792	-	-
Other debtors	21,908,150	19,642,380	8,500	8,500
Directors current accounts	141,450	5,666	140,450	-
Prepayments and accrued income	13,389,873	11,740,507	-	-
Corporation tax receivable	33,269	2,039,764	-	-
Deferred tax asset	5,983,040	689,226	-	-
	<u>85,407,501</u>	<u>104,003,335</u>	<u>148,950</u>	<u>8,500</u>

During the period, an impairment loss of £41,507,731 (2018 - £1,964,839) was recognised in respect of trade receivables due from customers who are known to be in financial difficulty and the group are unlikely to recover.

The deferred tax asset of £5,983,040 (2018 £689,226) is expected to reverse in future periods over the life of the current three-year business plan. A deferred tax asset of £3,535,363 has not been recognised as it cannot be supported by the three-year business plan.

Amounts due to the invoice discount creditor are secured on the related trade debtors which amounted to £nil at the period-end (2018 £9,675,902) and presented within creditors (note 18).

18 CREDITORS: amounts falling due within one year

	Group		Company	
	31 October 2019	30 April 2018	31 October 2019	30 April 2018
	£	£	£	£
Trade creditors	122,337,873	81,992,250	-	-
Invoice discounting	-	9,675,902	-	-
Amounts owed to group undertakings	-	-	966,277	7,155,299
Other taxation and social security costs	1,613,722	2,015,274	34,450	-
ESOP deferred consideration	519,723	1,030,437	519,723	1,030,435
Other creditors	389,548	60,575	-	-
Accruals and deferred income	6,732,953	3,553,248	-	-
	<u>131,593,819</u>	<u>98,327,686</u>	<u>1,520,450</u>	<u>8,185,734</u>

19 CREDITORS: Amounts falling after more than one year

	Group		Company	
	31 October 2019	30 April 2018	31 October 2019	30 April 2018
	£	£	£	£
ESOP deferred consideration	1,372,745	2,360,868	1,372,745	2,360,868
	<u>1,372,745</u>	<u>2,360,868</u>	<u>1,372,745</u>	<u>2,360,868</u>

CNG (Group) Limited

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for the period ended 31 October 2019

19 CREDITORS: Amounts falling after more than one year (*continued*)

The ESOP purchased 2,832 A ordinary shares in CNG Group Limited from Timothy Peter Jones on 23 November 2015 for a total purchase price of £7,494,707. The deferred consideration in respect of this purchase is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost. The amount outstanding is payable in nineteen monthly payments of £100,000, with a final balance of £115,987 to settle the liability in full. Interest is accruing at 5%.

20 FINANCIAL INSTRUMENTS

The carrying amount of the Group's/Company's financial instruments at 31st October were:

	Group		Company	
	31 October 2019	30 April 2018	31 October 2019	30 April 2018
	£	£	£	£
Financial assets:				
Debt instruments measured at amortised cost	66,001,317	92,358,192	114,500	8,500
Equity instruments measured at cost less impairment	-	-	4,529,339	4,529,339
	<u>66,001,317</u>	<u>92,358,192</u>	<u>4,643,839</u>	<u>4,537,839</u>

	Group		Company	
	31 October 2019	30 April 2018	31 October 2019	30 April 2018
	£	£	£	£
Financial liabilities:				
Measured at amortised cost	131,352,842	88,997,378	2,858,745	10,546,580
	<u>131,352,842</u>	<u>88,997,378</u>	<u>2,858,745</u>	<u>10,546,580</u>

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 October 2019

21 SHARE CAPITAL

	31 October 2019 £	30 April 2018 £
Allotted, called up and fully paid:		
850,000 Ordinary A shares of £0.01 each	8,500	8,500
150,000 Ordinary B shares of £0.01 each	1,500	1,500
278,325 Ordinary C shares of £0.01 each	2,783	-
113,300 Ordinary G shares of £0.01 each	1,133	1,133
	<u>13,916</u>	<u>11,133</u>
	2019	2018
Amounts presented in equity:	£	£
850,000 Ordinary A shares of £0.01 each	8,500	8,500
150,000 Ordinary B shares of £0.01 each	1,500	1,500
278,325 Ordinary C shares of £0.01 each	2,783	-
113,300 Ordinary G shares of £0.01 each	1,133	1,133
	<u>13,916</u>	<u>11,133</u>

