

CNG (Group) Limited

FINANCIAL STATEMENTS

For the year ended

31 October 2020



CNG (Group) Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

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

SECRETARY

S Franks

REGISTERED OFFICE

2 Victoria Avenue
Harrogate
North Yorkshire
HG1 1EL

AUDITOR

RSM UK Audit LLP
Chartered Accountants
5th Floor
Central Square
29 Wellington Street
Leeds
West Yorkshire
LS1 4DL

CNG (Group) Limited

STRATEGIC REPORT

For the year ended 31st October 2020

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activities of the Group during the year 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 year under review.

TRADING PERFORMANCE

Group revenue for the year ended 31 October 2020 was £602.9M (2019: £1,169M – 18 month period) 27.9% lower than the same twelve month period last year, primarily due to CNG exiting a number of shipping services partnerships during the previous financial period and Covid-19 had an impact across 2020 on gas demand.

Group Gross profit for the year ended 31 October 2020 was £25.0M (2019: £16.6M – 18 month period) 10.0% higher than same twelve month period last year, as the underlying contracted margin improved year on year, despite lower sales in the year.

EBITDA for the year ended 31 October 2020 was £3.4M (2019: -£52.0M), with the Group returning to sustainable profit despite challenging environment.

CNG Wholesale division, providing shipping services and wholesale gas to a number of domestic and non-domestic energy suppliers in the UK, saw a significant improvement in underlying profitability, following a number of additional risk management improvements implemented across the financial year.

CNG Retail division, supplying primarily gas to UK non-domestic SME customers, endured a challenging year, with gas consumption and demand materially impacted by Covid-19 (discussed in detail below), albeit closing the year with breakeven profitability despite the significant headwinds.

The Group closed the year ended 31 October 2020 with Net Current Assets of £1.7M (2019: -£30.9M), reflecting the underlying profit generation across the year and restructuring of the balance sheet completed in March 2020 (discussed in detail below). Group cash at bank as at 31 October 2020 was £36.7M (2019: £15.2M), providing sufficient headroom to manage across the next financial period.

CORPORATE DEVELOPMENTS

The Group has undergone a period of transition and change across the financial period with additions to the senior management and leadership, and a significant overhaul to the Group's risk management framework and governance approach. The financial and operational performance of the Group in the year to 31 October 2020, 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.

In January 2020, CNG Group appointed a new CEO and restructured its senior management team and Board of Directors. Paul Stanley joined the business as CEO to lead the ongoing turnaround and Amman Boughan took on the role of CFO to support the 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.

Amman Boughan left his post as CFO in March 2021 and was replaced in April 2021 by Peter Clarkson as CFO.

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 to better align 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, to further drive efficiency, the Group completed a corporate restructure, formally separating its

CNG (Group) Limited

STRATEGIC REPORT

For the year ended 31st October 2020

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 Glencore Group, a long standing supplier and a shareholder in the Group, renewed its long term commitment by entering into a new structured supply agreement extending the existing credit facilities for Natural Gas supply to £30.0m across the Group. In March 2020, the Group entered into a six-year loan agreement with Glencore Energy UK (a trading subsidiary) for £35.0m, providing long term security for the Group.

COVID-19 UPDATE

Across the UK wide lockdown in 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 this 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. In the seven months to the end of October 2020, actual consumption has resulted in 27% reduction to SND, compared with management's forecast of a 34% reduction, as Leisure and Hospitality sectors have recovered better than forecasted, supported by the Eat Out to Help Out scheme in August 2020.

The Group anticipates that Covid-19 will result in increased credit defaults from SME business failures and have ensured it has specifically provisioned for this outcome in year to 31 October 2020. The forecasts assume late customer payments and credit terms being stretched across the next financial year even though 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.

BALANCE SHEET AND WORKING CAPITAL

The balance sheet for the year reflects the underlying improvement in sustainable profitability in the year, the impact of the corporate restructure completed in the year and exceptional trading losses in prior financial periods, with net current assets of £1.7M (2019: £30.9M net current liabilities) and total net liabilities of £29.5M (2019: £30.8M).

Tangible assets have decreased in the year, reflecting the depreciation charges on investments in office space made in previous financial periods.

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 increased this year to 42 days (2019: 27 days) the Group continue a commitment to monitoring the credit control processes. Creditors have also increased in line with the portfolio growth and average creditor days have increased this year to 67 days (2019: 42 days), driven by the increased creditor support during the period.

