

**Fulcrum Infrastructure Services Limited**  
**Annual report and financial statements**  
**for the year ended 31 March 2011**

Registered number 6006363

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# **Fulcrum Infrastructure Services Limited**

## **Annual report and financial statements for the year ended 31 March 2011**

### **Contents**

	<b>Page</b>
Directors' report for the year ended 31 March 2011	1
Independent auditors' report to the members of Fulcrum Infrastructure Services Limited	6
Profit and loss account for the year ended 31 March 2011	8
Balance sheet as at 31 March 2011	9
Notes to the financial statements for the year ended 31 March 2011	10

# **Fulcrum Infrastructure Services Limited**

## **Directors' report for the year ended 31 March 2011**

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2011

### **Principal activities**

The principal activity of the Company is the provision of utility infrastructure and unregulated connections services (mainly gas connections), to external customers

### **Business review and future developments**

The Company continues to strive to increase its market share in the market place, directly contracting with gas shippers, developers and other housing authorities and associations offering utility infrastructure and connections services. Turnover increased to £37.1 million from £31.7 million last year. The loss for the financial year was £8.7 million (2010: £6.2 million).

On 8 July 2010 Marwyn Capital Investments I Limited, a subsidiary of an AIM listed company, Fulcrum Utility Services Limited (formerly known as Marwyn Capital I Limited), completed the acquisition of the entire issued share capital of Fulcrum Group Holdings Limited, the Company's parent entity (together the "Group") for a nominal consideration and a post-completion working capital adjustment in favour of Fulcrum Group Holdings Limited now finalised at £8.2 million. Fulcrum Utility Services Limited also raised approximately £11.0 million (before expenses) by issuing 91,666,667 new shares used to fund the costs associated with the acquisition, the ongoing working capital requirements of the enlarged group and to finance the proposed turnaround strategy of the Fulcrum business. In view of the size of Fulcrum, the acquisition constituted a reverse takeover pursuant to Rule 14 of the AIM Rules for companies.

### **Going concern**

Whilst the current economic conditions and the success of the turnaround strategy of the Group, creates uncertainty over the demand for the Group's services, the Group's forecasts and projections, taking account of sensitivity analysis of changes in trading performance, show that the Group is well placed to operate within its cash resources for the foreseeable future.

Therefore after making these enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and that the Group will continue to support the Company. Accordingly they continue to adopt the going concern basis in preparing the annual report and financial statements.

### **Key performance indicators**

The emphasis of the Company's operations continue to be on customer service and health and safety.

In terms of customer service, the Company closely monitors its performance against targets for producing quotes, receiving customer acceptances, providing plan dates and meeting substantial completion dates. These levels of service are monitored internally. Customer service is geared toward individual customer requirements which are monitored via the Customer Care department (a dedicated team) and key customers have dedicated Key Account Managers.

Recognising this emphasis, the Company continues to operate in accordance with the Gas Industry Registration Scheme (GIRS), Water Industry Registration Scheme (WIRS), National Electricity Registration Scheme (NERS), Multi-Utility Registration Scheme (MURS), ISO14001 and ISO9001 during the years 2010/11.

# **Fulcrum Infrastructure Services Limited**

## **Directors' report for the year ended 31 March 2011 (continued)**

In terms of health and safety the Group monitors the incidence of work related accidents related to its own staff and that of its contractors. There were no work related accidents in the year that resulted in the Group's own employees being away from work, (2010 nil). The number of contractor injuries remained at 3 in the year (2010 3).

### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks are set out below.

#### ***Turnaround and strategy execution***

The turnaround strategy for the Group (of which the Company forms the major part) was articulated in the listing particulars of FUSL dated 17 June 2010 and will involve 1) growth in market share, 2) improved operational performance and 3) enhanced cost efficiencies. This is a complex process which has and will continue to place significant demands on the management, financial, technical and other resources of the Company. There is a risk that the turnaround plan may take longer to implement than anticipated and therefore the financial and operating performance could materially suffer. To mitigate this risk, the Company operates comprehensive annual strategic planning and budgeting processes together with detailed monthly reporting and analysis of actual performance against the turnaround plan so that corrective actions can be taken if necessary.

