

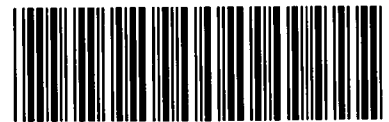
Fulcrum Infrastructure Services Limited

Annual report and financial statements

for the year ended 31 March 2021

Registered number: 06006363

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Fulcrum Infrastructure Services Limited

Annual report and financial statements for the year ended 31 March 2021

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Fulcrum Infrastructure Services Limited

Directors' Report

The directors present their report and the audited financial statements of Fulcrum Infrastructure Services Limited ("the Company") for the year ended 31 March 2021.

Dividends

A dividend has not been declared or proposed (2020: £nil).

Directors

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

T Dugdale

J Cutler (appointed 10 March 2021)

D Harris (resigned 5 January 2021)

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 costs 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.

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 Infrastructure Services 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 Cutler
Director
19 October 2021

Fulcrum Infrastructure Services Limited

Strategic Report

for the year ended 31 March 2021

Principal Activities

The principal activity of the Company is the provision of utility infrastructure and unregulated connections services in the UK.

The Company designs and project manages utility connections for customers seeking either new connections or the alteration or refurbishment of existing connections. These connections range from simple, single-site alterations to large, complex multi-utility, multi-site new connections. For all projects, the Company's team of skilled design and engineering staff are required to design the connections to detailed specifications and to ensure the connections are appropriate and comply with extensive health and safety requirements.

Business Review and results

Just like many businesses, Fulcrum was affected by the Covid-19 pandemic. FY21 was an extremely challenging year for Fulcrum Infrastructure Services Limited and this is reflected in its financial performance in the year. However, we were agile and resilient and responded quickly and effectively to Covid-19, remaining operational and making progress in the execution of our strategy, whilst we supported our customers throughout.

Despite our effective response and an initial strong turnaround, the national lockdowns delayed the planned delivery of larger scheduled projects. The lockdowns also affected customer decision making on the award of new contracts, with much of the significant investment and effort in tenders not being realised as sales until after the year end.

The impact of the Covid-19 pandemic can be seen in the adjusted EBITDA of £(1,849)k (2020: £1,964k) and the loss after tax of £(2,115)k (2020: profit of £1,378k).

Net assets decreased by £2,115k during the year to £3,882k, reflecting the loss for the year and at 31 March 2021 the Company had cash of £848k (2020: £227k). Receivables have increased by £44,328k during the year, largely due to amounts owed by fellow group companies.

As well as focusing on remaining operational and delivering our essential services to keep the nation connected, we executed our strategy and invested in the business. We still have more to do, but we are now stronger, with better foundations that will enable us to fully capitalise on the significant growth opportunities available to us both now and as the UK moves towards a net-zero future.

Strategy

There are clear and exciting market drivers presented by both the UK's utility infrastructure needs today and as the UK transitions to a low carbon economy, and the Fulcrum Group's capabilities and expertise position it strongly to capitalise on this. We have a clear strategy to ensure that we are best placed to maximise on these opportunities as we grow, and we made positive progress against each of our strategic priorities this year. Significantly, we focused our efforts on improving business capabilities to achieve future growth in our core markets.

We selectively invested in strengthening our operational capabilities by investing in our people with best-in-class multi-utility capabilities and we recruited top industry talent to join our existing business development and operational teams. This has been important in effectively executing our regional expansion and growth plans.

We also implemented our high performance behaviour framework and strengthened our culture, balancing the desire to protect all of our people throughout the pandemic with keeping a focus on ongoing development and recruiting new talent. I'm pleased that our approach to how we developed and improved our culture in the year was recognised by Best Companies and resulted in the Fulcrum Group being named as one of the top 10 utility companies to work for in the UK.

Fulcrum Infrastructure Services Limited

Strategic Report (continued)

Connecting the homes of the nation

The housing market continued to operate with Covid-19 safety restrictions in place during the pandemic and we were quick to respond to the needs of our homebuilder customers, making sure we could continue to support them safely and effectively on their sites. At the same time, we invested in our housing operations to expand and grow. Enquiry levels in the period were strong, as homebuilders sought to meet demand stimulated by UK Government incentives, and market drivers continued to present exciting growth opportunities.

