

**FUNDAMENTALS LIMITED**

**AUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 March 2022**

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**FUNDAMENTALS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Dr J Hiscock Mr D Bage Mr M Harris Mr J Humble Dr V Thornley Mr M Ansell Mrs B Haigh-Rosser
<b>Company secretary</b>	Mr D Bage
<b>Registered number</b>	02939559
<b>Registered office</b>	Unit 2 Hillmead Enterprise Park Marshall Road Swindon Wiltshire SN5 5FZ
<b>Independent auditors</b>	Wellers 8 King Edward Street Oxford OX1 4HL

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FUNDAMENTALS LIMITED

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**GROUP STRATEGIC REPORT**  
**For the Year Ended 31 March 2022**

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**Introduction**

With more of a focus on development of the technology portfolio the business is beginning to enjoy commercial success and increasing sales with new product lines.

The business has continued to experience disruption and delays resulting from the global pandemic but the effect is much less severe than the previous year.

The business maintains its commitment to its strategic plan which will see an expanding product portfolio and international sales development.

**Business review**

The main effects of the pandemic were delays to work programmes and supply chain issues. Although these were not as severe as experienced in the previous year, this has impacted expected revenues for the year and introduced delays to planned commercial launches for new products.

Supply chain issues have been somewhat exacerbated by the Ukraine war as energy prices have increased but there may be future opportunities relating to the rebuild of the Ukrainian power grid.

Much management effort was necessary to deal with these issues and there are encouraging signs that the industry is recovering and confidence continues to build for future growth.

The strategic plan for the business is centred on technology development and internationalisation and the key objectives are organised quarterly to work towards the longer term goals.

Some of the objectives delivered during the year have been related to the integration of previously acquired assets, entities and corresponding employees into the group. This has enabled development of skills and capabilities within the technology team in areas such as artificial intelligence, machine learning and digital communications which are essential for portfolio expansion.

**Principal risks and uncertainties**

The main risk areas and uncertainties are associated with the COVID-19 pandemic recovery and Ofgem determinations.

Although there have been significant improvements as the recovery from the pandemic continues there is ongoing supply chain turbulence which requires management.

Ofgem continue to hold our key customers to account in terms of their performance against targets and also make key decisions for future deliverables.

The business is engaged with its key customers and keeps itself abreast of Ofgem information in order to align business plans.

**Financial key performance indicators**

The Group monitors its financial performance using a number of standard Key Performance Indicators, reporting weekly and monthly as required. Detailed monthly management accounts and forecast reporting is scrutinised by the Board. An overview of the status of the business is shared with all employees on a quarterly basis.

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**FUNDAMENTALS LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)**  
**For the Year Ended 31 March 2022**

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**Other key performance indicators**

Other Key Performance Indicators help manage and report on the progress of a number of functional areas including Sales & Marketing, HR, Operations, Projects and Technology/R&D.

**Culture & people**

The business continues to invest in the company culture which promotes team working by establishing trust and gives clarity by making it clear why we exist, what we do, how we behave, how we will win and where we're going.

Our people are a key factor in our continued success, and we recruit as much for aptitude and cultural fit as we do for specific expertise. The structure of the business has been changed during the year in order to focus on key accountabilities.

The management team has expanded to cover all functional responsibilities and has adopted an operational model which is suitable for growing SMEs and facilitates tactical and strategic decision making.

We have continued to hold monthly board meetings to provide support and guidance to the management team. This report was approved by the board and signed on its behalf.

This report was approved by the board and signed on its behalf.

**Dr J Hiscock**  
Director

Date: 22 December 2022

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## FUNDAMENTALS LIMITED

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### DIRECTORS' REPORT For the Year Ended 31 March 2022

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The directors present their report and the financial statements for the year ended 31 March 2022.

#### Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Principal activity

The Group is engaged in the design, development and installation of electrical products for use on electrical power systems.

The Group is committed to research and development activities related to renewable energy and the future of electrical power networks. These activities include the application of existing products and development of new innovative products and involves collaborations with other innovative companies and universities.

#### Results and dividends

The loss for the year, after taxation, amounted to £514,173 (2021 - profit £457,784).

Dividends for the year amounted to £300,000 (2021 - £240,000)

#### Directors

The directors who served during the year were:

Dr J Hiscock  
Mr D Bage  
Mr M Harris  
Mr J Humble  
Dr V Thornley  
Mr M Ansell  
Mrs B Haigh-Rosser

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**FUNDAMENTALS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)**  
**For the Year Ended 31 March 2022**

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**Future developments**

As outlined in the Strategic report, the company is pursuing the strategies of product portfolio expansion by investing significantly in research and development and geographic expansion with operations being developed in Australasia.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditors**

The auditors, Wellers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**Dr J Hiscock**  
Director

Date: 22 December 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUNDAMENTALS LIMITED

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**Opinion**

We have audited the financial statements of Fundamentals Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

Except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, in our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's 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 qualified opinion**

We were unable to attend the year-end inventory count of goods or undertake alternative measures for the subsidiary company, Fundamentals Australia Pty Limited, at the balance sheet date. Independent third-party verification was not ascertainable at the balance sheet date due to ongoing COVID-19-related issues and travel restrictions in Australia. Therefore, we are unable to obtain sufficient audit evidence regarding the existence and condition of inventory, for that company only, at the balance sheet date and whether any adjustment to inventory values are necessary.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Group's or the parent 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.

