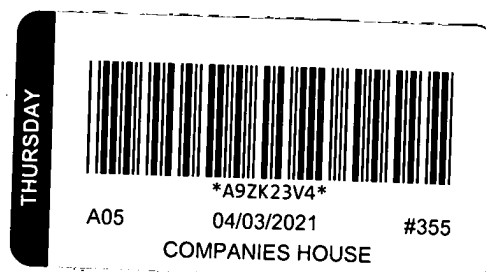


The Company's registered office is:
Building 2 Level 2
Croxley Park
Watford, WD18 8YA
United Kingdom
Registered number 02879748 (England and Wales)

CORONA GAS MANAGEMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



CORONA GAS MANAGEMENT LIMITED

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CORONA GAS MANAGEMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present the Strategic Report of Corona Gas Management Limited for the year ended 31 March 2020. Registered number 02879748.

Review of the business and future developments

The Company's profit for the financial year was £3.3 million (2019: £1.9 million).

The Company has a net asset position of £0.2 million (2019: £0.9 million).

The Company's principal activity is to purchase natural gas and manage the daily gas requirements of the Corona Energy group.

The activities of the Company are not expected to change in the near future.

Key performance indicators

The key performance indicator used by management is operating profit, which is the measure of performance which is regularly shared with representatives of the ultimate parent Company. Operating profit for the year ended 31 March 2020 was £3.2 million (2019: £1.4 million).

The Directors have not included the disclosure of other key performance Indicators in the Directors report as the Company is managed as Corona Energy Group as a whole therefore no Key Performance Indicators exist for the Company on a standalone basis.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to competition from other suppliers, future gas prices and consumption which is affected by temperature and other weather factors.

Going Concern and CoVid-19 Pandemic

On 11 March 2020 the World Health Organisation (WHO) announced CoVid-19 was a global pandemic. The UK government subsequently imposed a series of restrictions in the UK beginning 23 March 2020, this has resulted in uncertainty for UK businesses. The Company has identified the key risks and concluded they are sufficiently mitigated through the implementation of new processes:

o Consumption: Management are actively monitoring the impact CoVid-19 has on consumption. Adjustments to the financial statements and forecasts have been made as required. The business has a diversified portfolio of customers whose consumption has reacted differently to the pandemic, as a result the impact on overall consumption is negligible.

Given the nature of the pandemic there remains some uncertainty in relation to the continued extent and period over which these circumstances may vary and there is a risk that the impact of CoVid-19 is greater than that modelled by the company.

The company has assessed a wide range of potential scenarios and continues to assess the impact of each on the company's financial resilience in terms of liquidity. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Financial risk management

The Company is exposed to a variety of financial risks that include changes in market prices, volume risk, credit risk and liquidity risk. The Company uses energy derivative instruments to manage its exposure to price fluctuations of natural gas. The Company is subject to the Macquarie Group Limited group's Risk Management programme that seeks to limit the adverse effects on the financial performance of the Company.

Market price and volume risk

The Company is exposed to market price and volume risk as a result of its operations, as it has contracted with fellow subsidiaries for their balancing risk between actual and expected demand. The directors have adopted the risk model used by the Macquarie Group Limited group, as approved by the Risk Management Division. This model is incorporated into the Macquarie Group Limited group's risk management systems to enable the Company to manage the risk effectively.

Credit risk

Credit exposures, approvals and limits are controlled within Macquarie Group Limited group's credit risk framework, as established by the Risk Management Division. All receivable balances are held with fellow group companies.

Liquidity risk

The Company actively manages its finances to ensure that it has sufficient available funds for its operations. It is the directors understanding that its parent Company will continue to provide suitable resources to the Company to meet its needs.

Section 172

The directors of the company must act in accordance with a set of general duties as detailed in section 172 of the Companies Act 2006.

Directors are briefed on their duties as part of their induction and have access to governance framework and professional advice either through the company secretary, the corporate governance team or if necessary from an independent provider.

The Directors have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole. The board has given consideration to the following matters throughout the Company's decision making and strategic planning processes for the year ending 31 March 2020.

Risk Management

The role of the Board is to promote the long term interest of the company and to oversee risk management.

Principal risks and uncertainties and financial risks as well as management of these risks are outlined in the paragraphs above.

Professional Conduct

The Board oversees compliance with key policies that are intended to instil a culture of acting lawfully, ethically and responsibly. Key policies are included within the Corona group Code of Conduct.

