

Fulcrum Group Holdings Limited

Annual report and financial statements

for the year ended 31 March 2022

Registered number: 03705715

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# **Fulcrum Group Holdings Limited**

## **Annual report and financial statements for the year ended 31 March 2022**

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# **Fulcrum Group Holdings Limited**

## **Directors' Report**

The directors present their report and the audited financial statements of Fulcrum Group Holdings Limited ("the Company") for the year ended 31 March 2022.

### **Principal Activities**

The Company is the shared service provider of commercial and administration services to its ultimate parent undertaking Fulcrum Utility Services Limited and its subsidiaries, together "the Group" or "Fulcrum". These companies are involved in utility infrastructure services, gas & electricity transportation and meter rental.

### **Dividends**

No dividends have been paid or declared in the year ended 31 March 2022 (2021: £nil).

### **Directors**

The directors who held office during the year and to the date of this report were as follows:

T Dugdale (resigned 24 January 2022)

J Cutler (resigned 31 March 2022)

J Jager (appointed 30 March 2022)

Fulcrum Utility Services Limited (appointed 30 November 2022)

### **Registered Office**

2 Europa View, Sheffield Business Park, Sheffield, S9 1XH.

### **Directors' Indemnities and Insurance**

The Company indemnifies its officers against liabilities arising from the conduct of the Company's business, to the extent permitted by law, by the placing of directors' and officers' insurance. The insurance indemnifies individual directors' and officers' personal legal liability and cost for claims arising out of actions taken in connection with the Company's business.

### **Employees**

The majority of employee contracts of the Group's employees are held and owned by the Company. The Company's management regularly delivers company-wide briefings on the Group's strategy and performance. These briefings contain details of the Group's financial performance where appropriate. In addition, monthly "What's New" briefs are distributed, containing detailed information on the Group's operational performance and updates on customer activity.

The Company remains committed to fair treatment of people with disabilities in relation to job applications, training, promotion and career development. Every effort is made to find alternative jobs for those who are unable to continue in their existing job due to disability.

The Group takes a positive approach to equality and diversity. The Company promotes equality in the application of reward policies, employment and development opportunities, and aims to support employees in balancing work and personal lifestyles.

### **Immediate Parent and Ultimate Parent Company**

The immediate parent company is Fulcrum Utility Investments Limited, which is registered in the Cayman Islands.

The ultimate parent company is Fulcrum Utility Services Limited, which is registered in the Cayman Islands and consolidates the financial statements of the Company. The consolidated financial statements of Fulcrum Utility Services Limited are available on its website at <https://investors.fulcrum.co.uk>.

# Fulcrum Group Holdings Limited

## Directors' Report (*continued*)

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

#### Disclosure of Information to Auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board



J Jager

Director

21 December 2022

# Fulcrum Group Holdings Limited

## Strategic Report

### Business Review

As a shared service provider of commercial and administration services to the Group, where costs initially incurred by the Company can be wholly attributed to other Group companies, they are recharged directly to the relevant company. The residual costs incurred by the Company relate to the shared service costs that are not directly attributable to particular Group companies. These include legal and professional fees and insurance, as well as company executive costs. These costs are allocated across the subsidiaries on an appropriate allocation basis. The re-charge of these costs to the subsidiaries are uplifted by 5%.

The Company's activity has resulted in an operating loss for the year of £5,371k (2021: operating profit of £482k). The Company suffered a loss after tax of £5,623k (2021: £336k) and at 31 March 2022, the Company's net assets stood at £11,473k (2021: £16,457k).

### Key performance indicators

As an internal service provider, the Company does not operate any KPIs specific to the provision of these services.