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## FUNDAMENTALS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUNDAMENTALS LIMITED (CONTINUED)

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#### Other information

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

We have nothing to report in this regard.

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

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

#### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUNDAMENTALS LIMITED (CONTINUED)

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**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group 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:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, health and safety and employment law.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

Because of the inherent limitations of an audit, there is a risk that we will not detect all 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.

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

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FUNDAMENTALS LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUNDAMENTALS LIMITED (CONTINUED)

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**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 Auditors' 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.

Ms Christina Nawrocki (Senior Statutory Auditor)

for and on behalf of

**Wellers**

Statutory Auditors

8 King Edward Street

Oxford

OX1 4HL

22 December 2022

**FUNDAMENTALS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover	4	8,016,992	8,856,455
Cost of sales		(2,409,719)	(3,198,714)
<b>Gross profit</b>		<b>5,607,273</b>	<b>5,657,741</b>
Administrative expenses		(6,171,146)	(6,083,273)
Other operating income	5	292,807	373,042
Exceptional other operating income	6	-	143,871
<b>Operating (loss)/profit</b>	7	<b>(271,066)</b>	<b>91,381</b>
Amounts written off investments	16	(388,913)	-
Interest receivable and similar income		8,366	2,204
Interest payable and similar expenses	11	(69,355)	(12,569)
<b>(Loss)/profit before taxation</b>		<b>(720,968)</b>	<b>81,016</b>
Tax on (loss)/profit	12	206,795	319,958
<b>(Loss)/profit for the financial year</b>		<b>(514,173)</b>	<b>400,974</b>
<b>Total comprehensive income for the year</b>		<b>(514,173)</b>	<b>400,974</b>
<b>(Loss)/profit for the year attributable to:</b>			
Non-controlling interests		-	(56,810)
Owners of the parent Company		(514,173)	457,784
		<b>(514,173)</b>	<b>400,974</b>
<b>Total comprehensive income for the year attributable to:</b>			
Non-controlling interest		-	(56,810)
Owners of the parent Company		(514,173)	457,784
		<b>(514,173)</b>	<b>400,974</b>

The notes on pages 21 to 49 form part of these financial statements.

**FUNDAMENTALS LIMITED**  
Registered number: 02939559

**CONSOLIDATED BALANCE SHEET**  
As at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	14	1,149,692	1,105,719
Tangible assets	15	232,214	288,514
Investments	16	-	388,913
		<u>1,381,906</u>	<u>1,783,146</u>
<b>Current assets</b>			
Stocks	17	1,633,248	1,403,979
Debtors	18	3,612,626	2,476,969
Cash at bank and in hand	19	1,167,310	2,498,203
		<u>6,413,184</u>	<u>6,379,151</u>
Creditors: amounts falling due within one year	20	(2,728,315)	(2,386,908)
		<u>3,684,869</u>	<u>3,992,243</u>
<b>Net current assets</b>			
		<u>3,684,869</u>	<u>3,992,243</u>
<b>Total assets less current liabilities</b>			
		<u>5,066,775</u>	<u>5,775,389</u>
Creditors: amounts falling due after more than one year	21	(1,879,117)	(1,773,558)
		<u>3,187,658</u>	<u>4,001,831</u>
<b>Net assets</b>			
		<u>3,187,658</u>	<u>4,001,831</u>
<b>Capital and reserves</b>			
Called up share capital	25	21	21
Capital redemption reserve	26	79	79
Profit and loss account	26	3,187,558	4,001,731
<b>Equity attributable to owners of the parent Company</b>			
		<u>3,187,658</u>	<u>4,001,831</u>
		<u>3,187,658</u>	<u>4,001,831</u>

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**FUNDAMENTALS LIMITED**  
**Registered number: 02939559**

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**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**As at 31 March 2022**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**Dr J Hiscock**  
Director

**Mr D Bage**  
Director

Date: 22 December 2022

The notes on pages 21 to 49 form part of these financial statements.

**FUNDAMENTALS LIMITED**  
Registered number: 02939559

**COMPANY BALANCE SHEET**  
As at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	14	305,469	127,196
Tangible assets	15	179,731	222,257
Investments	16	2,097,679	2,486,592
		<u>2,582,879</u>	<u>2,836,045</u>
<b>Current assets</b>			
Stocks	17	792,023	729,184
Debtors	18	5,004,569	3,376,863
Cash at bank and in hand	19	321,262	1,897,180
		<u>6,117,854</u>	<u>6,003,227</u>
Creditors: amounts falling due within one year	20	(1,740,875)	(1,658,856)
<b>Net current assets</b>		<u>4,376,979</u>	<u>4,344,371</u>
<b>Total assets less current liabilities</b>		<u>6,959,858</u>	<u>7,180,416</u>
Creditors: amounts falling due after more than one year	21	(1,772,226)	(1,666,667)
<b>Net assets</b>		<u><u>5,187,632</u></u>	<u><u>5,513,749</u></u>
<b>Capital and reserves</b>			
Called up share capital	25	21	21
Capital redemption reserve	26	79	79
Profit and loss account brought forward		5,513,649	5,339,692
Loss/(profit) for the year		(26,117)	833,957
Other changes in the profit and loss account		(300,000)	(660,000)
		<u>5,187,532</u>	<u>5,513,649</u>
Profit and loss account carried forward		<u><u>5,187,632</u></u>	<u><u>5,513,749</u></u>