#### ***Dependence on key executives and personnel***

The Company's future success depends on its ability to attract, train, retain and motivate highly skilled technical, sales and customer support personnel. In common with many smaller companies, the Company's future success is substantially dependent upon recruiting, retaining and motivating key executives with relevant industry and turnaround experience. The Group has put in place suitable executive incentive schemes for successful delivery of the turnaround strategy. A review of pension and incentive schemes is also underway for all staff. In addition, appropriate staff development programmes are in place to assess, manage and develop the leadership skills of all staff throughout the organisation.

#### ***Risks relating to operating in a competitive market***

The turnaround strategy relies fundamentally on the ability to significantly increase revenues. However, the markets in which the Company operates are competitive. The Company faces significant competition, including from organisations that may be larger and/or have greater capital resources. There is no assurance that the Company will be able to compete successfully in such a marketplace in the future. In addition the Company cannot predict the pricing or promotional activities of its competitors or their effect on its ability to market and sell its services. In order to ensure that its services remain competitive, the Company may be required to reduce its prices as a result of price reductions by its competitors. This could adversely affect the Company's results.

There are no assurances that the strength of the Company's competitors will not improve or that the Company will win any additional market share from its competitors, or maintain its existing market share. Existing and/or increased competition could adversely affect the Company's market share and materially affect its business, financial condition and operating results.

These risks are managed through the corporate planning and review processes as outlined in the turnaround and strategy execution section above.

# **Fulcrum Infrastructure Services Limited**

## **Directors' report for the period ended 31 March 2011 (continued)**

### **Principal risks and uncertainties (continued)**

#### ***Risks relating to the gas connections market***

Operating in the gas industry carries with it inherent risks, such as reliance on aging infrastructure, potential injury to, or loss, of human life or equipment, as well as the risk of downtime or low productivity caused by weather interruptions or equipment failures. Losses could result from litigation or interruption of the Company's business should these risks materialise. There are also associated regulatory risks relating to the Company's reliance on a number of different licences which it requires in order to carry out the design and project management of connections to gas pipelines. The Company seeks to reduce the risk of losses arising from these circumstances through careful planning, robust operational guidelines, the sharing of risk with client and supplier organisations and by putting in place suitable insurance arrangements.

#### ***Reliance on key customers***

There exist only a small number of long term commercial contracts between the Company and its customers. The relationship between the Company and many of its customers is not regulated by a contract. Instead, the majority of the Company's business with customers is based on purchase orders and an implied acceptance by customers of the Company's standard terms and conditions. There can, therefore, be no certainty that business will continue to flow from the Company's customers at historic levels.

In terms of managing customer risks, approximately 60 - 70% of the Company's business is undertaken on a prepaid basis, which limits this risk. For work which is not pre-paid, the Company has also implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual company is subject to a limit, and assessed on an on-going basis.

#### ***Reliance on a significant supplier***

The physical installation works required to install gas connections managed by the Company are carried out by sub-contractors on behalf of the Company. Approximately 90% of the Company's installation work has historically been carried out by one sub-contractor and therefore the Company is currently heavily reliant on this sub-contractor.

In order to manage this risk, a contractor procurement exercise has been launched to increase the number of subcontractors, to seek improved pricing and streamline operations through allocating risk and responsibility according to areas of expertise.

#### ***Financial risks***

During the period to 7 July 2010, the Company's material financial risks, including liquidity and cash flow risk were monitored through the National Grid Group Treasury function. After its acquisition by, Fulcrum Utility Services Limited, on 8 July 2010, the Company became a subsidiary of an AIM listed company, Fulcrum Utility Services Limited, its liquidity and cash flow risks were from this date onwards, managed within this new group.

# **Fulcrum Infrastructure Services Limited**

## **Directors' report for the year ended 31 March 2011 (continued)**

### **Directors**

The directors of the Company during the financial year and up to the date of signing the financial statements were

PFG Whittaker (resigned on 8 July 2010)

JA Spellman (appointed on 8 July 2010)

MIJ Watts (appointed on 8 July 2010)

PL Clarke (resigned on 8 July 2010, re-appointed 24 August 2010, resigned on 18 March 2011)

SJ Murray (appointed on 1 April 2010, resigned on 8 July 2010)

M Green (appointed 25 March 2011)

### **Policy and practice on payment of creditors**

All payments to creditors are dealt with by the fellow subsidiary of Fulcrum Utility Services Limited, Fulcrum Group Holdings Limited

### **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**

All employee contracts are held and owned by Fulcrum Group Holdings Limited

### **Ultimate parent company**

The ultimate parent company at 31 March 2011 was 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 [www.fulcrumutilityserviceslimited.co.uk](http://www.fulcrumutilityserviceslimited.co.uk)

### **Political and charitable donations**

The company made no charitable donations during the financial year (2010: £nil). No political contributions were made (2010: £nil).