### Principal Risks and Uncertainties

As a shared service provider to the Fulcrum Group, the Company's risks and uncertainties are linked to those of the wider Group. The principal risks to achieving the Group's objectives are set out below. The risk factors described are not an exhaustive list or an explanation of all risks. Additional risks and uncertainties relating to the wider Group, including those that are not currently known to the Group or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business operations, results and/or financial condition:

Risk	Description	Mitigations
<b>Growth and strategy execution</b>	The strategy currently being pursued is not the most effective or efficient and that alternative strategies may be more appropriate.	<p>The Group's strategy is agreed by the Board at an annual strategy meeting and thereafter regularly reviewed at Board meetings. The Board engages with management and employees to ensure the strategy is communicated and understood. The Group maintains a close watch on, and assesses, the relevant market drivers that influence the Group's strategic priorities to ensure that its growth strategy remains relevant and appropriate.</p>
<b>Retention and recruitment</b>	The Group loses its valued and talented employees	<p>The Group has put in place competitive reward and recognition packages for all people.</p> <p>Employee development programmes are in place to assess, manage and develop the leadership skills of employees throughout the organisation. In addition, we invest in succession planning and learning and development, giving opportunities for employees to upgrade skills.</p> <p>The Group's culture and approach to employee engagement are differentiators in attracting and retaining talent. Its positive approach has been recognised by Best Companies, which named the Group as one of the top 10 utility companies to work for in 2021.</p>

# Fulcrum Group Holdings Limited

## Strategic report (continued)

### Principal Risks and Uncertainties (continued)

Risk	Description	Mitigations
<b>COVID-19</b>	Covid-19 continues to impact the UK economy and may disrupt our supply chain and our customers' projects and adversely impact our operations.	The Group has demonstrated that it has operated effectively and safely throughout the Covid-19 pandemic.
	Covid-19 affects the Group's workforce and impacts its ability to operate and deliver customer commitments.	The Group has followed, and continues to follow, all government guidelines to protect its people and customers.
<b>Macroeconomic conditions (other than COVID-19)</b>	The macroeconomic conditions in the UK impact the ability of the Group to execute its strategy and growth plans.	We closely monitor market developments across our key sectors, and we proactively engage with government and regulatory bodies to keep informed of market developments.
	The current energy crisis in the UK continues for a sustained period, further impacting the Group's operations.	The Group has a varied revenue base to reduce reliance on specific utility services and critical supply chain providers.
	Challenging market conditions continue, further impacting the profitability of the Group's operations.	The Group continually reviews the profitability of contracts, particularly where they are affected by external market conditions. It is decisive and exits them quickly and efficiently where required.
		The Group expects that longer-term market changes will, in the main, continue to be driven by the move to decarbonised energy, in line with the UK's 2050 net-zero target. The Board believes that this presents a significant growth opportunity for the Group considering its specialist skills, experience and capabilities.
<b>Health and safety</b>	Accidents on our sites could lead to potential injury to, or loss of, human life, reputational damage and financial penalties.	We ensure that the Board's health and safety strategy is implemented by our comprehensive management systems and controls, overseen by our Group compliance team to minimise the likelihood and impact of accidents.
		We have also developed and sustained a strong "SAFE" (safety-first) culture which has delivered improvements in behavioural safety and safety performance.

# Fulcrum Group Holdings Limited

## Strategic report (continued)

### Principal Risks and Uncertainties (continued)

Risk	Description	Mitigations
IT systems and cyber security	<p>Computer system outages and interruptions could affect the ability to conduct day-to-day operations, which could result in loss of sales and delays to cash flow.</p> <p>Key systems could be breached causing financial loss, data loss, disruption or damage and any theft or misuse of data held within the Group's systems and this could have both reputational and financial implications for the Group.</p>	<p>The Group's IT strategies are reviewed regularly to ensure they remain appropriate, with business continuity and disaster recovery testing performed. We have a dedicated internal and external IT support team which works closely with our external support advisers to ensure that regular updates to technology, infrastructure, communications and application systems occur.</p> <p>The Group has centralised hardware and software security in place to ensure protection of commercial and sensitive data. For new IT projects, our technology advisers are utilised in conjunction with internal project management, restricting access to data, systems and code and ensuring all systems are secure and up to date.</p> <p>We deliver structured cyber security training for all employees and run an ongoing programme of simulated phishing attacks to test and measure effectiveness.</p>

### Financial risk

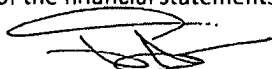
As a shared service provider to the Fulcrum Group, the directors do not consider price, credit, cashflow or liquidity risk to be material to the assessment of the company's assets and liabilities

### Going concern

The directors of Fulcrum Utility Services Limited, the ultimate parent undertaking, have assessed the future funding requirements of the Company and compared it to the level of cash resources within the Group. The assessment included a review of financial forecasts and the preparation of sensitivity analysis on the key factors that could affect future cash flow and funding. The Group's policy on funding capacity is to ensure that it always has sufficient funding in place to meet foreseeable peaks in working capital requirements.