Homebuilders have the challenge of meeting the Future Homes Standard ahead of them and we invested in the year to position ourselves to best support them in their endeavours to do this. These factors, combined with our currently limited market share, mean we are perfectly positioned to capitalise on these growth opportunities.

To make sure we maximise our share in this strategically important market, we invested in our housing operations in the year by strengthening our business development and delivery teams, recruiting some of the best talent in the industry. This supported our further regional expansion into new geographies, as we began to win contracts in areas of the country where Fulcrum hadn't been competitive before.

Key performance indicators

The Company's financial key performance indicators are:

- | | |
|----------------------------|--------------------------------|
| • Revenue | decreased £2,135k to £34,420k |
| • Order book | decreased £7.0m to £38.6m |
| • Adjusted EBITDA | decreased £3,813k to £(1,849)k |
| • (Loss)/profit before tax | decreased £3,964k to £(2,601)k |
| • Net assets | decreased £2,115k to £3,882k |

The Company's non-financial key performance indicators reflect the wider group and include levels of customer satisfaction. Further details are shown in the annual report of Fulcrum Utility Services Limited.

Stakeholder engagement

Effective stakeholder engagement is fundamental to our business and we recognise that engagement and collaboration with all our stakeholders is crucial to our sustainability and success.

People

Our aim is to have an engaged, motivated, healthy and passionate workforce, working in a culture of open, clear and transparent engagement to develop a highly skilled team with a high performing culture and recruit and retain the best talent.

How we engage:

- Regular communications supported with a monthly business newsletter, "Connected"
- Daily posts on our communications tool, Workplace
- Best Companies' b-Heard employee engagement surveys
- Regular one to ones and team meetings
- Wellbeing initiatives and events, including access to a leading Employee Assistance Programme, Lifeworks
- Regular and structured training and learning programmes, with a new online learning platform introduced in the year

Customers

Our aim is to have open and collaborative relationships with all our customers to develop strong customer relationships.

How we engage:

- Direct and regular lines of contact, with relationship managers for larger or high-potential customers
- Customer satisfaction calls and surveys
- Performance review meetings

Fulcrum Infrastructure Services Limited

Strategic Report (continued)

Stakeholder engagement (continued)

Communities

We support charities, our local communities and the communities we work in to give back to our communities, be a responsible employer that gives our people the opportunity to support great causes and identify and deliver utility infrastructure projects that benefit our communities.

How we engage:

- Volunteering services, donations from the business and our people and charitable events
- Supporting our customers to deliver new gas infrastructure that provides more affordable heating to vulnerable tenants living in fuel poverty

Supply chain and strategic relationships

We develop collaborative relationships and partnerships that provide added value to all our stakeholders. This ensures the successful delivery of all our customers' projects, underpinning our business expansion and growth, to expand our capabilities and offering and to ensure we remain competitive.

How we engage:

- Open, two-way communications to align our joint aims to the Company's business strategy and wider Fulcrum group
- Regular, collaborative performance and contract review meetings
- Through robust, two-way industry IT systems
- Onboarded and relationships managed via a procurement process led by procurement specialists

Government and regulatory bodies

We proactively engage with government and regulatory bodies to keep informed, and ahead, in an evolving landscape, to forward plan, to inform our strategies and remain competitive as well as influence the formulation and delivery of policies that affect our sectors, customers and business.

Statement by the Directors in relation to their statutory duty in accordance with Section 172 (1) Companies Act 2006

The Directors and the Board as a whole consider that they have acted in a way that would be most likely to ensure the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172(1) (a) to (f) of the Act) in decisions taken during the year ended 31 March 2021. The Directors fulfil their duty by ensuring that there is a robust governance structure and process running through all aspects of the Company's operations.

The Company's strategy reflects the wider Fulcrum group and is determined by the Fulcrum Board following careful consideration of materials and presentations from the Group Executive Team. This encompasses the impact on each of our main stakeholders and ensures alignment to the Group's culture defined in our "Spirit" values. As described above, the board engages with and meets stakeholders regularly, continually monitors the markets in which the business operates, and ensures that it regularly engages its leadership team to assess progress on strategy and specific projects.