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**FUNDAMENTALS LIMITED**  
**Registered number: 02939559**

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**COMPANY BALANCE SHEET (CONTINUED)**  
**As at 31 March 2022**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**Dr J Hiscock**  
Director

**Mr D Bage**  
Director

Date: 22 December 2022

The notes on pages 21 to 49 form part of these financial statements.

**FUNDAMENTALS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended 31 March 2022

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	21	79	4,001,731	4,001,831
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(514,173)	(514,173)
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(514,173)	(514,173)
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(300,000)	(300,000)
<b>Total transactions with owners</b>	-	-	(300,000)	(300,000)
<b>At 31 March 2022</b>	<b>21</b>	<b>79</b>	<b>3,187,558</b>	<b>3,187,658</b>

The notes on pages 21 to 49 form part of these financial statements.

**FUNDAMENTALS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended 31 March 2021

	Called up share capital	Capital redemption reserve	Profit and loss account	Non-controlling interests	Total equity
	£	£	£	£	£
At 1 April 2020	24	76	5,026,994	(100,287)	4,926,807
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	457,784	(56,810)	400,974
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	457,784	(56,810)	400,974
<b>Contributions by and distributions to owners</b>					
Dividends: Equity capital	-	-	(240,000)	-	(240,000)
Purchase of own shares	-	3	(420,000)	-	(419,997)
Shares redeemed during the year	(3)	-	-	-	(3)
Increase in controlling interest	-	-	(823,047)	157,097	(665,950)
<b>Total transactions with owners</b>	(3)	3	(1,483,047)	157,097	(1,325,950)
<b>At 31 March 2021</b>	<b>21</b>	<b>79</b>	<b>4,001,731</b>	<b>-</b>	<b>4,001,831</b>

The notes on pages 21 to 49 form part of these financial statements.

**FUNDAMENTALS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended 31 March 2022

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	21	79	5,513,649	5,513,749
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(26,117)	(26,117)
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(26,117)	(26,117)
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(300,000)	(300,000)
<b>Total transactions with owners</b>	-	-	(300,000)	(300,000)
<b>At 31 March 2022</b>	<b>21</b>	<b>79</b>	<b>5,187,532</b>	<b>5,187,632</b>

The notes on pages 21 to 49 form part of these financial statements.

**FUNDAMENTALS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended 31 March 2021

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2020	24	76	5,339,692	5,339,792
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	833,957	833,957
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	833,957	833,957
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(240,000)	(240,000)
Purchase of own shares	-	3	(420,000)	(419,997)
Shares redeemed during the year	(3)	-	-	(3)
<b>Total transactions with owners</b>	(3)	3	(660,000)	(660,000)
<b>At 31 March 2021</b>	<b>21</b>	<b>79</b>	<b>5,513,649</b>	<b>5,513,749</b>

The notes on pages 21 to 49 form part of these financial statements.

**FUNDAMENTALS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Year Ended 31 March 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(514,173)	400,976
<b>Adjustments for:</b>		
Amortisation of intangible assets	159,938	177,611
Depreciation of tangible assets	90,240	111,571
(Profit)/Loss on disposal of tangible assets	1,983	(50,578)
Interest paid	69,354	12,569
Interest received	(8,366)	(2,205)
Taxation charge	(206,795)	(319,959)
(Increase) in stocks	(229,269)	(98,319)
(Increase)/decrease in debtors	(845,656)	488,738
Increase in creditors	184,140	246,741
Increase/(decrease) in provisions	-	(91,857)
Corporation tax received/(paid)	192,176	(11,481)
R&D tax credit	(277,372)	(61,138)
Investment impairment	388,913	-
<b>Net cash generated from operating activities</b>	<b>(994,887)</b>	<b>802,669</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(197,873)	(163,489)
Purchase of tangible fixed assets	(35,266)	(64,208)
Sale of tangible fixed assets	-	62,988
Purchase of unlisted and other investments	-	(977,416)
Interest received	8,366	2,205
<b>Net cash from investing activities</b>	<b>(224,773)</b>	<b>(1,139,920)</b>
<b>Cash flows from financing activities</b>		
Purchase of ordinary shares	-	(3)
New secured loans	625,000	2,000,000
Repayment of loans	(366,879)	(526,346)
Repayment of other loans	-	(160,179)
Dividends paid	(300,000)	(240,000)
Interest paid	(69,354)	(12,569)
<b>Net cash used in financing activities</b>	<b>(111,233)</b>	<b>1,060,903</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,330,893)</b>	<b>723,652</b>
Cash and cash equivalents at beginning of year	2,498,203	1,774,551

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FUNDAMENTALS LIMITED

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
For the Year Ended 31 March 2022

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	2022 £	2021 £
<b>Cash and cash equivalents at the end of year</b>	<u>1,167,310</u>	<u>2,498,203</u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	1,167,310	2,498,203
	<u>1,167,310</u>	<u>2,498,203</u>

The notes on pages 21 to 49 form part of these financial statements.