Customer satisfaction is highly valued by the Group and over the last year 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.

CNG (Group) Limited

STRATEGIC REPORT

For the year ended 31st October 2020

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 year were in line with expectations and renewal percentages increased to [62%] (2019: 62%).

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 1.4% in the year to 2.8% (2019: 1.4%), attributable to the improvement in the underlying customer contracted margins, despite volatility in the wholesale gas market prices during 2020.

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 increased during the year to positive £1.7M (2019: -£30.9M) this is as a result of the corporate restructure and long term support for the Group.

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 increased to 1.02 (2019: 0.76), this is attributable to the operating profit in the period.

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

CNG (Group) Limited

STRATEGIC REPORT

For the year ended 31st October 2020

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 year 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 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.

CNG (Group) Limited

STRATEGIC REPORT

For the year ended 31st October 2020

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.

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.

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

CNG (Group) Limited

STRATEGIC REPORT

For the year ended 31st October 2020

The Group intends to expand further into providing additional services to the existing customer base, such as electricity and payment services.

The electricity offering will enable CNG to offer a dual fuel proposition to the wider market and will mark a new dawn for the business as the UK moves towards electrification, whilst still competing in the core gas market.

In order to facilitate the move into electricity and other services, the Group is currently undergoing an IT re-platforming investment implementation that aims to be complete by mid-2022.

Covid-19

Covid-19 and the impact on the UK economy continues to generate uncertainty across most sectors, with further restrictions on movement and trade announced in early January 2021 and the subsequent lockdowns across all part of the UK. The short term impact is reasonably well understood and effective mitigations are in place where possible. The medium to long term view remains uncertain, albeit the Directors remain cautiously optimistic on the successful implementation of a vaccine and subsequent economic recovery.

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 Company 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 2020/21 as it remains cautious on future demand.

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.

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 personal injury was extended to Q1 of 2021 however, property damage claims can be brought for up to 6 years. The Directors have been advised that they expect the majority of the claim will 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 as a proportion of the claim will be covered by a third party.

SECTION 172

This section covers how the directors of the company have acted in the way they have considered, in good faith, most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regarded (amongst other matters):

CNG (Group) Limited

STRATEGIC REPORT

For the year ended 31st October 2020

The likely consequences of any decision in the long term

Any investment decision must be signed off by the Senior Leadership Team or the board of directors and the long term future of the business is taken into account within this process. If the board of directors reject the proposal, the business case will not be accepted or progressed.

There is also a weekly and monthly performance review with the Senior Leadership Team, with any significant decisions discussed, and these are formalised at the quarterly formal board meetings with all directors present and minutes taken.

The interests of the company's employees

The company's 180 employees are at the forefront of any decisions taken by the board of directors. Given the challenging financial performance in 2018 and 2019, a number of difficult decisions had to be made with regard to organisational rightsizing in 2020 for the long term.

However, the number of employees affected was minimised and these decisions were made to safeguard the employment of the remaining employees. The decisions have been vindicated by the improved financial performance of the business in 2020.

An engagement survey is also undertaken quarterly to understand the important issues in the business for the employees.

The need to foster the company's business relationships with suppliers, customers and others

CNG relies heavily on the long term relationships with suppliers, partners and customers.

The CNG board of directors has a 'customer service first' policy in operation, focussed on ensuring solid foundations for any customer relationship and CNG achieves a renewal rate of 65%.

The impact of the company's operations on the community and the environment

The board of directors also actively promote a charitable programme, where charitable fundraising is encouraged and donations are made by the business.

CNG is committed to the race towards Net Zero, and is advising local businesses on the role that SMEs can play in the helping the UK reach its 2050 target.

The desirability of the company maintaining a reputation for high standards of business conduct

The board of directors of the business employs suitably qualified and trained employees within each department as well as investing in the necessary IT systems. The board has continued to invest in employee training to further enhance the ability of CNG to maintain standards of business conduct.

CNG (Group) Limited
STRATEGIC REPORT
For the year ended 31st October 2020

CARBON REPORTING

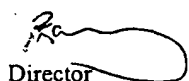
CO2 Emissions 2020

	KWH	CO2 Tonnes
Vehicle Fuel	32,127	8
Electricity Consumption	252,618	58
Gas Consumption	-	-
Total	<u>284,745</u>	<u>66</u>
Group turnover		£603m
Ratio of CO2 tonne to £100m of turnover		11:1

For the purposes of this report all input data has been converted into Greenhouse Gas emissions using the conversion factors published by the UK Government in June 2020.