Share rights

All the company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company. On a poll, the holders of each share class shall be entitled as a class to have such votes as represents the percentage of all votes capable of being cast, with A Shares and G Shares treated as a single class of shares. The shares rank parri passu in all other respects. During the period 2,783 ordinary shares were issued for consideration of £8m.

22 RESERVES

Reserves of the Group represent the following:

Share Premium

Consideration received for shares issued above their nominal value net of transaction costs.

Other reserve (Capital Redemption Reserve)

The nominal value of shares repurchased and still held at the end of the reporting period.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Employee Share Ownership Plan Reserves

CNG EBT Limited purchased 2,832 A ordinary shares in CNG Group Ltd, the ESOP provides a temporary home for the shares of an existing shareholder whilst the remaining Directors consider how the scheme will be administered.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 October 2019

23 CASH FLOWS

a Reconciliation of profit after tax to net cash generated from/(used in) operations

	31 October 2019 £	30 April 2018 £
Loss after tax	(48,854,979)	(9,013,323)
Adjustments for:		
Amortisation of intangible assets	442,197	183,745
Depreciation of tangible fixed assets	418,091	394,270
Interest receivable	(1,457,205)	(8,530)
Interest payable	2,677,985	548,354
Taxation	(5,354,799)	(1,960,609)
Operating cash flows before movements in working capital	(51,858,710)	(9,856,095)
Decrease in trade and other debtors	23,889,648	(36,588,587)
Increase in trade and other creditors	43,658,912	24,874,819
Cash generated from/(used in) operations	<u>15,689,850</u>	<u>(21,569,863)</u>

b Cash and cash equivalents

	31 October 2019 £	30 April 2018 £
Cash and cash equivalents represent:-		
Cash at bank	<u>15,237,827</u>	<u>5,653,162</u>

24 COMMITMENTS UNDER OPERATING LEASES

The Group as a lessee:

The total future minimum lease payments under non-cancellable operating leases are as follows:

	31 October 2019		30 April 2018	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	353,556	59,111	195,858	101,469
Within two to five years	1,060,667	44,435	654,573	88,403
After more than five years	591,541	-	592,715	-
	<u>2,005,764</u>	<u>103,546</u>	<u>1,443,146</u>	<u>189,872</u>

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the period ended 31 October 2019

24 COMMITMENTS UNDER OPERATING LEASES *(continued)*

The Group as a lessor

At the period end, the Group had contracted with tenants, under non-cancellable leases, for the following future minimum lease payments:

	31 October 2019 £	30 April 2018 £
Amounts receivable:		
Within 1 year	22,663	51,210
Within 2 to 5 years	24,552	80,271
	<u>47,215</u>	<u>131,481</u>

The operating leases represent the sub-lease of six properties to third parties. The leases are negotiated over terms of 2 years, 3 years and 5 years and rentals are fixed for 2 years, 3 years and 4 years. There are no options in place for either party to extend the lease terms.

25 CONTINGENT LIABILITIES

A guarantee is held with HSBC dated 12th February 2019 in favour of one of the group's major contracts for the sum of £15,000,000. The guarantee becomes payable by HSBC from the funds of CNG Group Limited should the entity become insolvent or incur a serious breach of contract. The guarantee incurs an interest rate of 1.7%. The guarantee matured on 30th September 2019.

A guarantee is held with Tokio Marine HCC dated 3rd April 2018 in favour of one of the group's major transportation contracts for the sum of £9,000,000. The guarantee becomes payable by Tokio Marine HCC from the funds of CNG Group Limited should the entity become insolvent or incur serious breach of contract. The guarantee incurs an annual premium of 4%. The guarantee will mature 1 year from the date of issue.