Material uncertainties have been identified in relation to going concern, however, the Group's directors have taken appropriate steps to mitigate the conditions leading to the material uncertainties. As a result, the directors of the Company are of the view the Company will continue in operational existence and these financial statements are therefore prepared on the going concern basis.

See note 1 of the financial statements for further details.



J Jager

Director

21 December 2022

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULCRUM GROUP HOLDINGS LIMITED**

## **Opinion**

We have audited the financial statements of Fulcrum Group Holdings Limited (the 'company') for the year ended 31 March 2022, which comprise the statement of comprehensive income, the statement of changes in equity, the balance sheet and the related notes, 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 Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Material uncertainty related to going concern**

We draw attention to note 1 in the financial statements, which indicates that the company is reliant on the funding of the wider Fulcrum Utility Services Limited group funding arrangements. As stated in note 1, the group's current position and forecast future funding requirements give rise to a material uncertainty in relation to the group and the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Challenging management on key assumptions included in their forecasts including performing sensitivity analysis;
- Considering the potential impact of forecast scenarios on the forecast cash position;
- Reviewing debt agreements in place at the date of signing these financial statements to check terms have been appropriately considered and modelled in the cash flow forecasts;
- Reviewing the letter of support provided by Fulcrum Utility Services Limited; and
- Reviewing the directors' disclosures in the financial statements.

From our work we can concur with the Directors statement in note 1 that the group's current position and forecast future funding requirements give rise to a material uncertainty in relation to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULCRUM GROUP HOLDINGS LIMITED (CONTINUED)**

### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULCRUM GROUP HOLDINGS LIMITED (CONTINUED)**

### **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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focused on key laws and regulations the entity has to comply with and areas of the Financial Statements we assessed as being more susceptible to misstatement. These key laws and regulations included, but were not limited to, compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework, including a review of legal and professional nominal codes;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and walkthrough testing of controls;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment;
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, such as recoverability of amounts due from fellow group undertakings.

In response to the risk of irregularities in relation to non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing Financial Statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and associated parties.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

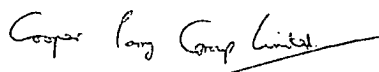
## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULCRUM GROUP HOLDINGS LIMITED (CONTINUED)**

Because of the inherent limitations of an audit, there is a risk that we will not detect any irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the Financial Statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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.



Katharine Warrington (Senior Statutory Auditor)  
for and on behalf of  
**Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

Sky View, Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA  
Date: 21 December 2022

# Fulcrum Group Holdings Limited

## Statement of comprehensive income for the year ended 31 March 2022

	Notes	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Revenue	2	8,319	8,899
Cost of sales		(251)	(169)
<b>Gross profit</b>		<b>8,068</b>	<b>8,730</b>
Administrative expenses		(13,439)	(8,248)
<b>Operating (loss)/profit</b>	3	<b>(5,371)</b>	<b>482</b>
<b>Analysed as:</b>			
EBITDA before share based payments and exceptional items		(3,715)	2,814
Equity-settled share based payment charge	5	(639)	(436)
Exceptional items	4	(723)	(1,403)
Depreciation	9, 11	(251)	(212)
Amortisation	10	(43)	(281)
<b>Operating (loss)/profit</b>		<b>(5,371)</b>	<b>482</b>
Net finance expense	7	(32)	(59)
<b>(Loss)/profit before taxation</b>		<b>(5,403)</b>	<b>423</b>
Taxation	8	(220)	(759)
<b>Loss for the year and total comprehensive expense</b>		<b>(5,623)</b>	<b>(336)</b>

All results relate to continuing operations.