# **Fulcrum Infrastructure Services Limited**

## **Directors' report for the year ended 31 March 2011 (continued)**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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 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 these financial statements, the directors are required to

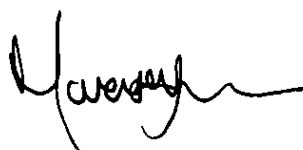
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure of information to auditors**

As at the date this report was signed, so far as each director is aware, there is no relevant audit information of which the auditors are unaware and each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Board



**M Green**  
**Director**  
3 August 2011

**Registered Office:**  
Pellipar House, 1st Floor, 9 Cloak Lane, London EC4R 2RU, United Kingdom

Registered number 6006363

# **Fulcrum Infrastructure Services Limited**

## **Independent auditors' report to the members of Fulcrum Infrastructure Services Limited**

We have audited the financial statements of Fulcrum Infrastructure Services Limited for the year ended 31 March 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities set out on page 5 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 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



# **Fulcrum Infrastructure Services Limited**

## **Independent auditors' report to the members of Fulcrum Infrastructure Services Limited (continued)**

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

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

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

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



**Matthew Mullins (Senior Statutory Auditor)**  
**For and on behalf of PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
**Birmingham**  
**3 August 2011**

# Fulcrum Infrastructure Services Limited

## Profit and loss account for the year ended 31 March 2011

	Note	2011 £'000	2010 £'000
Turnover	1	37,132	31,673
Cost of sales		(30,870)	(23,803)
Gross profit		6,262	7,870
Administrative expenses – excluding exceptional items		(17,391)	(16,436)
Administrative expenses – exceptional items	4	(535)	-
Total administrative expenses		(17,926)	(16,436)
Loss on ordinary activities before taxation	2	(11,664)	(8,566)
Tax on loss on ordinary activities	8	2,916	2,408
Loss for the financial year	14	(8,748)	(6,158)

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

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents

All activities relate to continuing operations

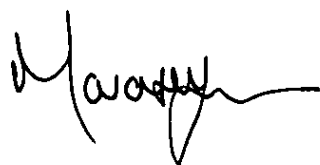
The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

# Fulcrum Infrastructure Services Limited

## Balance sheet as at 31 March 2011

	Note	2011 £'000	2010 £'000
<b>Current assets</b>			
Stocks	9	2,711	2,366
Debtors	10	3,308	12,221
		<b>6,019</b>	<b>14,587</b>
<b>Creditors: amounts falling due within one year</b>			
	11	<b>(29,126)</b>	<b>(28,946)</b>
<b>Net current liabilities/ net liabilities</b>		<b>(23,107)</b>	<b>(14,359)</b>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account	13	<b>(23,107)</b>	<b>(14,359)</b>
<b>Total shareholders' deficit</b>	14	<b>(23,107)</b>	<b>(14,359)</b>

The accompanying notes on pages 10 to 17 form part of these financial statements. The Board of directors approved the financial statements on pages 8 to 17 on 3 August 2011 and they were signed on its behalf by



M Green  
Director

# **Fulcrum Infrastructure Services Limited**

## **Notes to the financial statements for the year ended 31 March 2011**

### **1 Principal accounting policies**

The financial statements have been prepared on a going concern basis and in accordance with applicable accounting standards in the United Kingdom under the historical cost convention and the Companies Act 2006. A summary of the principal accounting policies that have been consistently applied are set out below.

#### **Going concern**

The Directors have prepared the accounts on the going concern basis. The Directors have received confirmation from Fulcrum Utility Services Limited, of its intention to financially support the Company such that the Company can meet its obligations as they fall due for a period of at least twelve months from the date of the Directors' approval of these financial statements.

#### **Turnover**

Utility infrastructure and gas connection activities are recognised as "services turnover". The majority of projects are completed in a short time frame, and as such turnover is recognised on completion. For longer projects, the stage of completion of the works is assessed when considering recognition of turnover. Services turnover is recognised excluding VAT and other indirect taxes. An accrual is made for sales in respect of work completed after the last invoice production date, but before the financial year end. When payment is received in advance of the provision of services, these receipts are recorded as deferred income.