The Group's carbon emission continued to remain low in the year, with the only outputs relating to Electricity consumption for the Group's offices and travel. Due to covid restrictions travel was lower than previous years, but the Group will continue to monitor in future to keep emissions to a minimum. The Group will also look at ways of reducing Electricity use as they strive for net-zero consumption.

On behalf of the board



Director
P R Stanley

Date: 11/6/21

CNG (Group) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of CNG Group Limited for the year ended 31 October 2020.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies during the year 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 profit for the year, after taxation, amounted to £1,262,186 (2019 – loss £48,591,766). No dividends were paid during the year (2019 - £nil).

DIRECTORS

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

J L Hall
C J England
J R Smith (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, resigned 31.03.21)
P R Stanley (appointed 31.01.20)
P J Clarkson (appointed 12.04.21)
T P Jones (resigned 31.01.20)
A Andrist (appointed 02.07.20)

The Company has purchased and maintained Directors' and Officers' liability insurance throughout 2019/20.

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

P R Stanley
Director

Date: 11/6/21

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 year ended 31 October 2020 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 2020 and of the group's profit for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 and parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 the 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 10, 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

Date 11 June 2021

CNG (Group) Limited
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 October 2020

		Year Ended 31 October 2020 Total £	2019 Exceptional £	2019 Non-exceptional £	Period ended 31 October 2019 Total £
	Notes				
GROUP TURNOVER	3	602,863,710	-	1,169,125,668	1,169,125,668
Cost of sales		(577,822,747)	(3,968,996)	(1,148,562,654)	(1,152,531,650)
Gross profit		25,040,963	(3,968,996)	20,563,014	16,594,018
Administrative expenses		(22,436,386)	(41,507,731)	(27,857,261)	(69,364,992)
Other operating income		251,892	-	45,189	45,189
OPERATING PROFIT/(LOSS)		2,856,469	(45,476,727)	(7,249,057)	(52,725,785)
Interest receivable	5	51,727			1,457,205
Interest payable and similar charges	6	(1,685,836)			(2,677,985)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	7	1,222,360			(53,946,565)
Taxation	11	39,826			5,354,799
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		1,262,186			(48,591,766)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		1,262,186			(48,591,766)
Loss attributable to non-controlling interest		(12,539)			(6,787)
Profit/(Loss) attributable to members of the parent company		1,274,725			(48,584,979)

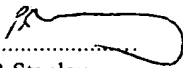
The profit/(loss) for the period arises from the Group's continuing operations.

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

As at 31 October 2020

		31 October 2020	31 October 2019
	Notes	£	£
FIXED ASSETS			
Intangible assets	12	553,955	749,172
Tangible assets	13	587,809	819,857
		<u>1,141,764</u>	<u>1,569,029</u>
CURRENT ASSETS			
Debtors	16	67,439,463	85,407,501
Cash at bank and in hand		36,702,717	15,237,826
		<u>104,142,180</u>	<u>100,645,327</u>
CREDITORS			
Amounts falling due within one year	17	(102,431,791)	(131,593,819)
NET CURRENT ASSETS/(LIABILITIES)		<u>1,710,389</u>	<u>(30,948,492)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,852,153</u>	<u>(29,379,463)</u>
Creditors: Amounts falling due after more than one year	18	(32,342,175)	(1,372,745)
NET (LIABILITIES)		<u>(29,490,022)</u>	<u>(30,752,208)</u>
CAPITAL AND RESERVES			
Called up share capital	21	13,916	13,916
Share premium	22	8,335,984	8,335,984
ESOP reserve	22	(6,694,809)	(6,694,809)
Other reserves	22	1,001,764	1,001,764
Profit and loss account	22	(32,002,204)	(33,276,929)
SHAREHOLDERS' DEFECIT		<u>(29,345,349)</u>	<u>(30,620,074)</u>
Non-controlling interest		(144,673)	(132,134)
		<u>(29,490,022)</u>	<u>(30,752,208)</u>

The financial statements on pages 14 to 37 were approved by the board of directors and authorised for issue and are signed on their behalf by:


P R Stanley
Director

Date: 11/6/21

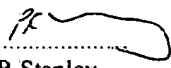
CNG (Group) Limited
STATEMENT OF FINANCIAL POSITION
31 October 2020