Carbon emissions

We have commenced a structured programme to reduce our own carbon impact, with a commitment to be carbon neutral on a Scope 1 and Scope 2 basis by 2030. In the year we progressed our plans to identify and reduce our carbon footprint. We implemented the Carbon Trust's Footprint Manager, incentivised the uptake of electric and hybrid vehicles in our company car fleet and continued to implement operational efficiencies to reduce our environmental impact. We also created a sustainability lead and team to develop and deliver our carbon reduction plan. We continue to develop a culture with sustainability, and our responsibility to support the UK's net-zero future, at its heart.

Fulcrum Infrastructure Services Limited

Strategic Report (continued)

Principal Risks and Uncertainties

The Board considers risk assessment, identification of mitigating actions and related internal controls to be crucial to achieving the Company's strategic objectives. The Board recognises that the nature and scope of the Company's risks can change, so it reviews the risks faced as well as the systems and processes in place to manage and mitigate them. The principal risks to achieving the Company's objectives are set out below, although the risk factors described are not an exhaustive list or an explanation of all risks:

Risk	Description	Mitigations
Growth and strategy execution	The Board has adopted its strategy, as it believes it is the one most likely to add the greatest sustainable value for shareholders and stakeholders. It is possible that, with time, factors become known that indicate that the strategy currently being pursued is not the most effective or efficient and that alternative strategies may be more appropriate.	The Company's strategy is agreed by the Board at an annual strategy meeting and thereafter regularly reviewed at Board meetings and by the Executive Directors. The Board engages with management and employees to ensure the strategy is communicated and understood.
Retention and recruitment	Success depends on the continued retention and performance of the Company's valued employees. Skilled development, technical, operating, sales and marketing personnel are essential for the business to meet its strategic goals and the Company operates in markets with a high demand for high calibre personnel.	The Company has put in place competitive reward and recognition packages for all people, including a blend of short and long-term incentives for senior managers and the leadership team. Employee development programmes are in place to assess, manage and develop the leadership skills of staff throughout the organisation. In addition, we invest in succession planning and improving learning and development, giving opportunities for employees to upgrade skills.
Covid-19	Covid-19 continues to impact the UK economy and may disrupt our supply chain and our customers' projects and adversely impact our operations. Covid-19 affects the Company's workforce and impacts its ability to operate and delivery customer commitments.	<p>The Company has demonstrated that it has been able to operate effectively and safely throughout the Covid-19 pandemic, including through all national lockdowns, due to the essential nature of the services it provides and the sectors it services.</p> <p>Covid-19 has affected the Company's financial performance as delays and associated impacts on customer decision making, disrupted the delivery and completion of specific contracts. The Company remains in close contact with all customers to identify and mitigate risks relating to the pandemic.</p> <p>Risks associated with an economic downturn are mitigated by our low market share in key sectors. Our wide breadth of offering and diversified position, across multiple sectors, also reduces our exposure to volatility in individual markets</p>

Fulcrum Infrastructure Services Limited

Strategic Report (continued)

Principal Risks and Uncertainties (continued)

Risk	Description	Mitigations
Macroeconomic conditions (other than Covid-19)	The Company derives all its revenues from mainland UK and is therefore predominately dependent on the macroeconomic conditions in the UK.	We closely monitor market developments across our key sectors and we proactively engage with government and regulatory bodies to keep informed of market developments.
Working capital management and funding	A changing mix of new contract sales, moving away from payments in advance toward credit terms, may place a strain on working capital as the volume of credit sales increases. The Company needs to ensure that it has the funding required to deliver on its strategy and future growth plans and that it manages its debt and cash balances effectively.	In granting commercial credit terms, careful attention is paid to the timing of cash receipts and payments over the period of contract delivery. Where necessary, a deposit is requested from customers prior to commencing work and invoicing milestones with customers are matched where possible to the invoicing patterns of our supply chain.
Utility infrastructure market and regulatory environment	Operating in the utility infrastructure market carries with it inherent risks, such as reliance on ageing 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.	<p>The Company seeks to reduce the risk of losses arising from these circumstances through a significant focus on compliance, careful planning, robust operational guidelines and the sharing of risk with client and supplier organisations and by putting in place suitable insurance arrangements.</p> <p>The Company also maintains proactive engagement with a variety of government and regulatory bodies to keep informed, and ahead, in an evolving market landscape.</p>
IT systems and cyber security	Fulcrum uses a range of computer systems across the Company. 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. Key systems could be breached causing financial loss, data loss, disruption or damage. In addition, any theft or misuse of data held within the Company's systems could have both reputational and financial implications for the Company.	The Company'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. The Company has advanced centralised hardware and software security in place to ensure protection of commercial and sensitive data.