#### **Taxation**

Tax on the profit or loss for the financial year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, 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 financial year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous financial years.

A full provision for deferred tax is recognised on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax is measured at the average tax rates that are expected to apply in the financial years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **Cash flow statement**

A cash flow statement has not been presented as the Company's ultimate parent undertaking has included a consolidated cash flow statement in accordance with Financial Reporting Standard 1 (revised 1996), Cash flow statements in its annual report and financial statements.

# Fulcrum Infrastructure Services Limited

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 1 Principal accounting policies (continued)

#### Stocks

Work in progress balances reflect direct works costs including direct labour, materials and other attributable variable costs relating to jobs classed as incomplete and which therefore cannot be taken to sales in the financial year. Work in progress is valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

#### Related party transactions

The Company is exempt under Financial Reporting Standard 8, 'Related party disclosures' from disclosing transactions with those companies where all of the voting rights are held within the Group.

For the period 1 April to 7 July 2010 the Company was a wholly owned subsidiary of National Grid plc. The consolidated financial statements of National Grid Plc, can be obtained from the company secretary, National Grid, 1-3 Strand, London WC2N 5EH.

From 8 July 2010, the Company was a wholly owned subsidiary of Fulcrum Utility Services Limited. The consolidated financial statements of Fulcrum Utility Services Limited are available on its website at [www.fulcrumutilityserviceslimited.co.uk](http://www.fulcrumutilityserviceslimited.co.uk).

### 2 Loss on ordinary activities before taxation

Loss on ordinary activities is stated after charging	2011	2010
	£'000	£'000
Wages and salaries	5,301	4,428
Social security costs	449	382
Other pension costs	1,152	853
<b>Employee costs</b>	<b>6,902</b>	<b>5,663</b>
Audit fees – statutory audit	10	16
Fulcrum Group Holdings Shared Services recharge (note 3)	7,711	8,013

### 3 Shared services recharge

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 excluding insurance costs plus a 5% uplift. These costs include Managing Director costs, procurement, human resources, finance, training, facilities, communications, information systems, accreditations, management and change, health and safety and other executive costs. These costs are then allocated across the subsidiaries based on an appropriate allocation basis.

# **Fulcrum Infrastructure Services Limited**

## **Notes to the financial statements for the year ended 31 March 2011 (continued)**

### **4 Exceptional items**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Restructuring costs	<b>(535)</b>	-

These restructuring costs relate to the severance costs required to reduce headcount. This results from the Company's strategy to re-align its cost base.

### **5 Pensions**

Pension costs are charged to each subsidiary owned by Fulcrum Utility Services Limited based on those employee costs directly attributable to each subsidiary. Disclosure concerning this scheme is included in the financial statements of Fulcrum Group Holdings Limited.

### **6 Employee information**

Employees have employment contracts with the Company's associate, Fulcrum Group Holdings Limited. Where employees work on activities wholly attributed to the Company's activities these staff costs are charged directly to the Company without a mark-up. Note 2 provides disclosure of these employee costs.

The average monthly number of persons employed by the company during the financial year was therefore nil (2010: £nil).

### **7 Directors' emoluments**

All the directors of the company were remunerated through other group companies and their emoluments are disclosed in the financial statements of those companies.

## **Fulcrum Infrastructure Services Limited**

### **Notes to the financial statements for the year ended 31 March 2011 (continued)**

#### **8 Tax on loss on ordinary activities**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
UK corporation on loss for the year at 28%	<b>279</b>	2,399
Adjustment in respect of prior years	<b>2,637</b>	9
<b>Total current tax</b>	<b>2,916</b>	2,408
<b>Total tax on loss on ordinary activities</b>	<b>2,916</b>	2,408

Included in the current tax adjustment in respect of prior years is an amount of £2,647,000, which represents the excess over 28p in the pound, paid by National Grid plc for surrender of losses incurred by the company up to 31 March 2010. This is in accordance with the settlement and amendment deed dated 16 February 2011 in relation to the acquisition of the Company by Fulcrum Utility Investments Limited.