The notes on pages 13 to 26 form part of these financial statements.

## Fulcrum Group Holdings Limited

### Statement of changes in equity for the year ended 31 March 2022

	Notes	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2020		10,000	6,357	16,357
Loss for the year and total comprehensive expense		-	(336)	(336)
Equity-settled share based payments		-	436	436
<b>Balance at 31 March 2021</b>		<b>10,000</b>	<b>6,457</b>	<b>16,457</b>
Loss for the year and total comprehensive expense		-	(5,623)	(5,623)
Equity-settled share based payments		-	639	639
<b>Balance at 31 March 2022</b>		<b>10,000</b>	<b>1,473</b>	<b>11,473</b>

The notes on pages 13 to 26 form part of these financial statements.

# Fulcrum Group Holdings Limited

## Balance sheet

as at 31 March 2022

	Notes	31 March 2022 £'000	31 March 2021 £'000
<b>Non-current assets</b>			
Property, plant and equipment	9	252	183
Intangible assets	10	422	41
Right of use assets	11	312	253
Deferred tax assets	8	595	816
		<b>1,581</b>	<b>1,293</b>
<b>Current assets</b>			
Trade and other receivables	12	47,990	44,717
Cash and cash equivalents	13	95	3
		<b>48,085</b>	<b>44,720</b>
<b>Total assets</b>		<b>49,666</b>	<b>46,013</b>
<b>Current liabilities</b>			
Trade and other payables	14	(37,874)	(29,304)
Current lease liability	11	(101)	(71)
		<b>(37,975)</b>	<b>(29,375)</b>
<b>Non-current liabilities</b>			
Non-current lease liability	11	(218)	(181)
		<b>(218)</b>	<b>(181)</b>
<b>Total liabilities</b>		<b>(38,193)</b>	<b>(29,556)</b>
<b>Net assets</b>		<b>11,473</b>	<b>16,457</b>
<b>Equity</b>			
Share capital	16	10,000	10,000
Retained earnings		1,473	6,457
<b>Total equity</b>		<b>11,473</b>	<b>16,457</b>

The notes on pages 13 to 26 form part of these financial statements.

The financial statements were approved by the Board of Directors on 21 December 2022 and were signed on its behalf by:



J Jager

Director

Registered number: 03705715

# Fulcrum Group Holdings Limited

## Notes to the financial statements

### 1. Accounting policies

Fulcrum Group Holdings Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006.

The Company's ultimate parent undertaking, Fulcrum Utility Services Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Fulcrum Utility Services Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 2 Europa View, Sheffield Business Park, Sheffield, S9 1XH.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- Disclosures in respect of the compensation of key management personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Fulcrum Utility Services Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The principal accounting policies set out below, unless otherwise stated, have been applied consistently to all periods presented in these financial statements.

#### Measurement convention

The financial statements have been prepared on the historical cost basis, except for items that are required to be stated at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

# Fulcrum Group Holdings Limited

## Notes to the financial statements (*continued*)

### 1. Accounting policies (*continued*)

#### Going concern

In assessing the basis of preparation of the accounts the directors have taken the following into account:

The Company is part of the Fulcrum Utilities Services Limited group ("the Group"). The Company and the Group meet their day to day working capital requirements from cash resources and intercompany balances with other Group companies. Therefore, in light of the Group's funding arrangements and the operational and financial support provided by the Group, the going concern assessment of the Company and the Group is dependent on that of the Group as a whole.

As at 31 March 2022 the Company had net current assets of £10,110k (2021: £15,345k). In addition, the Company's ultimate parent undertaking, Fulcrum Utility Services Limited, has indicated its intention to continue to make available such funds and operational support as is needed by the Company for a period of at least 12 months from the date of approval of these financial statements.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements they have no reason to believe that it will not do so.