CORONA GAS MANAGEMENT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

People

The company recognises that its most important assets are its people. We believe by empowering our people at every level we inspire a collaborative workplace where our people are driven to excel. We provide our team members with the skills and training required to make informed decisions enabling them to continue to meet high standards in serving our stakeholders.

The company promotes diversity by employing from a range of different backgrounds, bringing together skills and expertise to create a diverse culture.

Community and Environment

As a responsible energy supplier the Board has a duty of care to ensure the Company is adhering to climate change responsibilities and making ethical and sustainable choices in all business decisions.

Business Relationships

The company maintains strong relationships with customers, suppliers and regulatory bodies. The Board promotes a high level of customer engagement enabling the company to gain the best understanding of customer needs and provide a high standard of service.

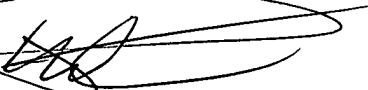
Maintaining a strong relationship with suppliers and regulatory bodies is integral in achieving the high level of growth outlined in the company's long term plan.

Shareholders

The Board is committed to openly engaging with the company's shareholders and believes shareholders should be informed of all material business events and risks that influence the Company.

As part of the Board's commitment to keeping shareholders informed, management presents both financial and non financial information on a regular basis to shareholders throughout the year.

On behalf of the board



P Morton
Director
22 February 2021

CORONA GAS MANAGEMENT LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report and the audited financial statements of Corona Gas Management Limited for the year ended 31 March 2020. Registered number 02879748.

Results and dividends

The financial statements show the results for the year ended 31 March 2020 and comparatives for the year ended 31 March 2019.

The Company's profit for the financial year was £3.3 million (2019: £1.9 million). This was a reasonable result arising from a combination of forward gas procurement strategies. The directors have proposed and paid a dividend of £4.1 million (2019: £1.9 million).

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements, unless otherwise stated were:

P Plewman
N T Mitchell
P Morton

Financial risk management and future developments are disclosed in the Strategic report.

Stakeholder engagement

The Company has a wide range of stakeholders from its employees, suppliers, customers and regulatory bodies. The board has carried out its duties with consideration of its business relationships with these stakeholders as set out in the Section 172 section of the strategic report. The Company's intention is to behave responsibly towards its stakeholders and treat them fairly and equally, so that their interests and other matters set out in S172(1) Companies Act 2006 can be considered in decision making.

Streamlined Energy & Carbon Reporting (SECR)

The company consumed less than 40MWh for the year ending 31 March 2020 and for this reason the company is not required to disclose energy and carbon information in this report.

Directors' indemnities and insurance

The ultimate parent Company has purchased insurance to cover the directors against liabilities in relation to the Company for the financial year. This also includes a qualifying third party indemnity provision at the date of approval for the financial statements.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

CORONA GAS MANAGEMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

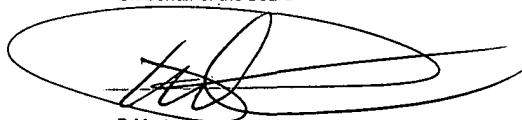
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



**P Morton
Director**

22 February 2021

Independent auditors' report to the members of Corona Gas Management Limited

Report on the audit of the financial statements

Opinion

In our opinion, Corona Gas Management Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2020; the income statement, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

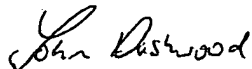
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



John Dashwood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
23 February 2021

**Income Statement
FOR THE YEAR ENDED 31 MARCH 2020**

		Year ended 31 March 2020	Year ended 31 March 2019
	Note	£	£
Revenue		487,387,639	472,163,967
Cost of sales		(483,921,671)	(470,483,824)
Gross profit		3,465,968	1,680,143
Administrative expenses		(268,281)	(266,728)
Operating profit	2	3,197,687	1,413,415
Finance income	3	888,647	870,607
Profit before taxation		4,086,334	2,284,022
Income tax expense	4	(756,937)	(409,117)
Profit for the financial year	11	3,329,397	1,874,905

The Income Statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 to 17 form part of these financial statements.

Statement of Financial Position
AS AT 31 MARCH 2020

	Note	31 March 2020	£	31 March 2019	£
Current assets					
Trade and other receivables	6	192,140,948		9,877,387	
Cash and cash equivalents		222,466		13,056	
Derivative Asset	7	162,503,978		58,484,503	
		354,867,392		68,374,946	
Creditors: amounts falling due within one year	8	(192,150,676)		(8,926,101)	
Derivative Liability	9	(162,503,978)		(58,484,503)	
		(354,654,654)		(67,410,604)	
Net current assets		212,738		964,341	
Total assets less current liabilities		212,738		964,341	
Net assets		212,738		964,341	
Capital and reserves					
Called up share capital	10	50,000		50,000	
Other reserves	11	283,167		283,167	
Retained earnings/(Accumulated losses)		(120,429)		631,174	
Total shareholders' funds	13	212,738		964,341	

The notes on pages 10 to 17 form part of these financial statements.