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FUNDAMENTALS LIMITED

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CONSOLIDATED ANALYSIS OF NET DEBT  
For the Year Ended 31 March 2022

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	At 1 April 2021	Cash flows	At 31 March
	£	£	2022
			£
Cash at bank and in hand	2,498,203	(1,330,893)	1,167,310
Debt due after 1 year	(1,773,558)	(105,559)	(1,879,117)
Debt due within 1 year	(333,684)	(180,829)	(514,513)
	<u>390,961</u>	<u>(1,617,281)</u>	<u>(1,226,320)</u>

The notes on pages 21 to 49 form part of these financial statements.

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## FUNDAMENTALS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2022

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#### 1. General information

Fundamentals Limited is a private company limited by share capital, incorporated in England and Wales, registration number 02939559. The address of the registered office is Unit 2, Hillmead Enterprise Park, Marshall Road, Swindon, Wiltshire, SN5 5FZ.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2016.

##### 2.3 Going concern

The Board of Directors of the Company is of the opinion that the accounts have been prepared on a going concern.

The Board of Directors has a reasonable expectation that the Company has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved. The key method for assessing going concern is through the business planning process which considers profitability, liquidity and solvency.

The business planning process considers the Company's business activities, together with factors likely to affect its future development, successful performance and position, and key risks in the current economic climate.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 March 2022

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2. Accounting policies (continued)

2.4 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling using the average exchange rate for the period. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 March 2022

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2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2020 to continue to be charged over the period to the first market rent review rather than the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 March 2022

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**2. Accounting policies (continued)**

**2.7 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.8 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

**2.9 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.10 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.11 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.12 Pensions**

**Defined contribution pension plan**

The Group contributes into a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 March 2022

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2. Accounting policies (continued)

2.13 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 March 2022

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2. Accounting policies (continued)

2.15 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.16 Intangible assets

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.17 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

S/Term Leasehold Property	-		Straight-line over the length of the lease term
Plant & machinery	-	20%	Straight-line
Motor vehicles	-	25%	Reducing balance
Fixtures & fittings	-		Straight-line over the length of the lease term
Office equipment	-	20%	Straight-line
Computer equipment	-	33%	Straight-line

2.18 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 March 2022

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**2. Accounting policies (continued)**

**2.19 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.20 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.21 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.22 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.23 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

**2.24 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 March 2022

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2. Accounting policies (continued)

2.25 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.26 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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**FUNDAMENTALS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2022**

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**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonably foreseeable under the circumstances.

The preparation of statutory financial statements in conformity with FRS 102 requires the use of accounting estimates and exercise of judgment by the directors while applying the Company's

accounting policies. These estimates are based on the management's best knowledge of the events which existed at the statement of financial position date; however, the actual results may differ from these estimates. Revisions to accounting estimates are recognised in each period in which the estimates are revised and in any future periods affected.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Sale of goods	5,782,794	6,114,967
Income from services	2,234,199	2,741,488
	<u>8,016,993</u>	<u>8,856,455</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	6,714,103	7,283,882
Rest of Europe	379,067	397,718
Rest of the world	923,823	1,174,855
	<u>8,016,993</u>	<u>8,856,455</u>

**5. Other operating income**

	2022 £	2021 £
Other operating income	-	311,904
Government grants receivable	15,435	-
R&D tax credits	277,372	61,138
	<u>292,807</u>	<u>373,042</u>

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**FUNDAMENTALS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2022**

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**6. Exceptional other income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Loan impairments	-	143,871
	<u>-</u>	<u>143,871</u>

**7. Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Research & development charged as an expense	<b>378,775</b>	556,678
Exchange differences	<b>(1,919)</b>	8,732
Other operating lease rentals	<b>257,237</b>	261,059

**8. Auditors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	<b>42,700</b>	42,960

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**9. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Wages and salaries	3,687,837	3,886,577	2,968,158	3,126,846
Social security costs	370,585	418,925	332,303	369,120
Cost of defined contribution scheme	220,478	188,983	158,183	149,789
	<u>4,278,900</u>	<u>4,494,485</u>	<u>3,458,644</u>	<u>3,645,755</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>Group 2022 No.</b>	<i>Group 2021 No.</i>	<b>Company 2022 No.</b>	<i>Company 2021 No.</i>
Directors	7	10	7	6
Employees	82	88	61	71
	<u>89</u>	<u>98</u>	<u>68</u>	<u>77</u>

**10. Directors' remuneration**

	<b>2022 £</b>	<i>2021 £</i>
Directors' emoluments	370,113	416,722
Group contributions to defined contribution pension schemes	52,435	48,754
	<u>422,548</u>	<u>465,476</u>

During the year retirement benefits were accruing to 4 directors (2021 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £93,622 (2021 - £93,110).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2021 - £4,614).