The Group's directors have prepared detailed cash flow forecasts for at least 12 months from the date of approval of these financial statements, which have indicated that there are material uncertainties related to the Group's ability to continue as a going concern; taking into account reasonably possible downsides, the Group's cash flow forecasts have indicated that the Group may not have adequate resources to meet its liabilities for at least 12 months from the date of approval of these financial statements.

In response to this, in December 2022, the Group entered into an arrangement with Bayford & Co Ltd and funds managed by the Harwood Capital Management Limited Group in respect of the provision of funding of up to £6m by way of a convertible loan. This facility is expected to support the Group to initiate a review of the various options available to it to ensure the Group continues to have adequate working capital.

The Group's directors have concluded that these mitigating actions mean that despite the material uncertainties, the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

The directors of the Company have assessed the conclusions reached by the Group's directors and agree with their conclusion. Consequently, the directors of the Company are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

#### Accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following area:

- Deferred tax – the Company recognises a deferred tax asset for tax losses carried forward which requires an estimation of forecast profitability.



# Fulcrum Group Holdings Limited

## Notes to the financial statements *(continued)*

### 1. Accounting policies *(continued)*

#### **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Fixtures and fittings	2-5 years
Computer equipment	3-5 years
Motor Vehicles	5 years

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

#### **Other intangible assets**

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation of software is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful life of five years.

#### **Impairment**

##### ***Financial assets (including receivables)***

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### ***Non-financial assets***

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

#### **Employee benefits**

##### ***Pension plans***

The Company operates a defined contribution pension plan for the benefit of its employees under which the company pays a fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Contributions are recognised in the statement of comprehensive income as they become payable in accordance with the rules of the scheme.

##### ***Short-term benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

# Fulcrum Group Holdings Limited

## Notes to the financial statements (*continued*)

### 1. Accounting policies (*continued*)

#### **Share based payment transactions**

Share based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share based payment transactions, regardless of how the equity instruments are obtained by the Group.

The grant date fair value of share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share based payment awards with non-vesting conditions, the grant date fair value of the share based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

No cash-settled share based payment awards have been granted to employees.

#### **Revenue**

The Company's revenue represents the charges made to other entities in the Fulcrum Group for their use of shared services provided by the Company. Revenue from providing services is recognised in the accounting period in which the services are rendered and is based on costs incurred. Certain costs include a 5% mark-up.

#### **Exceptional items**

Exceptional items are those that in management's judgement need to be disclosed separately by virtue of their size or incidence in order to provide greater visibility of the underlying results of the business and which management believes provide additional meaningful information in relation to ongoing operational performance.

#### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income 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 or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. 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.

#### **Classification of financial instruments issued by the Company**

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

# Fulcrum Group Holdings Limited

## Notes to the financial statements *(continued)*

### 1. Accounting policies *(continued)*

- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called-up share capital and share premium account exclude amounts in relation to those shares.

#### **Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits.

#### **Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any allowance for expected credit losses. They are generally due for settlement within 30 days and are therefore all classified as current. Due to their short-term nature, carrying value is considered to approximate fair value.

#### **Trade and other payables**

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. Due to their short-term nature, carrying value is considered to approximate fair value.

#### **Lease Accounting (company as lessee)**

At inception of a contract the Company assesses whether the contract is or contains a lease. A lease is present where the contract conveys, over a period of time, the right to control the use of an identified asset in exchange for consideration.

Where a lease is identified the Company recognises a right-of-use asset and a corresponding lease liability, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. The Company has taken the practical expedient allowed under IFRS 16 that permits a lessee not to separate non-lease components, and instead accounts for any lease and associated non-lease components as a single arrangement.

#### **Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date.

The lease payments are discounted using the interest rate implicit in the lease if that rate is readily available or if not, at the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments such as those that depend on an index or rate (such as RPI), initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;

# Fulcrum Group Holdings Limited

## Notes to the financial statements (*continued*)

### 1. Accounting policies (*continued*)

#### Lease liability (*continued*)

- the exercise price of purchase options where the Company is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the balance sheet, split between current and non-current liabilities.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured where:

- there is a change in the assessment of the exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments' change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- the lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

When the lease liability is remeasured, an equivalent adjustment is made to the right-of-use asset unless its carrying amount is reduced to zero, in which case any remaining amount is recognised in profit or loss.

#### Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, any initial direct costs and an estimate of any costs to dismantle and remove the asset at the end of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use asset is presented as a separate line in the balance sheet.

Right-of-use assets are depreciated over the shorter of the lease term and useful life of the underlying asset.

#### Impairment

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as an expense immediately.

#### Short-term leases and low value assets

The Company recognises lease payments on short-term leases (those with a lease term of 12 months or less) and low value assets as an operating expense on a straight-line basis over the term of the lease, unless another systematic basis is available that is more representative of the time pattern in which economic benefits are consumed.

#### The Company as lessor

The Company has not entered into any lease agreements where the Company acts as a lessor.

# Fulcrum Group Holdings Limited

## Notes to the financial statements (*continued*)

### 1. Accounting policies (*continued*)

#### Adoption of new and revised International Financial Reporting Standards (IFRSs) and Interpretations (IFRICs)

The Company applied the following standards and amendments for the first time for the annual reporting period commencing 1 April 2021:

- Amendments to IAS 1 Presentation of Financial Statements;
- Amendments to IFRS 3 Business Combinations;
- Amendments to IFRS Practice Statement 2 Making Materiality Judgements;
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- Amendments to IAS 12 Income Taxes.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2022 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

### 2. Revenue

The Company's activities consist solely of the provision of commercial and administration services to its ultimate parent undertaking Fulcrum Utility Services Limited and its fellow Group entities. All activities occur in the United Kingdom.

### 3. Operating (loss)/profit

Included in operating (loss)/profit are the following charges:

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Amortisation of intangible assets: owned	43	281
Depreciation of property, plant and equipment: owned	151	161
Depreciation of right-of-use asset	100	51
<i>Amounts receivable by the auditors in respect of:</i>		
Auditor's remuneration:		
- The Company	20	28
- Other Group undertakings	162	172

Shared services costs are allocated and recharged to each subsidiary owned by Fulcrum Utility Services Limited on the basis of the costs incurred by Fulcrum Group Holdings Limited. Certain of these costs include a 5% uplift. Costs recharged include legal and professional fees, operating lease charges, insurance and other executive costs.

The Company has paid the audit fee costs of the Group and subsequently recharged the relevant amounts to each subsidiary member of the Group.

# Fulcrum Group Holdings Limited

## Notes to the financial statements *(continued)*

### 4. Exceptional items

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Restructuring costs	485	431
Legal and adviser costs	238	749
Impairment of intangible assets	-	223
	<b>723</b>	<b>1,403</b>

### 5. Staff numbers and costs

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Wages and salaries	14,793	12,265
Social security costs	1,581	1,338
Other pension costs	513	381
Share based payments	639	436
	<b>17,526</b>	<b>14,420</b>

The average monthly number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

Number of employees	Year ended 31 March 2022	Year ended 31 March 2021
Operational	160	158
Support	174	132
	<b>334</b>	<b>290</b>

Where employees work on activities wholly attributed to the Company's fellow group undertakings, staff costs are recharged directly to the associated group undertakings without a mark-up.

The amount recharged in the financial year was £10,212k (2021: £10,478k) and the average monthly number of Fulcrum Group Holdings Limited employees attributed to fellow group undertakings during the financial year was 250 (2021: 274).

# Fulcrum Group Holdings Limited

## Notes to the financial statements *(continued)*

### 6. Directors' emoluments

The emoluments of the Company's directors, for services to the Group as whole, are as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Emoluments	355	656
Compensation in respect of loss of office	216	179
Pension	17	29
<b>Total</b>	<b>588</b>	<b>864</b>

Included in the total emoluments above is the aggregate value of company contributions made to the pension scheme of 2 (2021: 3) directors in respect of directors' qualifying services. These costs are included in the shared services recharge.