The financial statements on pages 7 to 17 were approved by the Board of directors on 22 February 2021 and were signed on its behalf by:



P Merton
Director

Statement of changes in equity
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Called up share capital £	Other Reserves £	Retained earnings/ (Accumulated Losses) £	Total shareholders' funds £
Balance as at 1 April 2018 (as previously stated)		50,000	283,167	634,269	967,436
Profit for the financial year		-	-	1,874,905	1,874,905
Total comprehensive income for the year		-	-	1,874,905	1,874,905
Dividends		-	-	(1,878,000)	(1,878,000)
Balance as at 31 March 2019		50,000	283,167	631,174	964,341
Balance as at 1 April 2019		50,000	283,167	631,174	964,341
Profit for the financial year		-	-	3,329,397	3,329,397
Total comprehensive income for the year		-	-	3,329,397	3,329,397
Dividends	12	-	-	(4,081,000)	(4,081,000)
Balance as at 31 March 2020		50,000	283,167	(120,429)	212,738

1 Summary of significant accounting policies

General Information

The Company is a private Company limited by shares and was incorporated and is domiciled in England, United Kingdom. Its principal place of business is its registered office located at Building 2, Level 2, Croxley Park, Watford, WD18 8YA, United Kingdom.

Basis of preparation

The financial statements have been prepared on a going concern basis and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006 ("the Act") as applicable to companies using FRS 101.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial assets and financial liabilities measured at fair value through profit or loss.

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in FRS 101 which addresses the financial reporting requirements and disclosure exemptions in the financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101.

- o The requirements of paragraphs 45(b) and 46-52 of IFRS 2 'Share-based Payment' (details of the number and weighted average exercise price of share-based payment arrangements concerning equity instruments of another group entity and how the fair value of goods or services received was determined).
- o The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to (m), B64(n)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 'Business Combinations' (details of business combinations completed during the period).
- o The requirements of paragraph 33(c) of IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' (details of cash flows of discontinued operations).
- o The requirements of IFRS 7 'Financial Instruments: Disclosures'.
- o The requirements of paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- o The requirements of paragraphs 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - o Paragraph 79(a)(iv) of IAS 1 (reconciliation of shares outstanding).
 - o Paragraph 73(e) of IAS 16 'Property, Plant and Equipment'.
 - o Paragraph 118(e) of IAS 38 'Intangible Assets'.
 - o Paragraph 76 and 79(d) of IAS 40 'Investment Property'.
 - o Paragraph 50 of IAS 41 'Agriculture'.
- o The requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements' (additional comparatives and capital management disclosures).
- o The requirements of IAS 7 'Statement of Cash Flows'.
- o The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- o The requirements of paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation).
- o The requirements of IAS 24 to disclose related party transactions entered into between two or more members of a group where both parties to the transaction are wholly owned within the group.
- o The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets'.
- o The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 **Summary of significant accounting policies (continued)**

Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment securities available for sale and certain other assets and liabilities (including derivatives) at fair value.

Financial assets and liabilities

Financial assets and liabilities are classified into the following categories: trade and other receivables, other financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial asset was acquired and level of influence, which is determined at initial recognition and, except for other financial assets at fair value through profit or loss, is re-evaluated at each balance date.

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Initially these are measured at the amount of the net proceeds after deducting issue costs and are subsequently measured at amortised cost using the expected credit loss model. This is the amount recognised at initial recognition, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount, and any loss allowance.

Taxation

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

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Current and deferred tax balances attributable to amounts recognized directly in equity are also recognized directly in equity.

Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**1 Summary of significant accounting policies (continued)****Derivative financial instruments**

The Company routinely enters into sale and purchase transactions for physical delivery of gas and power. Such contracts are recognised in the Company's financial statements at fair value and are re-measured at each reporting date utilising gas market price data. The Company has the following financial assets and liabilities measured at fair value through profit or loss:

	As at 31 March 2020 £	As at 31 March 2019 £
Derivative financial instruments – Assets	162,503,978	58,484,503
Derivative financial instruments – Liabilities	(162,503,978)	(58,484,503)

At 31 March 2020, the outstanding contracts all mature within 72 months (2019: 72 months) of the year end.