Fulcrum Infrastructure Services Limited

Strategic Report (continued)

Principal Risks and Uncertainties (continued)

Risk	Description	Mitigations
Health and safety	The health and safety of our employees, subcontractors, suppliers and customers is of paramount importance to us. Accidents on our sites could lead to 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 Company compliance team to minimise the likelihood and impact of accidents.

Financial risk management

The directors consider the following financial risks in assessing the Company's assets and liabilities:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Board is responsible for ensuring that the Company has sufficient liquidity to meet its financial liabilities as they fall due without incurring unacceptable losses or risking damage to the Company and does so by monitoring cash flow forecasts and budgets. This information is used in conjunction with the weekly reporting of actual cash balances at bank in order to calculate the level of funding that will be required in the short and medium term and alongside close working capital management is deemed to be sufficient to meet projected liquidity requirements.

Credit risk

Credit risk arises from cash and cash equivalents and credit exposure to the Company's customers. A proportion of the Company's customers pay in advance of works commencing, with the remaining profile consisting of fellow group undertakings and established or listed businesses. External customers typically pay on stage payment terms with cash received in advance of works commencing. The creditworthiness of new external customers is assessed by taking into account their financial position, past experience and other factors. It is considered that the failure of any single counterparty would not materially impact the financial wellbeing of the Company.

Going concern

The directors of Fulcrum Utility Services Limited, the ultimate parent undertaking, have assessed the future funding requirements of Fulcrum Infrastructure Limited 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, including COVID-19. The Group's policy on funding capacity is to ensure that it always has sufficient funding and committed bank facilities in place to meet foreseeable peak in working capital requirements.

The directors of the Company have assessed the conclusions reached by the Group's directors and having undertaken this review, the directors have a reasonable expectation that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least a period of 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

See note 1 to the financial statements for further details.

Fulcrum Infrastructure Services Limited

Strategic Report (continued)

Summary and Outlook

Despite an extremely challenging and Covid-19 affected year, the Company made progress, delivered improvements and laid foundations that will support our future success. The progress we have made, and the incredible resilience, tenacity and effort demonstrated by everyone in the Group during the pandemic, makes us confident that the business is now better placed than ever to grow, be profitable and deliver returns to all our stakeholders in the future.

We still have more to do, but we have emerged from FY21, and entered FY22, stronger and better equipped to take advantage of the significant opportunities that the markets we operate in present to us as we connect the UK on its journey to a net-zero future.



J Cutler

Director

19 October 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULCRUM INFRASTRUCTURE SERVICES LIMITED

Opinion

We have audited the financial statements of Fulcrum Infrastructure Services Limited (the 'company') for the year ended 31 March 2021, 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 2021 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.

Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULCRUM INFRASTRUCTURE SERVICES LIMITED (CONTINUED)

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 INFRASTRUCTURE SERVICES 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 recognition of revenue in respect of long term contracts.

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.