	Notes	31 October 2020 £	31 October 2019 £
FIXED ASSETS			
Investments	14	<u>4,529,346</u>	<u>4,529,346</u>
CURRENT ASSETS			
Debtors	16	34,360,292	148,950
Cash at bank and in hand		<u>215,779</u>	<u>5,756</u>
		34,576,071	154,706
CREDITORS			
Amounts falling due within one year	17	<u>(5,358,059)</u>	<u>(1,520,450)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>29,218,012</u>	<u>(1,365,744)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>33,747,358</u>	<u>3,163,602</u>
Creditors: Amounts falling due after more than one year	18	<u>(32,342,175)</u>	<u>(1,372,745)</u>
NET ASSETS		<u>1,405,183</u>	<u>1,790,857</u>
CAPITAL AND RESERVES			
Called up share capital	21	13,916	13,916
Share premium	22	8,335,984	8,335,984
ESOP reserve	22	(6,694,809)	(6,694,809)
Other reserves	22	1,001,764	1,001,764
Profit and loss account	22	<u>(1,251,672)</u>	<u>(865,998)</u>
SHAREHOLDERS' FUNDS		<u>1,405,183</u>	<u>1,790,857</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 £385,674 (2019: £206,194 loss).

The financial statements on pages 14 to 37 were approved by the board of directors and authorised for issue on and are signed on their behalf by:


P R Stanley
Director
Date: 11/6/21

CNG (Group) Limited
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 October 2020

	Notes	Share Capital £	Share Premium £	ESOP Reserves £	Other Reserves £	Profit and loss account £	Non- controlling Interest	Total £
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		-	-	-	-	-	(125,347)	(125,347)
Loss for the period		-	-	-	-	(48,584,979)	(6,787)	(48,591,766)
Total comprehensive loss for the period		-	-	-	-	(48,584,979)	(132,134)	(48,717,113)
BALANCE AT 31 OCTOBER 2019		13,916	8,335,984	(6,694,809)	1,001,764	(33,276,929)	(132,134)	(30,752,208)
Profit for the year		-	-	-	-	1,274,725	(12,539)	1,262,186
Total comprehensive income for the year		-	-	-	-	1,274,725	(12,539)	1,262,186
BALANCE AT 31 OCTOBER 2020		13,916	8,335,984	(6,694,809)	1,001,764	(32,002,204)	(144,673)	(29,490,022)

CNG (Group) Limited
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 October 2020

	Share Capital £	Share Premium £	ESOP Reserves £	Other Reserves £	Profit and loss account £	Total £
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
Loss for the period	-	-	-	-	(385,674)	(385,674)
Total comprehensive loss for the period	-	-	-	-	(385,674)	(385,674)
BALANCE AT 31 OCTOBER 2020	13,916	8,335,984	(6,694,809)	1,001,764	(1,251,672)	1,405,183

CNG (Group) Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 October 2020

		Year ended 31 October 2020 £	Period ended 31 October 2019 £
	Notes		
OPERATING ACTIVITIES			
Cash generated from operations	23 (a)	23,786,024	15,689,850
Interest paid	6	(1,685,836)	(2,677,985)
Income taxes paid (received)/paid		2	60,988
NET CASH FROM OPERATING ACTIVITIES		22,100,190	13,072,853
INVESTING ACTIVITIES			
Purchase of intangible fixed assets	12	(56,736)	(559,853)
Purchase of tangible fixed assets	13	(30,290)	(872,504)
Interest received	5	51,727	1,457,205
Acquisition of subsidiary		-	(132,134)
NET CASH USED IN INVESTING ACTIVITIES		(35,299)	(107,286)
FINANCING ACTIVITIES			
Repayments on purchase of own shares		(600,000)	(1,705,000)
Proceeds from issuance of ordinary shares		-	8,000,000
Invoice financing facility		-	(9,675,902)
NET CASH USED IN FINANCING ACTIVITIES		(600,000)	(3,380,902)
NET INCREASE IN CASH AND CASH EQUIVALENTS		21,464,891	9,584,665
Cash and cash equivalents at beginning of period		15,237,826	5,653,161
CASH AND CASH EQUIVALENTS AT END OF PERIOD	23 (b)	<u>36,702,717</u>	<u>15,237,826</u>

Relating to:-

	2020 £	2019 £
Bank balances and short term deposits included in cash at bank and in hand	36,702,717	15,237,826
	<u>36,702,717</u>	<u>15,237,826</u>

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 October 2020

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. The prior period comparator relates to an 18 month period April 2018 to October 2019.

