

Company registration number 07538602 (England and Wales)

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

COMPANY INFORMATION

Directors	O L Gibbons A J L Bethel T J Robinson	(Appointed 4 July 2022)
Secretary	C Villette	
Company number	07538602	
Registered office	219 Kensington High Street Kensington London United Kingdom W8 6BD	
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough United Kingdom PE1 2SP	
Business address	The Barn Oakley Hay Lodge Great Folds Road Corby Northamptonshire United Kingdom NN18 9AS	

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

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FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

Fulkrum Technical Resources (FTR) is a technical agency specialising in the provision of QA/QC and inspection service personnel throughout the upstream and downstream oil and gas industry on a global scale. FTR also similarly specialises in the renewables market.

FTR partners with our clients throughout the project lifecycle, bringing together specialist experience and an industry understanding that spans the entire energy supply chain, from feasibility, FEED and detailed design, through to procurement, fabrication, construction, commissioning and beyond.

During the past decade we have provided services in support of numerous energy projects and our global network is second to none.

FTR is operational on every continent, in more than 25 countries with staffed offices in the US, UK, UAE, KSA, Brazil and Malaysia, covering all time-zones. FTR clients have immediate access to our global resource of more than 1.6 million experienced and skilled professionals giving us significant competitive advantage. Under our ISO9001 certified quality management system, FTR has an absolute commitment to quality in every aspect of its service provision.

We have focussed on our growing international reputation and unlike our competitors, we have a strategy to have no minimum lead time. Our network of professionals can be called upon at short notice enabling us to support next or even same day assignments. Our innovative approach enables us to pay comparable rates while keeping margins low, offering unrivalled value without compromising on quality of service.

Principal risks and uncertainties

The directors are aware of the risks that the Company faces from other UK and global competitors; however they are confident that the level of service and knowledge of the industry within the business will ensure its profitable future. The Company's specific risks in connection with financial instruments are set out below.

The Company's principal financial instruments include an invoice finance facility and bank loans, the main purpose of which are to manage cashflow for the Company's operations. In addition, the Company has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations.

i) Liquidity and cashflow risk

The Company manages its cash and borrowing requirements to minimise interest cost and expense, whilst ensuring that the Company has sufficient liquid resources to meet the operating needs of its business.

ii) Foreign currency risk

The functional currencies are US dollar, Euro and sterling, however the Company is exposed to foreign currency risk due to overseas trading. The Company manages this risk by continual monitoring of the various exchange rates.

iii) Credit risk

The Company has no significant concentration of credit risk. Weekly credit control manages overdue debts and if a customer does not pay we have the option of ceasing services to them. Traditionally the Company has not suffered with bad debts and has good relationships with its customers.

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Key performance indicators

The Company uses Key Performance Indicators ('KPIs') to provide a well balanced and comprehensive review of the Company's overall performance.

KPIs are monitored in a number of financial areas. Financial KPIs include turnover, gross profit, operating profit, and the cash position, all of which are presented on either the Statement of Comprehensive Income or on the Balance Sheet.

The directors consider revenue and margin as the key financial metrics against which the performance of the Company is measured.

Trading performance and financial results

With further lockdowns and uncertainty in 2021 the business saw a slight fall in revenues and gross margin, however, gross margin percentage increased to 19.9%. The fall in net profit in 2021 is due to additional specific management charges associated with global expansion and when they are excluded there was a 12% reduction on administrative expenses.

During the 1st 3 months of 2021 there was a very limited level of furloughing and measures taken in 2020 to deal with the pandemic such as enhanced debt management and cash management have become embedded to minimise business risk. There was a degree of consolidation during the year to prepare for further ongoing growth.

Prospects and future outlook

The focus of 2022 and the next few years is to continue with the program of expanding our global presence and reputation whilst developing our expertise in renewables and green energy as well as making us as be the number one in terms of service at competitive rates. The tactical elements of our growth strategy break down broadly into the establishment of further key branch locations such as India, Guyana, Italy and Qatar, the addition of complimentary service lines such as manpower provision, asset integrity and quality engineering services, and expansion into synergistic markets such as renewables, power, chemicals and shipbuilding.

Continuing with the strategy set in 2020 there remains a focus on People, Process and Tools, which will see the teams work more effectively, driven by commercial awareness and improved collaboration within the business. There is also emphasis on ensuring employee well-being after a challenging year with remote working and new staff joining the business.

On behalf of the board

O L Gibbons
Director

18 October 2022

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company and group continued to be that of technical consultancy to the oil and gas industry.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

O L Gibbons

A J L Bethel

T B Davies

T J Robinson

(Resigned 4 July 2022)

(Appointed 4 July 2022)

Auditor

Azets Audit Services were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

O L Gibbons

Director

18 October 2022

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

Opinion

We have audited the financial statements of Fulkrum Technical Resources Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2021 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 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 and 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.