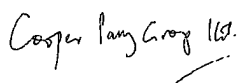
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULCRUM INFRASTRUCTURE SERVICES LIMITED (CONTINUED)

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. 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: 19 October 2021

Fulcrum Infrastructure Services Limited

Statement of comprehensive income

for the year ended 31 March 2021

	Notes	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Revenue	2	34,420	36,555
Cost of sales		(27,899)	(27,293)
Gross profit		6,521	9,262
Administrative expenses		(9,070)	(7,804)
Operating (loss)/profit	3	(2,549)	1,458
Analysed as:			
Adjusted EBITDA		(1,849)	1,964
Exceptional items	4	(285)	(94)
Depreciation	8,9	(415)	(412)
Operating (loss)/profit		(2,549)	1,458
Finance expenses		(52)	(95)
(Loss)/profit before taxation		(2,601)	1,363
Taxation	7	486	15
(Loss)/profit for the year and total comprehensive (expense)/income		(2,115)	1,378

All results relate to continuing operations of the company

The notes on pages 17 to 28 form part of these financial statements.

Fulcrum Infrastructure Services Limited

Statement of changes in equity

for the year ended 31 March 2021

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2019	1,000	3,619	4,619
Profit for the year and total comprehensive income	-	1,378	1,378
Balance at 31 March 2020	1,000	4,997	5,997
Loss for the year and total comprehensive expense	-	(2,115)	(2,115)
Balance at 31 March 2021	1,000	2,882	3,882

The notes on pages 17 to 28 form part of these financial statements.

Fulcrum Infrastructure Services Limited

Balance sheet

as at 31 March 2021

	Notes	31 March 2021 £'000	31 March 2020 £'000
Non-current assets			
Property, plant and equipment	8	42	91
Right of use asset	9	1,588	1,839
Deferred tax assets	7	520	29
		2,150	1,959
Current assets			
Contract assets	10	10,766	7,741
Inventories		256	242
Trade and other receivables	11	75,475	31,147
Cash and cash equivalents	12	848	227
		87,345	39,357
Total assets		89,495	41,316
Current liabilities			
Contract liabilities	14	(23,783)	(22,917)
Trade and other payables	13	(59,956)	(10,312)
Current lease liability	9	(408)	(351)
Provisions		(23)	-
		(84,170)	(33,580)
Non-current liabilities			
Non-current lease liability	9	(1,443)	(1,739)
		(1,443)	(1,739)
Total liabilities		(85,613)	(35,319)
Net assets		3,882	5,997
Equity			
Share capital	15	1,000	1,000
Retained earnings		2,882	4,997
Total equity		3,882	5,997

The notes on pages 17 to 28 form part of these financial statements.

The financial statements were approved by the Board of Directors on 19 October 2021 and were signed on its behalf by:



J Cutler
Director

Registered number: 06006363

Fulcrum Infrastructure Services Limited

Notes to the financial statements

1. Accounting policies

Fulcrum Infrastructure Services 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 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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.

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

Fulcrum Infrastructure Services 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 2021 the Company had net current assets of £3,175k (2020: £5,777k). 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 cashflow forecasts for the Group for the period to 30 September 2022 which indicate that, taking account of reasonably possible downsides in trading performance, the Group will have adequate resources to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. The Group's forecasts take into consideration the uncertainty as to the future impact of COVID-19 on the Group's trading performance. Further detail is set out in the Strategic Report.

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 consolidated financial statements is included for revenue recognition. See revenue recognition policy for further details.

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 to 5 years
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Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Inventories

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 costs to complete and variable selling expenses.

Fulcrum Infrastructure Services Limited

Notes to the financial statements (*continued*)

1. Accounting policies (*continued*)

Revenue

Multi-utility infrastructure activities are recognised as “infrastructure revenue”. The majority of projects are completed in a short timeframe and, as such, revenue is recognised on project completion. For revenue recognised on maintenance contracts, revenue is recognised throughout the duration of the contract.

For longer projects, revenue is recognised over time. Revenue is estimated based on the proportion that contracts costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are recognised only to the extent that the amount can be measured reliably, and its receipt is considered probable. Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable, they will be recoverable. When it is probable that total contract costs will exceed total contract revenue, the total expected loss is recognised as an expense immediately. Infrastructure revenue is recognised excluding VAT and other indirect taxes. An accrual is made for infrastructure revenue in respect of work completed where invoices are yet to be generated. When payment is received in advance of the provision of services, these receipts are recorded as deferred income.