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 company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on pages 2 to 3. The financial position of the company, its cash flows, liquidity position and borrowing facilities are described in the financial statements. In addition, the Strategic Report include the company's objectives, policies, and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group prepares detailed forecasts and projections of financial performance and cash flow over the coming twelve to thirty-six months. The Group has confidence in achieving such targets and forecasts in the current business environment. The Group's underlying contracted margin remains robust across its portfolio of creditworthy UK SME and I&C customers.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and the Group has sufficient cash resources available to it at the current time to ensure it has the appropriate headroom to meet its day to day working capital requirements. The Group does not need to secure additional funding to ensure it can continue to meet its liabilities. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 October 2020

1 ACCOUNTING POLICIES (*continued*)

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 2020.

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.

Commission received

Commission is received in regards to the subsidiary CNG Switch Limited selling gas contracts for other suppliers.

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.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 October 2020

1 ACCOUNTING POLICIES *(continued)*

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)

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
-------------------	---	----------------------------

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 October 2020

1 ACCOUNTING POLICIES *(continued)*

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.

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.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 October 2020

1 ACCOUNTING POLICIES (*continued*)

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.

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.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 October 2020

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 16 for impairments.

3 TURNOVER

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

An analysis of turnover is given below:

	Year ended 31 October 2020	Period ended 31 October 2019
	£	£
Retail	99,732,276	154,856,785
Wholesale	503,131,434	1,014,268,883
Total	<u>602,863,710</u>	<u>1,169,125,668</u>

4 EXCEPTIONAL ITEMS

The exceptional item in administration expenses in the prior period 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 prior period.

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 October 2020	Period Ended 31 October 2019
	£	£
Interest on bank deposits	407	5,459
Interest charged on late payments	<u>51,320</u>	<u>1,451,746</u>
	<u>51,727</u>	<u>1,457,205</u>

CNG (Group) Limited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 October 2020

6 INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 October 2020	Period Ended 31 October 2019
	£	£
On bank loans and overdrafts	286,637	488,165
On late payments	1,318,843	1,983,636
On deferred consideration	80,356	206,183
	<u>1,685,836</u>	<u>2,677,985</u>

7 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging:

	Year Ended 31 October 2020	Period Ended 31 October 2019
	£	£
Amortisation of intangible assets	251,953	442,197
Depreciation of owned tangible fixed assets	262,338	418,091
Furlough income	19,125	-
Operating lease costs:		
- Land and buildings	378,134	673,597
- Other	79,545	111,566
	<u></u>	<u></u>

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;

	Year Ended 31 October 2020	Period Ended 31 October 2019
	£	£
Audit services:-		
Audit of the financial statements of the group and company	15,000	15,000
Audit of the financial statements of the company's subsidiaries	79,000	95,000
Other services:-		
Taxation compliance services	8,250	18,450
All other non-audit services	1,450	25,071
	<u>103,700</u>	<u>137,521</u>

CNG (Group) Limited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 October 2020

9 PARTICULARS OF EMPLOYEES

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

	Group		Company	
	Year Ended 31 October 2020 No	Period Ended 31 October 2019 No	Year Ended 31 October 2020 No	Period Ended 31 October 2019 No
Number of administrative staff	167	202	-	-
Number of management staff	13	8	-	-
	<u>180</u>	<u>210</u>	<u>-</u>	<u>-</u>

The aggregate payroll costs of the above were:

	Year Ended 31 October 2020 £	Period Ended 31 October 2019 £	Year Ended 31 October 2020 £	Period Ended 31 October 2019 £
Wages and salaries	6,431,380	8,727,542	-	-
Social security costs	643,536	805,143	-	-
Other pension costs	232,641	618,429	-	-
	<u>7,307,557</u>	<u>10,151,114</u>	<u>-</u>	<u>-</u>

10 DIRECTORS' REMUNERATION

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

	Year Ended 31 October 2020 £	Period Ended 31 October 2019 £
Remuneration receivable	820,434	463,144
Employers NI	99,943	69,101
Company pension contributions to money purchase schemes	67,898	51,347
	<u>988,275</u>	<u>583,592</u>

During the period there were 4 directors accruing relevant benefits under money purchase pension schemes (2019 – 4).