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**11. Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	£	£
Bank interest payable	60,751	2,142
Other loan interest payable	8,604	10,427
	<b>69,355</b>	<b>12,569</b>
	<b>69,355</b>	<b>12,569</b>

**12. Taxation**

	<b>2022</b>	<b>2021</b>
	£	£
<b>Corporation tax</b>		
Current tax on profits for the year	(225,484)	-
Adjustments in respect of previous periods	(116,480)	(96,375)
	<b>(341,964)</b>	<b>(96,375)</b>
	<b>(341,964)</b>	<b>(96,375)</b>
<b>Total current tax</b>	<b>(341,964)</b>	<b>(96,375)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	135,169	(223,583)
	<b>135,169</b>	<b>(223,583)</b>
<b>Total deferred tax</b>	<b>135,169</b>	<b>(223,583)</b>
<b>Taxation on loss on ordinary activities</b>	<b>(206,795)</b>	<b>(319,958)</b>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**12. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	<u>(720,966)</u>	<u>81,016</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(136,984)	15,393
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	74,083	39,321
Capital allowances for year in excess of depreciation	6,693	14,880
Inter-group trade	24,101	26,086
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(184,572)	(267,972)
Prior year tax charge	(116,480)	(96,375)
Patent box	(73,375)	(19,521)
Unrelieved tax losses carried forward	64,570	191,814
Deferred tax adjustment	135,169	(223,584)
<b>Total tax charge for the year</b>	<u><b>(206,795)</b></u>	<u><b>(319,958)</b></u>

**Factors that may affect future tax charges**

The Group has £2,490,326 (2021 - £2,417,413) of tax losses which are being carried forward to use against future taxable profits.

**13. Dividends**

	2022 £	2021 £
Ordinary A shares	300,000	240,000
	<u><b>300,000</b></u>	<u><b>240,000</b></u>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**14. Intangible assets**

**Group**

	Licences £	ERP system £	Intellectual property rights £	Goodwill £	Total £
<b>Cost</b>					
At 1 April 2021	104,800	-	95,994	2,192,278	2,393,072
Additions	-	197,873	-	-	197,873
Foreign exchange movement	-	-	-	7,565	7,565
At 31 March 2022	<u>104,800</u>	<u>197,873</u>	<u>95,994</u>	<u>2,199,843</u>	<u>2,598,510</u>
<b>Amortisation</b>					
At 1 April 2021	104,800	-	28,798	1,153,755	1,287,353
Charge for the year on owned assets	-	-	9,599	151,126	160,725
Foreign exchange movement	-	-	-	739	739
At 31 March 2022	<u>104,800</u>	<u>-</u>	<u>38,397</u>	<u>1,305,620</u>	<u>1,448,817</u>
<b>Net book value</b>					
At 31 March 2022	<u>-</u>	<u>197,873</u>	<u>57,597</u>	<u>894,223</u>	<u>1,149,693</u>
<b>At 31 March 2021</b>	<u>-</u>	<u>-</u>	<u>67,196</u>	<u>1,038,523</u>	<u>1,105,719</u>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**14. Intangible assets (continued)**

**Company**

	Licenses	ERP system	Intellectual property rights	Goodwill	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2021	100,000	-	95,994	577,200	773,194
Additions	-	197,873	-	-	197,873
At 31 March 2022	<u>100,000</u>	<u>197,873</u>	<u>95,994</u>	<u>577,200</u>	<u>971,067</u>
<b>Amortisation</b>					
At 1 April 2021	40,000	-	28,798	577,200	645,998
Charge for the year	10,000	-	9,599	-	19,599
At 31 March 2022	<u>50,000</u>	<u>-</u>	<u>38,397</u>	<u>577,200</u>	<u>665,597</u>
<b>Net book value</b>					
At 31 March 2022	<u>50,000</u>	<u>197,873</u>	<u>57,597</u>	<u>-</u>	<u>305,470</u>
<b>At 31 March 2021</b>	<u>60,000</u>	<u>-</u>	<u>67,196</u>	<u>-</u>	<u>127,196</u>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**15. Tangible fixed assets**

**Group**

	Leasehold Improv's £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Office equipment £
<b>Cost or valuation</b>					
At 1 April 2021	349,296	281,644	85,211	161,752	31,413
Additions	-	8,407	-	-	4,514
Disposals	-	-	-	-	-
Exchange adjustments	-	635	-	-	693
At 31 March 2022	<u>349,296</u>	<u>290,686</u>	<u>85,211</u>	<u>161,752</u>	<u>36,620</u>
<b>Depreciation</b>					
At 1 April 2021	222,271	226,696	75,246	108,503	26,040
Charge for the year on owned assets	18,383	22,476	2,492	7,677	7,878
Disposals	-	-	-	-	-
Exchange adjustments	-	86	-	-	253
At 31 March 2022	<u>240,654</u>	<u>249,258</u>	<u>77,738</u>	<u>116,180</u>	<u>34,171</u>
<b>Net book value</b>					
At 31 March 2022	<u>108,642</u>	<u>41,428</u>	<u>7,473</u>	<u>45,572</u>	<u>2,449</u>
<b>At 31 March 2021</b>	<u>127,025</u>	<u>54,948</u>	<u>9,965</u>	<u>53,248</u>	<u>5,373</u>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**15. Tangible fixed assets (continued)**