Derivative Instruments

Derivative instruments entered into by the Company include futures, forwards and forward rate agreements, swaps and options in the interest rate, foreign exchange, commodity and equity markets. These derivative instruments are principally used for the risk management of existing financial assets and financial liabilities.

All derivatives, including those used for hedging purposes, are recognised in the Statement of financial position and are disclosed as an asset where they have a positive fair value at reporting date or as a liability where the fair value at reporting date is negative.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured to their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. Movements in the fair values of derivatives are recognised in the income statement, unless the derivative meets the requirements for cash flow or net investment hedge accounting.

The best evidence of a derivative's fair value at initial recognition is the transaction price, unless its fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique for which variables include only data from observable markets. Where such alternative evidence exists, the Company recognises profits or losses immediately when the derivative is recognised.

Revenue

Revenue represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, value added tax and other sales related taxes. The total revenue of the Company for the financial year has been derived from its principal activity wholly undertaken in the UK.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

New standards adopted by the company

The company has applied the following standards for the first time for its annual reporting period commencing 1 April 2019:

- o IFRS 16, 'Leases'

The adoption of IFRS 16 has not had any impact on the amounts recognised in the prior period and is not expected to affect the current or future periods.

2 Operating Profit	2020	2019
	£	£
Operating Profit is stated after charging :		
Auditors remuneration for audit work	7,094	7,476

Operating costs include management fee recharge from Corona Energy Retail 1 Limited of £240,000 (2019: £240,000) which the directors believe is on an arm's length basis.

Auditors' remuneration of £7,094 (2019: £7,476) relates to the audit of the statutory financial statements of Corona Gas Management Limited. There was no non-audit work in the current year (2019: £nil).

CORONA GAS MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

3	Finance income	2020 £	2019 £
	Interest receivable on bank deposits	545	146
	Interest receivable from group undertakings	888,102	870,461
		<u>888,647</u>	<u>870,607</u>
4	Income tax expense	2020 £	2019 £
	Analysis of the tax charge for the financial year		
	Current tax		
	UK corporation tax at 19% (2019: 19%)	769,233	438,921
	Adjustment in respect of previous periods	-	(29,883)
	Total current tax	<u>769,233</u>	<u>409,038</u>
	Deferred tax		
	Origination and reversal of temporary differences	72	88
	Effect of changes in tax rates	(12,369)	(9)
	Total deferred tax	<u>(12,297)</u>	<u>79</u>
	Tax per income statement	<u>756,937</u>	<u>409,117</u>

Factors affecting tax credit for the year:

The income tax expense for the year is the lower (2019: the same as) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit before taxation	<u>4,086,334</u>	<u>2,284,022</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	<u>776,403</u>	<u>433,964</u>
Effects of:		
Adjustment to tax charge in respect of previous periods	-	(29,882)
Non-deductible expenses	-	5,044
Non assessable income	(7,097)	-
Effect of changes in tax rates	(12,369)	(9)
	<u>(19,466)</u>	<u>(24,847)</u>
Total income tax	<u>756,937</u>	<u>409,117</u>

The UK Corporation tax main rate for the financial year beginning 1 April 2020 will remain at 19%. This reverses the previously enacted rate change reducing the rate to 17%.

CORONA GAS MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

5	Trade and other receivables	2020 £	2019 £
	Amounts owed by group undertakings	191,923,667	9,566,106
	VAT receivable	5,951	5,896
	Deferred tax asset	117,430	105,134
	Prepayments and accrued income	93,899	200,251
		<u>192,140,948</u>	<u>9,877,387</u>

Amounts owed by group undertakings bear interest at the market rate of interest. All amounts owed by group undertakings are unsecured and repayable on demand.