Highest paid director:

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Emoluments	206	327
Compensation in respect of loss of office	216	179
Contributions to a defined contribution pension scheme	10	18
	<b>432</b>	<b>524</b>

### 7. Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Finance costs on lease liability	15	10
Bank charges	17	49
	<b>32</b>	<b>59</b>

# Fulcrum Group Holdings Limited

## Notes to the financial statements (continued)

### 8. Taxation

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Deferred tax charge	(220)	(759)

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at the balance sheet date. As such, the deferred tax rate applicable at 31 March 2022 is 25% and deferred tax has been re-measured at this rate.

#### Reconciliation of effective tax rate

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
(Loss)/profit before taxation	(5,403)	423
Tax using the UK corporation tax rate of 19% (2021: 19%)	1,027	(80)
Non-deductible expenses	-	(38)
Effect of change in rate of corporation tax	143	-
Tax deductions for share options	(121)	(83)
Adjustment to tax charge in respect of previous years	159	33
Release of previously recognised losses	(1,428)	(579)
Transfer pricing adjustments	(131)	-
Group relief claimed	131	-
Chargeable gains arising	-	(12)
Total tax charge	(220)	(759)

#### Movement in deferred tax assets

	31 March 2022	31 March 2021
	£'000	£'000
At the beginning of the year	816	1,575
<b>Recognised in profit or loss</b>		
Adjustment to tax charge in respect of previous years	159	33
Tax losses utilised in year	955	(260)
Effect of change in rate of corporation tax	143	-
Release of previously recognised losses	(1,428)	(579)
Origination/reversal of other timing differences	(50)	47
<b>At the end of the year</b>	<b>595</b>	<b>816</b>

The Company has no provided or unprovided deferred tax liabilities (2021: £nil)



# Fulcrum Group Holdings Limited

## Notes to the financial statements (continued)

### 9. Property, plant and equipment

	Fixtures and fittings £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>				
At 1 April 2020	395	1,270	23	1,688
Additions	4	76	-	80
<b>At 31 March 2021</b>	<b>399</b>	<b>1,346</b>	<b>23</b>	<b>1,768</b>
Additions	-	220	-	220
<b>At 31 March 2022</b>	<b>399</b>	<b>1,566</b>	<b>23</b>	<b>1,988</b>
<b>Accumulated depreciation</b>				
At 1 April 2020	(350)	(1,065)	(9)	(1,424)
Depreciation charge for the year	(15)	(140)	(6)	(161)
<b>At 31 March 2021</b>	<b>(365)</b>	<b>(1,205)</b>	<b>(15)</b>	<b>(1,585)</b>
Depreciation charge for the year	(14)	(132)	(5)	(151)
<b>At 31 March 2022</b>	<b>(379)</b>	<b>(1,337)</b>	<b>(20)</b>	<b>(1,736)</b>
<b>Net book value</b>				
<b>At 31 March 2022</b>	<b>20</b>	<b>229</b>	<b>3</b>	<b>252</b>
At 31 March 2021	34	141	8	183
At 1 April 2020	45	205	14	264

### 10. Intangible assets

	Software £'000
<b>Cost</b>	
At 1 April 2020	3,369
Additions	140
<b>At 31 March 2021</b>	<b>3,509</b>
Additions	424
<b>At 31 March 2022</b>	<b>3,933</b>
<b>Accumulated amortisation and impairment</b>	
At 1 April 2020	(2,964)
Amortisation for the year	(281)
Impairment	(223)
<b>At 31 March 2021</b>	<b>(3,468)</b>
Amortisation for the year	(43)
<b>At 31 March 2022</b>	<b>(3,511)</b>
<b>Net book value</b>	
<b>At 31 March 2022</b>	<b>422</b>
At 31 March 2021	41
At 1 April 2020	405

# Fulcrum Group Holdings Limited

## Notes to the financial statements (continued)

### 11. Leases

The Company has leases for land and buildings, as well as plant and machinery. Lease payments are generally fixed. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The use of extension and termination options within leases gives the Company flexibility and such options are exercised when they align with the Company's strategy and where economic benefits of exercising such options exceed the expected overall costs.