	<b>Computer equipment</b>	<b>Total</b>
	£	£
<b>Cost or valuation</b>		
At 1 April 2021	178,507	1,087,823
Additions	22,344	35,265
Disposals	(5,949)	(5,949)
Exchange adjustments	-	1,328
	194,902	1,118,467
At 31 March 2022	194,902	1,118,467
<b>Depreciation</b>		
At 1 April 2021	140,552	799,308
Charge for the year on owned assets	31,666	90,572
Disposals	(3,966)	(3,966)
Exchange adjustments	-	339
	168,252	886,253
At 31 March 2022	168,252	886,253
<b>Net book value</b>		
At 31 March 2022	26,650	232,214
<b>At 31 March 2021</b>	37,955	288,514

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**15. Tangible fixed assets (continued)**

**Company**

	Leasehold Improv's £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Office equipment £
<b>Cost or valuation</b>					
At 1 April 2021	334,059	216,143	48,640	100,798	14,420
Additions	-	5,930	-	-	2,690
Disposals	-	-	-	-	-
At 31 March 2022	<u>334,059</u>	<u>222,073</u>	<u>48,640</u>	<u>100,798</u>	<u>17,110</u>
<b>Depreciation</b>					
At 1 April 2021	218,764	190,304	38,676	64,541	14,164
Charge for the year on owned assets	16,669	16,328	2,492	6,128	312
Disposals	-	-	-	-	-
At 31 March 2022	<u>235,433</u>	<u>206,632</u>	<u>41,168</u>	<u>70,669</u>	<u>14,476</u>
<b>Net book value</b>					
At 31 March 2022	<u>98,626</u>	<u>15,441</u>	<u>7,472</u>	<u>30,129</u>	<u>2,634</u>
<b>At 31 March 2021</b>	<u>115,295</u>	<u>25,839</u>	<u>9,964</u>	<u>36,257</u>	<u>256</u>

FUNDAMENTALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 March 2022

15. Tangible fixed assets (continued)

	Computer equipment £	Total £
<b>Cost or valuation</b>		
At 1 April 2021	162,137	876,197
Additions	22,344	30,964
Disposals	(5,949)	(5,949)
	178,532	901,212
<b>Depreciation</b>		
At 1 April 2021	127,491	653,940
Charge for the year on owned assets	29,578	71,507
Disposals	(3,966)	(3,966)
	153,103	721,481
<b>Net book value</b>		
At 31 March 2022	25,429	179,731
<b>At 31 March 2021</b>	34,646	222,257

The net book value of land and buildings may be further analysed as follows:

	2022 £	2021 £
Short leasehold	98,625	115,295
	98,625	115,295

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**16. Fixed asset investments**

**Company**

	Investments in subsidiary companies £	Unlisted investments £	Total £
<b>Cost or valuation</b>			
At 1 April 2021	2,097,679	388,913	2,486,592
At 31 March 2022	<u>2,097,679</u>	<u>388,913</u>	<u>2,486,592</u>
<b>Impairment</b>			
Charge for the period	-	388,913	388,913
At 31 March 2022	<u>-</u>	<u>388,913</u>	<u>388,913</u>
<b>Net book value</b>			
At 31 March 2022	<u>2,097,679</u>	<u>-</u>	<u>2,097,679</u>
<b>At 31 March 2021</b>	<u>2,097,679</u>	<u>388,913</u>	<u>2,486,592</u>

The impairment charge for the period relates to shares held in an unlisted Company. The Directors are unable to confirm the fair value or recoverable amount of this asset and therefore it has been impaired in full.

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 March 2022**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Ferranti Tapchangers Ltd	Units 8-9 Southlink Business, Park Hamilton Street, Oldham, OL4 1DP	Manufacture and supply of parts, and service of tapchangers and related products for the power supply industry.	Ordinary	100 %
Ferranti Engineering Ltd	Units 8/9, Southlink Business Park, Hamilton Street, Oldham, OL4 1DP	Dormant company.	Ordinary	100 %
Powerline Developments Ltd	Unit 2 Marshall Road, Hillmead, Swindon, England, SN5 5FZ	Holding company.	Ordinary	100 %
Powerline Technologies Ltd	Unit 2 Marshall Road, Hillmead, Swindon, England, SN5 5FZ	Design and development of fault prediction and detection devices for use on electrical power systems.	Ordinary	100 %
Fundamentals Australia Pty Ltd	11/1 Margaret St, Sydney NSW 2000, Australia	Supply of products for use on electrical power systems.	Ordinary	100 %

**17. Stocks**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Raw materials and consumables	<b>472,139</b>	415,816	<b>472,139</b>	415,816
Work in progress (goods to be sold)	<b>399,314</b>	286,042	<b>82,762</b>	69,352
Finished goods and goods for resale	<b>761,795</b>	702,121	<b>237,122</b>	244,016
	<b><u>1,633,248</u></b>	<u>1,403,979</u>	<b><u>792,023</u></b>	<u>729,184</u>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**18. Debtors**