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.

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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 their 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 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, 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and 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 indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

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.

Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

18 October 2022

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	20,315,896	21,416,763
Cost of sales		(16,271,471)	(17,299,159)
Gross profit		4,044,425	4,117,604
Administrative expenses		(3,846,622)	(2,543,819)
Other operating income		-	66,609
Operating profit	4	197,803	1,640,394
Share of results of associates		(57,404)	483,160
Interest payable and similar expenses	8	(95,182)	(113,285)
Profit before taxation		45,217	2,010,269
Tax on profit	9	(76,426)	(262,444)
(Loss)/profit for the financial year		(31,209)	1,747,825
(Loss)/profit for the financial year is attributable to:			
- Owners of the parent company		(33,118)	1,743,759
- Non-controlling interests		1,909	4,066
		(31,209)	1,747,825

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
(Loss)/profit for the year	(31,209)	1,747,825
Other comprehensive income		
Currency translation differences	(77,785)	73,466
Total comprehensive income for the year	<u>(108,994)</u>	<u>1,821,291</u>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	(110,903)	1,814,902
- Non-controlling interests	1,909	6,389
	<u>(108,994)</u>	<u>1,821,291</u>

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		18,121		424,863
Investments	12		346,798		404,202
			<u>364,919</u>		<u>829,065</u>
Current assets					
Debtors	14	6,335,532		6,338,383	
Cash at bank and in hand		<u>149,988</u>		<u>466,106</u>	
		6,485,520		6,804,489	
Creditors: amounts falling due within one year	15	<u>(3,379,388)</u>		<u>(3,677,433)</u>	
Net current assets			<u>3,106,132</u>		<u>3,127,056</u>
Total assets less current liabilities			<u>3,471,051</u>		<u>3,956,121</u>
Creditors: amounts falling due after more than one year	16		(139,409)		(376,003)
Provisions for liabilities					
Deferred tax liability	18	<u>-</u>	<u>-</u>	<u>20,504</u>	<u>(20,504)</u>
Net assets			<u><u>3,331,642</u></u>		<u><u>3,559,614</u></u>
Capital and reserves					
Called up share capital	20		2,000		2,000
Other reserves			45,577		123,494
Profit and loss reserves			<u>3,246,702</u>		<u>3,398,798</u>
Equity attributable to owners of the parent company			<u>3,294,279</u>		<u>3,524,292</u>
Non-controlling interests			<u>37,363</u>		<u>35,322</u>
			<u><u>3,331,642</u></u>		<u><u>3,559,614</u></u>

The financial statements were approved by the board of directors and authorised for issue on 18 October 2022 and are signed on its behalf by:

O L Gibbons
Director

T J Robinson
Director

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		16,692		409,793
Investments	12		374,288		374,288
			<u>390,980</u>		<u>784,081</u>
Current assets					
Debtors	14	5,959,234		6,632,403	
Cash at bank and in hand		20,476		62,483	
		<u>5,979,710</u>		<u>6,694,886</u>	
Creditors: amounts falling due within one year	15	(4,390,243)		(5,374,689)	
Net current assets			<u>1,589,467</u>		<u>1,320,197</u>
Total assets less current liabilities			<u>1,980,447</u>		<u>2,104,278</u>
Creditors: amounts falling due after more than one year	16		(139,409)		(376,003)
Provisions for liabilities					
Deferred tax liability	18	-		20,504	
		<u>-</u>	<u>-</u>	<u>20,504</u>	<u>(20,504)</u>
Net assets			<u><u>1,841,038</u></u>		<u><u>1,707,771</u></u>
Capital and reserves					
Called up share capital	20		2,000		2,000
Profit and loss reserves			1,839,038		1,705,771
Total equity			<u><u>1,841,038</u></u>		<u><u>1,707,771</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £133,267 (2020 - £700,237 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 18 October 2022 and are signed on its behalf by:

O L Gibbons
Director

T J Robinson
Director

Company Registration No. 07538602

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Other reserves	Profit and loss reserves	Total non-controlling interest	Total
Notes	£	£	£	£	£
Balance at 1 January 2020	2,000	50,028	2,083,995	2,136,023	2,164,956
Year ended 31 December 2020:					
Profit for the year	-	-	1,743,759	1,743,759	1,747,825
Other comprehensive income:					
Currency translation differences	-	-	73,466	73,466	73,466
Amounts attributable to non-controlling interests	-	-	(2,323)	(2,323)	-
Total comprehensive income for the year	-	-	1,814,902	1,814,902	1,821,291
Dividends	-	-	(426,633)	(426,633)	(426,633)
Other movements	-	73,466	(73,466)	-	-
Balance at 31 December 2020	2,000	123,494	3,398,798	3,524,292	3,559,614
Year ended 31 December 2021:					
Loss for the year	-	-	(33,118)	(33,118)	(31,209)
Other comprehensive income:					
Currency translation differences	-	-	(77,785)	(77,785)	(77,785)
Total comprehensive income for the year	-	-	(110,903)	(110,903)	(108,994)
Other movements	-	(77,917)	(41,193)	(119,110)	(118,978)
Balance at 31 December 2021	2,000	45,577	3,246,702	3,294,279	3,331,642