Remuneration of highest paid director:

	Year Ended 31 October 2020 £	Period Ended 31 October 2019 £
Total remuneration (excluding pension contributions)	247,870	167,836
Employers NI	32,456	25,506
Pension contributions	24,375	19,255
	<u>304,701</u>	<u>212,597</u>

CNG (Group) Limited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 October 2020

11 TAXATION ON ORDINARY ACTIVITIES

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

	Year Ended 31 October 2020 £	Period Ended 31 October 2019 £
<i>Current tax:</i>		
Current tax on income for the period	-	-
Adjustment to tax charge in respect of prior periods	(7,028)	(60,985)
Total current tax	(7,028)	(60,985)
<i>Deferred tax</i>		
Origination of timing differences	14,612	(5,302,086)
Effect of changes in tax rate	(46,963)	(71,679)
Adjustment in respect of prior periods	(447)	79,951
Total deferred tax	(32,798)	(5,293,814)
Total tax	(39,826)	(5,354,799)

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% (2019 – 19%), as explained below:

	Year Ended 31 October 2020 £	Period Ended 31 October 2019 £
Loss on ordinary activities before taxation	1,222,360	(53,946,565)
by rate of tax	232,248	(10,249,848)
Effects of:		
Expenses not deductible for tax purposes	65,303	299,596
Deferred tax not recognised	(282,940)	3,535,363
Amounts relating to changes in tax rates	(46,963)	1,047,811
Adjustment for tax charge in respect of prior periods	(7,475)	18,966
Other tax adjustments	1	(6,687)
Total tax credit	(39,826)	(5,354,799)

CNG (Group) Limited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 October 2020

12 INTANGIBLE FIXED ASSETS

Group	Computer Software	Licence	Goodwill	Total
Cost	£	£	£	£
At 1 November 2019	1,043,176	100,001	498,354	1,641,531
Additions	56,736	-	-	56,736
At 31 October 2020	<u>1,099,912</u>	<u>100,001</u>	<u>498,354</u>	<u>1,698,267</u>
Amortisation				
At 1 November 2019	674,301	-	218,058	892,359
Charge for the period	203,206	-	48,747	251,953
At 31 October 2020	<u>877,507</u>	<u>-</u>	<u>266,805</u>	<u>1,144,312</u>
Net book value				
At 31 October 2020	<u>222,405</u>	<u>100,001</u>	<u>231,549</u>	<u>553,955</u>
At 31 October 2019	<u>368,875</u>	<u>100,001</u>	<u>280,296</u>	<u>749,172</u>

The company had no intangible assets at 31 October 2020 or 31 October 2019. Amortisation is included in Admin Expenses.

13 TANGIBLE FIXED ASSETS

Group	Fixtures & Fittings	Equipment	Total
	£	£	£
Cost			
At 1 November 2019	1,454,745	1,156,959	2,611,704
Additions	27,424	2,866	30,290
At 31 October 2020	<u>1,482,169</u>	<u>1,159,825</u>	<u>2,641,994</u>
Depreciation			
At 1 November 2019	710,984	1,080,863	1,791,847
Charge for the period	226,386	35,952	262,338
At 31 October 2020	<u>937,370</u>	<u>1,116,815</u>	<u>2,054,185</u>
Net book value			
At 31 October 2020	<u>544,799</u>	<u>43,010</u>	<u>587,809</u>
At 31 October 2019	<u>743,761</u>	<u>76,096</u>	<u>819,857</u>

The company had no tangible assets at 31 October 2019 or 31 October 2020.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 October 2020

14 INVESTMENTS

Company	Group companies £
Cost	
At 1 November 2019	4,529,346
Additions	-
At 31 October 2020	<u>4,529,346</u>
Net book value	
At 31 October 2020	<u>4,529,346</u>
At 31 October 2019	<u>4,529,346</u>

15 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%	Shipping Services
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 Central Services Limited	2 Victoria Avenue, Harrogate, North Yorkshire, HG1 1EL	Ordinary shares	100%	Central Services Company
CNG Retail Holdco Limited	2 Victoria Avenue, Harrogate, North Yorkshire, HG1 1EL	Ordinary shares	100%	Holding Company
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 October 2020

15 SUBSIDIARY UNDERTAKINGS (continued)

CNG Retail UK Limited	2 Victoria Avenue, Harrogate, North Yorkshire, HG1 1EL	Ordinary shares	100%	Dormant
CNG Merchant Services Limited	2 Victoria Avenue, Harrogate, North Yorkshire, HG1 1EL	Ordinary shares	100%	Dormant

CNG Group Limited holds 100% of the Ordinary share capital of CNG Retail Holdco Limited, which in turn holds 100% of the Ordinary share capital of each of CNG Electricity Limited, CNG Retail UK Limited, CNG Energy Limited, Contract Natural Gas 2 Limited, CNG Merchant Services Limited and 70% of the shares in CNG Switch Limited. All other subsidiaries are directly held by the company.