Banking facilities are secured by a debenture comprising fixed and floating charge over all assets including all present and future freehold and leasehold property and an unlimited company composite guarantee between group entities.

In order for the subsidiary companies Contract Natural Gas 2 Limited, CNG Trustees Limited and CNG EBT Limited to take the audit exemption in section 479A of the Companies Act 2006, the Company has guaranteed all outstanding liabilities of those subsidiary companies at 30 October 2019 until those liabilities are satisfied in full.

The Group is involved in ongoing litigation in relation to an incident in March 2017. The limitation period for claims in respect of the incident has been extended to Q1 of 2021. The Directors have been advised that they expect the claim to be covered by the Group's insurance policy but it may be a number of years before the quantum and liability of the claim is settled. No provision has been made in these financial statements as the Group's management do not believe that there is probable loss.

26 RETIREMENT BENEFITS

The Group operates a defined contributions pension scheme whose assets are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Group and amounted to £389,667 (2018 - £337,304). Contributions totalling £nil (2018 - £nil) were payable to the fund at the period end and are included in creditors.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 October 2019

27 RELATED PARTY TRANSACTIONS

During the period the Group made purchases of £1,130,661 (2018 - £853,399) from CNG Marketing Limited, a company in which J R Leworthy and M J Walls are directors. The total amount outstanding at the period end was £nil (2018 - £97,162).

During the period the Group made purchases of £44,825 (2018 - £29,722) with TP Jones & Co LLP, a business in which T P Jones is a member. The total amount outstanding at the period end was £2,652 (2018 - £2,443). Sales of £2,080 were also made during the period. (2018 - £1,798). The total amount outstanding at the period was £133 (2018 - £67).

TP Jones is considered a related party as he continues to attend board meetings due to his wealth of experience of the industry and company and his continued interest in the company in regards to deferred consideration payments in CNG (Group) Ltd.

During the period the Group made purchases of £1,190 (2018 - £1,550) from Connect Yorkshire a company in which J L Hall is a director. The total amount outstanding at the period end was £nil (2018 - £nil).

During the period the Group made sales of £8,911 (2018 - £7,174) to Wescott Trading Limited a company in which A J Webster is a director. The total amount outstanding at the period end was £491 (2018 - £787).

During the period the Group made purchases of £27,000 (2018 - £nil) to Wayfinder a company in which A J Webster is the owner. The total amount outstanding at the period end was £nil (2018 - £nil).

During the period the Group made purchases of £287,302 (2018 - £58,656) to CNG Switch Limited a company in which the Group is 70% shareholder. Total amount outstanding at the period end was £nil (2018 - £nil)

The total amount outstanding in directors' loan at the period end is £106,000 (2018 - £105,000). £1,000 of this will be repaid within 9 months of the period end.

The Group is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

28 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The total remuneration of the directors and the area managers of the IT, Legal, HR, Marketing and Sales division, who are considered to be the key management personnel of the Group, was £694,912 (2018: £760,511), including employer's national insurance of £73,422 (2018: £90,997).

29 POST-BALANCE SHEET EVENTS

The Covid-19 pandemic started to materially impact the UK from March 2020. The Directors' assessment of the potential risk and impact are further disclosed in the future developments section of the Strategic Report, and in note 1 to the financial statements.

In February 2020, the Group underwent a corporate restructure. The Directors' assessment of the impact is further disclosed in the matters of strategic importance section of the strategic report.

In February 2020, the Group entered into a new structured trading agreement with Glencore Energy UK. The Directors' assessment of the impact is further disclosed in the matters of strategic importance section of the strategic report.

In March 2020, CNG Group entered into a six-year loan agreement with Glencore Energy UK. The Directors' assessment of the impact is further disclosed in the matters of strategic importance section of the strategic report.