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2020		2,000	1,432,168	1,434,168
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	700,236	700,236
Dividends	10	-	(426,633)	(426,633)
Balance at 31 December 2020		2,000	1,705,771	1,707,771
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	133,267	133,267
Balance at 31 December 2021		2,000	1,839,038	1,841,038

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	23		132,438		897,039
Interest paid			(95,182)		(113,285)
Income taxes paid			(386,630)		(175,207)
Net cash (outflow)/inflow from operating activities			(349,374)		608,547
Investing activities					
Purchase of tangible fixed assets		(17,500)		-	
Proceeds on disposal of tangible fixed assets		370,001		-	
Proceeds on disposal of investment property		-		115,540	
Net cash generated from investing activities			352,501		115,540
Financing activities					
Repayment of bank loans		(241,460)		(54,259)	
Dividends paid to equity shareholders		-		(426,633)	
Net cash used in financing activities			(241,460)		(480,892)
Net (decrease)/increase in cash and cash equivalents			(238,333)		243,195
Cash and cash equivalents at beginning of year			466,106		149,445
Effect of foreign exchange rates			(77,785)		73,466
Cash and cash equivalents at end of year			149,988		466,106

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	24	751,386		320,821	
Interest paid		(95,182)		(113,285)	
Income taxes paid		(240,186)		(41,349)	
Net cash inflow from operating activities		416,018		166,187	
Investing activities					
Purchase of tangible fixed assets		(17,500)		-	
Proceeds on disposal of tangible fixed assets		370,001		-	
Proceeds on disposal of investment property		-		115,540	
Proceeds on disposal of subsidiaries		-		36,367	
Receipts arising from loans made		(569,066)		204,008	
Net cash (used in)/generated from investing activities		(216,565)		355,915	
Financing activities					
Repayment of bank loans		(241,460)		(54,259)	
Dividends paid to equity shareholders		-		(426,633)	
Net cash used in financing activities		(241,460)		(480,892)	
Net (decrease)/increase in cash and cash equivalents		(42,007)		41,210	
Cash and cash equivalents at beginning of year		62,483		21,273	
Cash and cash equivalents at end of year		20,476		62,483	

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Fulkrum Technical Resources Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of Fulkrum Technical Resources Ltd and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Fulkrum Technical Resources Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings freehold	50 years straight line
Leasehold improvements	15 years straight line
Fixtures and fittings	3 years straight line
Motor vehicles	3 years straight line

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets 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 it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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 pre-tax 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 not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Technical consultancy to the oil and gas industry	20,315,896	21,416,763

	2021	2020
	£	£
Turnover analysed by geographical market		
UK	2,544,299	7,005,353
USA	7,857,791	8,807,361
Rest of World	9,913,806	5,604,049
	20,315,896	21,416,763

	2021	2020
	£	£
Other revenue		
Grants received	-	66,609

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(9,507)	216,267
Government grants	-	(66,609)
Depreciation of owned tangible fixed assets	25,934	21,199
Loss on disposal of tangible fixed assets	28,307	-
(Profit)/loss on disposal of investment property	-	35
Operating lease charges	22,277	25,626

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	15,000	12,000

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
41	37	27	23

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	1,307,355	1,531,628	735,887	770,153
Social security costs	76,132	60,391	74,096	60,391
Pension costs	24,296	12,825	19,104	12,825
	<u>1,407,783</u>	<u>1,604,844</u>	<u>829,087</u>	<u>843,369</u>

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	<u>186,638</u>	<u>197,317</u>

8 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	2,512	4,611
Interest on invoice finance arrangements	72,474	61,199
Other interest on financial liabilities	19,973	47,140
	<u>94,959</u>	<u>112,950</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	223	335
Total finance costs	<u>95,182</u>	<u>113,285</u>

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	57,778	149,612
Adjustments in respect of prior periods	29,987	(19,552)
Total UK current tax	87,765	130,060
Foreign current tax on profits for the current period	9,165	133,858
Total current tax	96,930	263,918
Deferred tax		
Origination and reversal of timing differences	(20,504)	(1,474)
Total tax charge	76,426	262,444