6	Deferred tax assets	2020 £	2019 £
	The balance comprises temporary differences attributable to:		
	Other provisions & accrued charges	117,100	104,774
	Fixed assets	330	360
	Total deferred income tax assets	<u>117,430</u>	<u>105,134</u>

Reconciliation of the Company's movement in deferred tax assets:

	Balance at the beginning of the financial year	105,134	105,213
	Temporary differences:		
	Deferred tax charged to income statement for the period	(72)	(88)
	Effect of changes in tax rates	12,369	9
	Balance at the end of the financial year	<u>117,430</u>	<u>105,134</u>

7	Derivative Asset	2020 £	2019 £
	Forward contracts	162,503,978	58,967,787
	Options	-	(483,284)
		<u>162,503,978</u>	<u>58,484,503</u>

8	Creditors: amounts falling due within one year	2020 £	2019 £
	Amounts owed to group undertakings	189,827,035	8,053,388
	Corporation tax	769,233	438,920
	Accruals	1,554,407	433,794
		<u>192,150,676</u>	<u>8,926,101</u>

Amounts owed to group undertakings bear interest at the market rate of interest. All amounts owed to group undertakings are unsecured and repayable on demand.

CORONA GAS MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

9	Derivative Liability	2020 £	2019 £
	Forward contracts	162,503,978	58,484,503
		<u>162,503,978</u>	<u>58,484,503</u>
		<u>162,503,978</u>	<u>58,484,503</u>
		<u>162,503,978</u>	<u>58,484,503</u>
10	Called up share capital	2020 £	2019 £
	Authorised 50,000 (2019: 50,000) Ordinary shares of £1 each	50,000	50,000
		<u>50,000</u>	<u>50,000</u>
	Allotted and fully paid 50,000 (2019: 50,000) Ordinary shares of £1 each	50,000	50,000
		<u>50,000</u>	<u>50,000</u>
		<u>50,000</u>	<u>50,000</u>
11	Other reserves	Other Reserves £	Profit and loss £
	At 1 April 2019	283,167	631,174
	Profit for the financial year	-	3,329,397
	Dividends	-	(4,081,000)
		<u>283,167</u>	<u>(120,429)</u>
	At 31 March 2020	283,167	(120,429)
		<u>283,167</u>	<u>(120,429)</u>
	Other reserves is a capital redemption reserve Balance at 31 March 2020	283,167	(120,429)
		<u>283,167</u>	<u>(120,429)</u>
		<u>283,167</u>	<u>(120,429)</u>
12	Dividends	2020 £	2019 £
	Dividends which the Company proposed, approved and paid during the financial year		
	Ordinary shares £81.62 (2019: £37.56) per £1 share	4,081,000	1,878,000
		<u>4,081,000</u>	<u>1,878,000</u>
		<u>4,081,000</u>	<u>1,878,000</u>
		<u>4,081,000</u>	<u>1,878,000</u>

CORONA GAS MANAGEMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

13	Total shareholders' funds	2020 £	2019 £
	Profit for the financial year	3,329,397	1,874,905
	Dividends	(4,081,000)	(1,878,000)
	Opening shareholders' funds	964,341	967,436
		<hr/>	<hr/>
	Closing shareholders' funds	212,738	964,341
		<hr/> <hr/>	<hr/> <hr/>

14 Related party information

As 100% of the voting rights of the Company are controlled within the group headed by Macquarie Group Limited, incorporated in Australia, the Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 and has therefore not disclosed transactions or balances with entities which form part of the Macquarie Group. The consolidated financial statements of Macquarie Group Limited, within which the Company is included, can be obtained from the address given in Note 17.

15	Directors' emoluments	2020 £	2019 £
	Emoluments for qualifying services	72,100	54,018
		<hr/>	<hr/>
		72,100	54,018
		<hr/> <hr/>	<hr/> <hr/>

16 Employees**Number of employees**

There were no employees during the financial year apart from the directors. (2019: Nil). Employees are remunerated by other group companies.

17 Ultimate parent undertaking and controlling party

At 31 March 2020, the immediate parent undertaking was Corona Energy Retail 1 Limited, and the ultimate parent undertaking and controlling party of Corona Gas Management Limited, which was the parent undertaking of the smallest and the largest group to prepare consolidated financial statements, was Macquarie Group Limited, a Company incorporated in Australia. Copies of group financial statements for Macquarie Group Limited are publicly available and can be obtained from the Company secretary, Level 6, 50 Martin Place, Sydney, New South Wales, 2000, Australia.

18 Events after the reporting period

There were no material events subsequent to 31 March 2020 that have not been reflected in the financial statements.

CORONA GAS MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

- 19 Fair valuation of derivative instruments**
Derivative instruments entered into by the Company comprise options in the commodity markets. These derivative instruments are principally used for the risk management of existing financial assets and financial liabilities.
- 20 Fair valuation of derivative financial instruments**
The Company routinely enters into sale and purchase transactions for physical delivery of gas. Such forward contracts are recognised in the Company's financial statements at fair value and are re-measured at each reporting date utilising gas market price data.