The subsidiary companies Contract Natural Gas Software Limited, Contract Natural Gas 2 Limited, CNG Central Services Co Limited, CNG Retail Holdco Limited and CNG Switch 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.

16 DEBTORS

	Group		Company	
	31 October 2020	31 October 2019	31 October 2020	31 October 2019
	£	£	£	£
Trade debtors	28,352,482	43,951,719	-	-
Other debtors	24,420,470	21,908,150	8,500	8,500
Directors current accounts	106,000	141,450	106,000	140,450
Amounts due from group undertakings	-	-	34,245,792	-
Prepayments and accrued income	8,537,647	13,389,873	-	-
Corporation tax receivable	7,028	33,269	-	-
Deferred tax asset	6,015,836	5,983,040	-	-
	<u>67,439,463</u>	<u>85,407,501</u>	<u>34,360,292</u>	<u>148,950</u>

During the period, an impairment loss of £16,446,996 (2019 - £41,507,731) 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 £6,015,836 (2019 £5,983,040) is expected to reverse in future periods over the life of the current three-year business plan. A deferred tax asset of £472,940 has not been recognised as it cannot be supported by the three-year business plan.

CNG (Group) Limited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 October 2020

17 CREDITORS: amounts falling due within one year

	Group		Company	
	31 October 2020	31 October 2019	31 October 2020	30 October 2019
	£	£	£	£
Trade creditors	58,552,549	122,337,873	-	-
Amounts owed to group undertakings	-	-	1,050,206	966,277
Other taxation and social security costs	8,397,760	1,613,722	-	34,450
ESOP deferred consideration	1,157,653	519,723	1,157,653	519,723
Other creditors	3,931,323	389,548	3,150,200	-
Accruals and deferred income	30,392,506	6,732,953	-	-
	<u>102,431,791</u>	<u>131,593,819</u>	<u>5,358,059</u>	<u>1,520,450</u>

18 CREDITORS: Amounts falling after more than one year

	Group		Company	
	31 October 2020	31 October 2019	31 October 2020	31 October 2019
	£	£	£	£
Other Loan	32,127,083	-	32,127,083	-
ESOP deferred consideration	215,092	1,372,745	215,092	1,372,745
	<u>32,342,175</u>	<u>1,372,745</u>	<u>32,342,175</u>	<u>1,372,745</u>

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 13 monthly payments of £100,000, with a final balance of £115,987 to settle the liability in full. Interest is accruing at 5%.

The loan for £35,000,000 will be repaid in 20 quarterly instalments of £1,050,000 the first on 30th April 2021 and £14,000,000 payable on the maturity date. Interest is accruing at 9.5%. The loan is 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.

CNG (Group) Limited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 October 2020

20 FINANCIAL INSTRUMENTS

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

	Group		Company	
	31 October 2020	31 October 2019	31 October 2020	31 October 2019
	£	£	£	£
Financial assets:				
Debt instruments measured at amortised cost	52,738,919	66,001,317	34,360,292	114,500
Equity instruments measured at cost less impairment	-	-	4,529,339	4,529,339
	<u>52,738,919</u>	<u>66,001,317</u>	<u>38,889,631</u>	<u>4,643,839</u>
	Group		Company	
	31 October 2020	31 October 2019	31 October 2020	31 October 2019
	£	£	£	£
Financial liabilities:				
Measured at amortised cost	126,191,656	131,352,842	36,650,028	2,858,745
	<u>126,191,656</u>	<u>131,352,842</u>	<u>36,650,028</u>	<u>2,858,745</u>

21 SHARE CAPITAL

	31 October 2020	31 October 2019
	£	£
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	2,783
113,300 Ordinary G shares of £0.01 each	1,133	1,133
	<u>13,916</u>	<u>13,916</u>
	2020	2019
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	2,783
113,300 Ordinary G shares of £0.01 each	1,133	1,133
	<u>13,916</u>	<u>13,916</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.