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2022</b>	<i>2021</i>	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>	<b>£</b>	<i>£</i>
Trade debtors	<b>2,103,561</b>	<i>1,194,926</i>	<b>1,816,414</b>	<i>967,945</i>
Amounts owed by group undertakings	<b>-</b>	<i>-</i>	<b>2,186,285</b>	<i>1,500,630</i>
Other debtors	<b>334,808</b>	<i>185,019</i>	<b>-</b>	<i>-</i>
Called up share capital not paid	<b>(49)</b>	<i>(49)</i>	<b>-</b>	<i>-</i>
Prepayments and accrued income	<b>232,859</b>	<i>237,350</i>	<b>158,180</b>	<i>217,415</i>
Amounts recoverable on long term contracts	<b>-</b>	<i>66,479</i>	<b>-</b>	<i>-</i>
Tax recoverable	<b>379,747</b>	<i>96,375</i>	<b>379,747</b>	<i>96,375</i>
Deferred taxation	<b>561,700</b>	<i>696,869</i>	<b>463,943</b>	<i>594,498</i>
	<b><u>3,612,626</u></b>	<i><u>2,476,969</u></i>	<b><u>5,004,569</u></b>	<i><u>3,376,863</u></i>

**19. Cash and cash equivalents**

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2022</b>	<i>2021</i>	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>	<b>£</b>	<i>£</i>
Cash at bank and in hand	<b>1,167,310</b>	<i>2,498,203</i>	<b>321,262</b>	<i>1,897,180</i>
	<b><u>1,167,310</u></b>	<i><u>2,498,203</u></i>	<b><u>321,262</u></b>	<i><u>1,897,180</u></i>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**20. Creditors: Amounts falling due within one year**

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2022</b>	<i>2021</i>	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>	<b>£</b>	<i>£</i>
Bank loans	<b>490,600</b>	<i>333,333</i>	<b>490,600</b>	<i>333,333</i>
Trade creditors	<b>546,554</b>	<i>533,272</i>	<b>356,062</b>	<i>260,977</i>
Other taxation and social security	<b>492,419</b>	<i>708,015</i>	<b>362,289</b>	<i>660,469</i>
Other creditors	<b>31,749</b>	<i>18,452</i>	<b>26,918</b>	<i>13,681</i>
Accruals and deferred income	<b>1,166,993</b>	<i>793,836</i>	<b>505,006</b>	<i>390,396</i>
	<b><u>2,728,315</u></b>	<i><u>2,386,908</u></i>	<b><u>1,740,875</u></b>	<i><u>1,658,856</u></i>

The following liabilities were secured:

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2022</b>	<i>2021</i>	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>	<b>£</b>	<i>£</i>
Bank loans	<b>400,000</b>	<i>333,333</i>	<b>400,000</b>	<i>333,333</i>
	<b><u>400,000</u></b>	<i><u>333,333</u></i>	<b><u>400,000</u></b>	<i><u>333,333</u></i>

Details of security provided:

The liabilities reported in the above table are secured by way of a fixed and floating charge over all company assets registered on the 4 May 2017 in favour of Lloyds Bank PLC.

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**21. Creditors: Amounts falling due after more than one year**

	<b>Group</b> <b>2022</b> £	<i>Group</i> <i>2021</i> £	<b>Company</b> <b>2022</b> £	<i>Company</i> <i>2021</i> £
Bank loans	<b>1,772,226</b>	1,666,667	<b>1,772,226</b>	1,666,667
Other loans	<b>106,891</b>	106,891	-	-
	<u><b>1,879,117</b></u>	<u>1,773,558</u>	<u><b>1,772,226</b></u>	<u>1,666,667</u>

The following liabilities were secured:

	<b>Group</b> <b>2022</b> £	<i>Group</i> <i>2021</i> £	<b>Company</b> <b>2022</b> £	<i>Company</i> <i>2021</i> £
Bank loans	<b>1,266,667</b>	1,666,667	<b>1,266,667</b>	1,666,667
	<u><b>1,266,667</b></u>	<u>1,666,667</u>	<u><b>1,266,667</b></u>	<u>1,666,667</u>

Details of security provided:

The liabilities reported in the above table are secured by way of a fixed and floating charge over all company assets registered on the 4 May 2017 in favour of Lloyds Bank PLC.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	<b>Group</b> <b>2022</b> £	<i>Group</i> <i>2021</i> £	<b>Company</b> <b>2022</b> £	<i>Company</i> <i>2021</i> £
Repayable by instalments	<b>45,448</b>	66,667	<b>45,448</b>	66,667
	<u><b>45,448</b></u>	<u>66,667</u>	<u><b>45,448</b></u>	<u>66,667</u>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**22. Loans**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
<b>Amounts falling due within one year</b>				
Bank loans	<b>490,600</b>	333,333	<b>490,600</b>	333,333
	<b>490,600</b>	333,333	<b>490,600</b>	333,333
<b>Amounts falling due 1-2 years</b>				
Bank loans	<b>500,864</b>	400,000	<b>500,864</b>	400,000
Other loans	<b>106,891</b>	106,891	-	-
	<b>607,755</b>	506,891	<b>500,864</b>	400,000
<b>Amounts falling due 2-5 years</b>				
Bank loans	<b>1,225,914</b>	1,200,000	<b>1,225,914</b>	1,200,000
	<b>1,225,914</b>	1,200,000	<b>1,225,914</b>	1,200,000
<b>Amounts falling due after more than 5 years</b>				
Bank loans	<b>45,448</b>	66,667	<b>45,448</b>	66,667
	<b>45,448</b>	66,667	<b>45,448</b>	66,667
	<b>2,369,717</b>	<i>2,106,891</i>	<b>2,262,826</b>	<i>2,000,000</i>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**23. Financial instruments**