Right-of-use assets	31 March 2022 £'000	31 March 2021 £'000
Land & buildings	-	5
Plant & machinery	312	248
	312	253

Depreciation on right-of-use assets	31 March 2022 £'000	31 March 2021 £'000
Land & buildings	5	9
Plant & machinery	95	42
	100	51

Additions to right-of-use assets	31 March 2022 £'000	31 March 2021 £'000
Land & buildings	-	-
Plant & machinery	180	234
	180	234

Maturity of lease liabilities	Land and buildings		Plant & machinery	
	31 March 2022 £'000	31 March 2021 £'000	31 March 2022 £'000	31 March 2021 £'000
Less than one year	-	5	101	66
Between one and five years	-	-	218	181
	-	5	319	247

Other impact on profit and loss	31 March 2022 £'000	31 March 2021 £'000
Gain on lease modification	16	-
Finance costs on leases	(15)	(10)
	1	(10)

During the year ended 31 March 2022, the Company disposed of a leased vehicle for proceeds of £19,000. This resulted in a gain on lease modification in the statement of comprehensive income of £16,000. No leases were disposed of or modified in the year ended 31 March 2021.

# Fulcrum Group Holdings Limited

## Notes to the financial statements (continued)

### 12. Trade and other receivables

	31 March 2022	31 March 2021
	£'000	£'000
Amounts owed by Group undertakings	47,560	44,361
Other receivables	230	156
Prepayments and accrued income	200	200
	47,990	44,717

All amounts due from Group undertakings are repayable on demand and no interest is receivable. The balance is stated net of an impairment of £5,953k (31 March 2021: £nil), which has been recognised in Administrative expenses in the Statement of comprehensive income.

### 13. Cash and cash equivalents

	31 March 2022	31 March 2021
	£'000	£'000
Cash at bank and on hand	95	3

### 14. Trade and other payables

	31 March 2022	31 March 2021
	£'000	£'000
Trade payables	156	290
Accruals	812	909
Amounts owed to Group undertakings	35,972	27,322
Other payables	934	783
	37,874	29,304

No interest is borne on amounts payable to Group undertakings and all amounts are repayable on demand.

### 15. Pension benefits

The Company operates a defined contribution pension plan. The total expense relating to the Company net of recharges in the current year was £126k (2021: £85k).

# Fulcrum Group Holdings Limited

## Notes to the financial statements (*continued*)

### 16. Share capital

	31 March 2022 £'000	31 March 2021, £'000
<b>Allotted, issued and fully paid</b>		
1,000,018,516,681 (2021: 1,000,001,485,251) ordinary shares of £0.00001 each	10,000	10,000
nil (2021: 9,513,845) B ordinary shares of £0.00001 each	-	-
nil (2021: 3,913,000) C ordinary shares of £0.00001 each	-	-
nil (2021: 2,162,753) D1 ordinary shares of £0.00001 each	-	-
nil (2021: 1,441,832) D2 ordinary shares of £0.00001 each	-	-
	<b>10,000</b>	<b>10,000</b>

During the year ended 31 March 2022, 9,513,845 B Ordinary shares, 3,913,000 C Ordinary shares, 2,162,753 D1 ordinary shares and 1,441,832 D2 ordinary shares were redesignated as ordinary shares.

Ordinary shares confer the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company, D1 and D2 ordinary shares have no such rights.

Ordinary shareholders have the right to a dividend. D1 and D2 ordinary shareholders have no entitlement to dividends.

On liquidation, capital reduction or otherwise, in certain circumstances the holders of ordinary shares shall rank behind the holders of D1 and D2 ordinary shares.

### 17. Immediate parent and ultimate parent undertaking and controlling party

The immediate parent company is Fulcrum Utility Investments Limited, which is registered in the Cayman Islands.

The ultimate parent and controlling company is Fulcrum Utility Services Limited, a company registered in the Cayman Islands. The largest and smallest Group of companies which include the Company, and for which consolidated financial statements were prepared, are headed by Fulcrum Utility Services Limited. The consolidated financial statements of Fulcrum Utility Services Limited are available on its website at <https://investors.fulcrum.co.uk>.