Contract costs

Costs to obtain a contract are expensed unless they are incremental, i.e. they would not be incurred if the contract had not been obtained, and the contract is expected to be sufficiently profitable for them to be recovered.

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.

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 impairment 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.

Fulcrum Infrastructure Services Limited

Notes to the financial statements (*continued*)

1. Accounting policies (*continued*)

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.

Impairment

Financial assets (including receivables)

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment and intangibles, including goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the CGU to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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;
- 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.

Fulcrum Infrastructure Services Limited

Notes to the financial statements (*continued*)

1. Accounting policies (*continued*)

Lease liability (*continued*)

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.

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

New amendments and interpretations that became mandatory for the first time during the year ended 31 March 2021 are listed below, none of which had a significant impact on the Company's results.

- Amendments to References to the Conceptual Framework in IFRS Standards
- Definition of Material (Amendments to IAS 1 and IAS 8)

Fulcrum Infrastructure Services Limited

Notes to the financial statements (continued)

2. Revenue

The Company's activities consist solely of the provision of utility infrastructure and unregulated connections services. All activities occur in the United Kingdom.

3. Operating (loss)/profit

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

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Depreciation of property, plant and equipment: owned	49	72
Depreciation of right-of-use asset	366	340
Fulcrum Group Holdings services recharge	5,695	2,894
<i>Amounts receivable by the auditors and their associates in respect of:</i>		
Auditor's remuneration:	109	91

The audit fee is met by another Group company and has been recharged to the Company in the year.

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. These costs include legal and professional fees, insurance, and other executive costs. These costs are then allocated across the subsidiaries based on an appropriate basis.

4. Exceptionals

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Restructuring costs	139	94
One-off legal and advisor costs	146	-
	285	94

5. Staff numbers and costs

Employees have employment contracts with the Company's fellow group undertaking, 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.

The amount charged to the Company in the financial year was £9,579k (2020: £9,616k) and the average monthly number of Fulcrum Group Holdings Limited employees attributed to the Company during the financial year was 248 (2020: 213).

Fulcrum Infrastructure Services Limited

Notes to the financial statements (continued)

6. Directors' emoluments

The directors of the Company were remunerated through Fulcrum Group Holdings Limited and their emoluments, for services to the Group as a whole, are disclosed as follows

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Emoluments	656	656
Compensation in respect of loss of office	179	-
Pension	29	14
Total	864	670

Included in the total emoluments above is the aggregate value of company contributions made to the pension scheme of 3 (2020: 3) directors in respect of directors' qualifying services. These costs are included in the shared services recharge.

Highest paid director:	Year ended 31 March 2021	Year ended 31 March 2020
Emoluments	327	253
Compensation in respect of loss of office	179	-
Contributions to a defined contribution pension scheme	18	6
	524	259

7. Taxation

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Current tax	(5)	13
Deferred tax	491	2
Total tax credit	486	15

At Budget 2020, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2021 and 2022 would be 19%. At Budget 2021, the government announced that the Corporation Tax main rate would rise to 25% for the tax years starting 1 April 2023. However, the increase in the main rate to 25% had not been substantively enacted at the year end. The rate that had been substantively enacted at the year end was 19%, and accordingly the deferred tax balances have been calculated on the basis that they will unwind at that rate. If the deferred tax balances were to reverse at the amended 25% rate, the impact on the closing deferred tax asset would be to increase it by £164k to £684k.

Fulcrum Infrastructure Services Limited

Notes to the financial statements (continued)

7. Taxation (continued)

<i>Reconciliation of effective tax rate</i>	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
(Loss)/profit before taxation	(2,601)	1,363
Tax charge using the UK corporation tax rate of 19% (2020: 19%)	494	(259)
Non-taxable items	(1)	(6)
Effect of change in rate of corporation tax	-	1
Adjustment to tax charge in respect of prior years' corporation tax	(6)	13
Adjustment to tax charge in respect of prior years' deferred tax	(1)	-
Group relief claimed	-	266
Total tax credit	486	15