# Fulcrum Infrastructure Services Limited

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 8 Tax on loss on ordinary activities (continued)

The tax assessed for the financial year is higher (2010 lower) than the standard rate of corporation tax in the UK of 28% as shown below

	2011	2010
	£'000	£'000
<b>Loss on ordinary activities before taxation</b>	<b>(11,664)</b>	<b>(8,566)</b>
Loss of ordinary activities multiplied by the standard rate in the UK 28%	3,266	2,399
Unrecognised tax losses in the year	(2,987)	-
Adjustment in respect of prior years	2,637	9
<b>Current tax credit for the year</b>	<b>2,916</b>	<b>2,408</b>

A number of changes to the UK corporation tax system were announced in the Emergency Coalition Budget on 22 June 2010. These included a reduction in the main corporation tax rate from the current 28% to 24% comprising a 1% per annum reduction over the course of a four year period commencing from 1 April 2011. In addition the rate of capital allowances on assets in the main pool is expected to fall from 20% to 18% and long life assets from 10% to 8% from 1 April 2012.

In addition to the changes in rates of Corporation tax disclosed above a number of further changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The proposed reductions of the main rate of corporation tax by 1% per year to 23% by 1 April 2014 are expected to be enacted separately each year.

### 9 Stocks

	2011	2010
	£'000	£'000
<b>Work in progress</b>	<b>2,711</b>	<b>2,366</b>



## **Fulcrum Infrastructure Services Limited**

### **Notes to the financial statements for the year ended 31 March 2011 (continued)**

#### **10 Debtors**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year</b>		
Trade debtors	<b>2,373</b>	<b>3,431</b>
Amounts owed by group undertakings	<b>-</b>	<b>7,536</b>
Other debtors	<b>515</b>	<b>645</b>
Prepayments and accrued income	<b>420</b>	<b>609</b>
	<b>3,308</b>	<b>12,221</b>

Amounts owed by group undertakings in the prior year are unsecured, interest free and have no fixed date of repayment. There is no security in place against the 'Amounts owed to group undertakings'.

Prepayments and accrued income relates to work completed after the last invoice production date, but before the financial year end.

#### **11 Creditors: amounts falling due within one year**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings	<b>14,903</b>	<b>19,027</b>
Deferred income	<b>14,223</b>	<b>9,919</b>
	<b>29,126</b>	<b>28,946</b>

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

External contracts with suppliers and contractors are held in Fulcrum Group Holdings Limited and costs are recharged through the intercompany account.

# Fulcrum Infrastructure Services Limited

## Notes to the financial statements for the year ended 31 March 2011 (continued)

### 12 Called up share capital

	2011	2010
	£'000	£'000
<b>Authorised</b>		
10,000,000 ordinary shares of £1 each	10,000	10,000
<b>Issued, allotted and fully paid</b>		
1 ordinary share of £1 each	-	-

### 13 Profit and loss account

	2011
	£'000
At the beginning of the year	(14,359)
Loss for the financial year	(8,748)
At the end of the year	(23,107)

### 14 Reconciliation of movements in total shareholders' deficit

	2011	2010
	£'000	£'000
Net increase in total shareholders' deficit	(8,748)	(6,158)
Opening total shareholders' deficit	(14,359)	(8,201)
Closing total shareholders' deficit	(23,107)	(14,359)

### 15 Operating lease commitments

At 31 March 2011 the Company had no commitments in respect of operating leases (2010: £nil). All external Fulcrum leases are held by Fulcrum Group Holdings Limited and recharges made under the shared services recharge arrangements (note 3).

## **Fulcrum Infrastructure Services Limited**

### **Notes to the financial statements for the year ended 31 March 2011 (continued)**

#### **16 Ultimate parent undertaking and controlling party**

From 8 July 2010, the Company, was acquired by Fulcrum Utility Investments Limited (formerly known as Marwyn Capital Investments I Limited), a subsidiary of Fulcrum Utility Services Limited (formerly known as Marwyn Capital I Limited). The ultimate parent and controlling company from this date was therefore Fulcrum Utility Services Limited. The largest and smallest groups 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 [www.fulcrumutilityserviceslimited.co.uk](http://www.fulcrumutilityserviceslimited.co.uk)

Prior to 8 July 2010, the ultimate parent and controlling company was National Grid plc. The largest and smallest groups which include the Company and for which consolidated financial statements were prepared are headed by National Grid plc and National Grid Holdings One plc respectively. Both of these companies are registered in England and Wales. Copies of these consolidated financial statements can be obtained from the Company Secretary, National Grid, 1-3 Strand, London WC2N 5EH.