CNG (Group) Limited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 October 2020

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.

23 CASH FLOWS

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

	31 October 2020 £	31 October 2019 £
Profit/(Loss) after tax	1,274,725	(48,854,979)
Adjustments for:		
Amortisation of intangible assets	251,953	442,197
Depreciation of tangible fixed assets	262,338	418,091
Interest receivable	(51,727)	(1,457,205)
Interest payable	1,685,836	2,677,985
Taxation	(39,826)	(5,354,799)
Operating cash flows before movements in working capital	3,383,299	(51,858,710)
Increase in trade and other debtors	18,607,863	23,889,648
Increase in trade and other creditors	1,794,862	43,658,912
Cash generated from/(used in) operations	<u>23,786,024</u>	<u>15,689,850</u>

b Cash and cash equivalents

	31 October 2020 £	31 October 2019 £
Cash and cash equivalents represent:-		
Cash at bank	<u>36,702,717</u>	<u>15,237,826</u>

CNG (Group) Limited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 October 2020

24 NET DEBT

	As at 1 November 2019	Cash flow	Other non- cash movements	31 October 2020
	£	£	£	£
Cash at bank and in hand	15,237,826	21,464,891	-	36,702,717
Debt due within 1 year				
Other loans	(519,716)	600,000	(4,387,937)	(4,307,653)
Debt due after 1 year				
Other loans	(1,372,745)	-	(30,969,430)	(32,342,175)
	<u>13,345,365</u>	<u>22,064,891</u>	<u>(35,357,367)</u>	<u>52,889</u>

25 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 2020		31 October 2019	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	353,556	62,783	353,556	59,111
Within two to five years	1,082,463	69,427	1,060,667	44,435
After more than five years	288,549	-	591,541	-
	<u>1,724,568</u>	<u>132,210</u>	<u>2,005,764</u>	<u>103,546</u>

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 2020 £	31 October 2019 £
Amounts receivable:		
Within 1 year	11,500	22,663
Within 2 to 5 years	958	24,552
	<u>12,458</u>	<u>47,215</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.

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 October 2020

26 CONTINGENT LIABILITIES

Banking facilities were 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 CNG Trustees Limited, CNG Merchant Services Limited, CNG Retail UK Ltd 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 personal injury was extended to Q1 of 2021 however, property damage claims can be brought for up to 6 years. The Directors have been advised that they expect the majority of the claim will 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 as a proportion of the claim will be covered by a third party.

27 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 £328,317 (2019 - £389,667). Contributions totalling £nil (2019 - £nil) were payable to the fund at the period end and are included in creditors.

28 RELATED PARTY TRANSACTIONS

During the period the Group made purchases of £90,325 (2019 - £1,130,661) from CNG Marketing Limited, a company in which J R Leworthy and M J Walls are directors, in addition to being directors of CNG (Group) Limited. The total amount outstanding at the year-end was £nil (2019 - £nil).

During the period the Group made purchases of £11,691 (2019 - £44,825) with TP Jones & Co LLP, a business in which T P Jones is a member in addition to being a Director of CNG (Group) Limited during the year. The total amount outstanding at the year-end was £nil (2019 - £2,652). Sales of £452 were also made during the year (2019 - £2,080). The total amount outstanding at the year-end was £nil (2019 - £133).

During the period the Group made purchases of £450 (2019 - £1,190) from Connect Yorkshire a company in which J L Hall is a director, in addition to being a shareholder of CNG (Group) Limited. The total amount outstanding at the year-end was £nil (2019 - £nil).

During the period the Group made sales of £1,033 (2019 - £8,911) to Wescott Trading Limited a company in which A J Webster is a director, in addition to being a director of Contract Natural Gas Limited during the period. The total amount outstanding at the year-end was £nil (2019 - £491).

During the period the Group made purchases of £21,500 (2019 - £27,000) to Wayfinder a company in which A J Webster is the owner, in addition to being a director of Contract Natural Gas Limited during the period. The total amount outstanding at the year-end was £3,000 (2019 - £nil).

During the period the Group made purchases of £110,200, (2019 - £287,302) from CNG Switch Ltd, a business in which CNG (Group) Limited own 70% of the shares. The total amount outstanding at the year-end was £nil (2019 - £nil).

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

CNG (Group) Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 October 2020

29 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 £1,166,176 (2019: £694,912), including employer's national insurance of £145,351 (2019: £73,422).