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2022</b>	<i>2021</i>	<b>2022</b>	<i>2021</i>
	£	£	£	£
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	<b>1,167,310</b>	2,498,203	<b>321,262</b>	1,897,180
Financial assets that are debt instruments measured at amortised cost	<b>2,119,647</b>	1,241,760	<b>4,002,700</b>	2,468,576
	<u><b>3,286,957</b></u>	<u>3,739,963</u>	<u><b>4,323,962</b></u>	<u>4,365,756</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u><b>(3,336,112)</b></u>	<u>(3,254,948)</u>	<u>-</u>	<u>-</u>

**24. Deferred taxation**

**Group**

	<b>2022</b>
	£
At beginning of year	<b>696,869</b>
Charged to profit or loss	<b>(135,169)</b>
<b>At end of year</b>	<u><b>561,700</b></u>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**24. Deferred taxation (continued)**

**Company**

	<b>2022</b> £
At beginning of year	594,498
Charged to profit or loss	(130,555)
<b>At end of year</b>	<b>463,943</b>

	<b>Group</b> 2022 £	<i>Group</i> 2021 £	<b>Company</b> 2022 £	<i>Company</i> 2021 £
Accelerated capital allowances	(6,083)	(11,336)	(498)	(3,735)
Tax losses carried forward	567,783	708,205	464,441	598,233
	<u>561,700</u>	<u>696,869</u>	<u>463,943</u>	<u>594,498</u>

**25. Share capital**

	<b>2022</b> £	<i>2021</i> £
<b>Allotted, called up and fully paid</b>		
210,000 (2021 - 210,000) A Ordinary shares of £0.0001-	21.00	21.00
3,939 (2021 - 3,900) C Ordinary shares of £0.0001-	0.39	0.39
	<u>21.39</u>	<u>21.39</u>

**26. Reserves**

**Capital redemption reserve**

The capital redemption reserve represents the nominal value of shares that have been repurchased by the Group.

**Profit & loss account**

The profit & loss account includes all current and prior period retained profits and losses.

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2022

**27. Share based payments**

The outstanding share options recorded below relate to options held over Ordinary B shares. There is no observable market price for these shares as there has been no previous share transactions for this share class. The company director's have measured fair value using agreements reached with UK tax authorities and market data to the greatest extent practicable to estimate what the price of the share options would be on the grant date in an arm's length transaction between knowledgeable, willing parties.

	<b>Weighted average exercise price (pence) 2022</b>	<b>Number 2022</b>	<i>Weighted average exercise price (pence) 2021</i>	<i>Number 2021</i>
Outstanding at the beginning of the year	100	224	100	224
<b>Outstanding at the end of the year</b>	<b>100</b>	<b>224</b>	<b>100</b>	<b>224</b>
			<b>2022</b>	<i>2021</i>
			£	£
Equity-settled schemes			<b>224</b>	224
			<b>224</b>	<b>224</b>

**28. Capital commitments**

At 31 March 2022 the Group and Company had capital commitments as follows:

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Contracted for but not provided in these financial statements	-	170,256	-	170,256
	<b>-</b>	<b>170,256</b>	<b>-</b>	<b>170,256</b>

**29. Pension commitments**

The Group contributes in to a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £220,478 (2021 - £188,983). Contributions totalling £7,675 (2021 - £8,230) were payable to the fund at the balance sheet date and are included in creditors.

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**FUNDAMENTALS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2022**

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**30. Commitments under operating leases**

At 31 March 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2022</b>	<i>2021</i>	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>	<b>£</b>	<i>£</i>
Not later than 1 year	<b>153,172</b>	<i>169,947</i>	<b>135,655</b>	<i>135,630</i>
Later than 1 year and not later than 5 years	<b>216,543</b>	<i>281,643</i>	<b>216,543</b>	<i>264,126</i>
	<hr/> <b>369,715</b> <hr/>	<hr/> <i>451,590</i> <hr/>	<hr/> <b>352,198</b> <hr/>	<hr/> <i>399,756</i> <hr/>

**31. Related party transactions**

The company has made use of the exemption in FRS102 paragraph 33.1A not to disclose transactions with 100% group companies.

The Company paid FDS Director Services Limited for services on an arms length basis. FDS Director Services Limited is owned and controlled by Mrs B Haigh-Rosser. The total payments to FDS Director Services Limited amounted to £42,000 (2021 - £7,500).

**32. Controlling party**

The ultimate controlling party is Mr J Hiscock.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.