Movement in deferred tax assets

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
At the beginning of the year	29	27
Recognised in profit or loss		
Tax losses recognised in the year	494	-
Effect of change in rate of corporation tax	-	1
Origination/reversal of other timing differences	(3)	1
At the end of the year	520	29

Fulcrum Infrastructure Services Limited

Notes to the financial statements (continued)

8. Property, plant and equipment

	Fixtures and fittings £'000
Cost	
At 1 April 2019	319
Additions	2
At 31 March 2020 and 31 March 2021	321
Accumulated depreciation	
At 1 April 2019	(158)
Depreciation charge for the year	(72)
At 31 March 2020	(230)
Depreciation charge for the year	(49)
At 31 March 2021	(279)
Net book value	
At 31 March 2021	42
At 31 March 2020	91
At 1 April 2019	161

9. 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 2021 £'000	31 March 2020 £'000
Land & buildings	1,097	1,175
Plant & machinery	491	664
	1,588	1,839

Depreciation on right-of-use assets	31 March 2021 £'000	31 March 2020 £'000
Land & buildings	193	191
Plant & machinery	173	149
	366	340

Additions to right-of-use assets	31 March 2021 £'000	31 March 2020 £'000
Land & buildings	115	-
Plant & machinery	-	692
	115	692

Fulcrum Infrastructure Services Limited

Notes to the financial statements (continued)

9. Leases (continued)

Maturity of lease liabilities	Land and buildings		Plant & machinery	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£'000	£'000	£'000	£'000
Less than one year	233	181	175	170
Between one and five years	1,043	914	338	513
In more than five years	62	312	-	-
	1,338	1,407	513	683

Other impact on profit and loss	31 March 2021	31 March 2020
	£'000	£'000
Finance costs on leases	70	76

10. Contract assets

	31 March 2021	31 March 2020
	£'000	£'000
Work in progress	3,883	3,456
Contract receivables	6,883	4,285
Total	10,766	7,741

Work in progress balances reflect direct works costs including direct labour and other attributable variable costs relating to jobs classed as incomplete. There have been no write-downs in the year (2020: nil).

11. Trade and other receivables

	31 March 2021	31 March 2020
	£'000	£'000
Trade receivables	2,670	2,357
Amounts owed by Group undertakings	72,057	28,305
Other receivables	554	334
Tax receivable	158	-
Prepayments and accrued income	36	151
	75,475	31,147

All amounts due from Group undertakings are repayable on demand and no interest is receivable.

Trade and other receivables are non-interest bearing. The credit risk associated with this receivable is managed through the Company's standard credit processes. The Directors consider that the carrying amount of trade receivables approximates to their fair value. No interest is receivable on amounts due from Group undertakings.

Fulcrum Infrastructure Services Limited

Notes to the financial statements (continued)

11. Trade and other receivables (continued)

The carrying value of trade and other receivables are stated after the following allowance for expected credit losses:

	31 March 2021 £'000	31 March 2020 £'000
At the beginning of the year	12	13
Movement in allowance for expected credit losses	40	(1)
At the end of the year	52	12

12. Cash and cash equivalents

	31 March 2021 £'000	31 March 2020 £'000
Cash at bank and on hand	848	227

13. Trade and other payables

	31 March 2021 £'000	31 March 2020 £'000
Trade payables	3,520	3,090
Amounts owing to Group undertakings	55,006	5,775
Accruals	474	506
Other payables	956	941
	59,956	10,312

All amounts payable to Group undertakings are payable on demand. No interest is borne thereon.

14. Contract liabilities

	31 March 2021 £'000	31 March 2020 £'000
Contract liabilities	23,783	22,917

Of the contract liabilities, £17,946k (2020: £17,910k) relates to deferred income, which represents contracted sales for which services to customers will be provided in future periods. The remaining amount relates to accrued costs on contracted services.

15. Share capital

	31 March 2021 £'000	31 March 2020 £'000
Allotted, issued and fully paid		
1,000,001 ordinary shares of £1 each (2020: 1,000,001 ordinary shares of £1)	1,000	1,000

Fulcrum Infrastructure Services Limited

Notes to the financial statements (*continued*)

16. 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>.