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	45,217	2,010,269
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	8,591	381,951
Tax effect of expenses that are not deductible in determining taxable profit	1,246	33
Adjustments in respect of prior years	-	(19,552)
Double tax relief	(15,767)	-
Permanent capital allowances in excess of depreciation	34,199	2,337
Effect of overseas tax rates	48,157	(102,325)
Taxation charge	76,426	262,444

10 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Final paid	-	426,633

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Tangible fixed assets

Group	Land and buildings freehold	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2021	280,000	193,096	40,308	10,495	523,899
Additions	-	-	-	17,500	17,500
Disposals	(280,000)	(193,096)	-	-	(473,096)
At 31 December 2021	-	-	40,308	27,995	68,303
Depreciation and impairment					
At 1 January 2021	23,291	43,800	25,238	6,707	99,036
Depreciation charged in the year	2,333	5,364	13,641	4,596	25,934
Eliminated in respect of disposals	(25,624)	(49,164)	-	-	(74,788)
At 31 December 2021	-	-	38,879	11,303	50,182
Carrying amount					
At 31 December 2021	-	-	1,429	16,692	18,121
At 31 December 2020	256,709	149,296	15,070	3,788	424,863
Company					
	Land and buildings freehold	Leasehold improvements	Motor vehicles	Total	
	£	£	£	£	
Cost					
At 1 January 2021	280,000	193,096	10,495	483,591	
Additions	-	-	17,500	17,500	
Disposals	(280,000)	(193,096)	-	(473,096)	
At 31 December 2021	-	-	27,995	27,995	
Depreciation and impairment					
At 1 January 2021	23,291	43,800	6,707	73,798	
Depreciation charged in the year	2,333	5,364	4,596	12,293	
Eliminated in respect of disposals	(25,624)	(49,164)	-	(74,788)	
At 31 December 2021	-	-	11,303	11,303	
Carrying amount					
At 31 December 2021	-	-	16,692	16,692	
At 31 December 2020	256,709	149,296	3,788	409,793	

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	13	346,798	404,202	374,288	374,288

Movements in fixed asset investments Group

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2021	404,202
Valuation changes	(57,404)
At 31 December 2021	346,798
Carrying amount	
At 31 December 2021	346,798
At 31 December 2020	404,202

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2021 and 31 December 2021	374,288
Carrying amount	
At 31 December 2021	374,288
At 31 December 2020	374,288

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct
Fulkrum Technical Resources (Singapore) PTE. Ltd	1	Ordinary	90.00
Fulkrum Technical Resources Inc	2	Ordinary	100.00
Fulkrum Technical Resources Inspection & Consultancy LLC	3	Ordinary	49.00
Fulkrum Technical Resources Saudi Arabia Limited	4	Ordinary	85.00
Fulkrum Technical Resources Limitada	5	Ordinary	100.00

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Subsidiaries

(Continued)

Registered office addresses (all UK unless otherwise indicated):

- 1 9 Raffles Place 26-01, Republic Plaza, Singapore 048619, Singapore
- 2 1415 North Loop West, Suite 800, 77008 Houston, Texas, USA
- 3 8th Floor, Mazyad Tower 3, Mohamed Bin Zayed City, Abu Dhabi, United Arab Emirates
- 4 R-201, Unit No. 303, Kanoo Building (Building 5354), Al Khobar, 34433-6174, King Fahd Road, Khobar, Damman Highway, Kingdom of Saudi Arabia
- 5 Avn Rio Branco 115, PAV 19, Centro, Rio De Janeiro, Brazil

The company also has indirect control of Fulkrum Technical Resources - Sociedade Unipessoal LDA, a company incorporated in Mozambique and Fulkrum Technical Resources SDN BHD, a company incorporated in Malaysia.

14 Debtors

	Group 2021	2020	Company 2021	2020
Amounts falling due within one year:	£	£	£	£
Trade debtors	863,499	1,681,822	611,168	1,633,352
Corporation tax recoverable	170,075	-	32,796	-
Amounts owed by group undertakings	1,726,372	1,997,733	1,844,620	2,351,930
Other debtors	950,912	28,856	950,912	28,856
Prepayments and accrued income	2,624,674	2,629,972	2,519,738	2,618,265
	<u>6,335,532</u>	<u>6,338,383</u>	<u>5,959,234</u>	<u>6,632,403</u>

Debtors are disclosed net of £3,516,397 (2020 - £2,606,618) which has been advanced from an invoice financing facility provided by HSBC Invoice Finance (UK) Limited. HSBC Invoice Finance (UK) Limited hold a fixed charge on the non-vesting debts and a floating charge over other assets.

15 Creditors: amounts falling due within one year

		Group 2021	2020	Company 2021	2020
	Notes	£	£	£	£
Bank loans	17	75,275	80,141	75,275	80,141
Trade creditors		1,372,156	1,114,197	1,291,843	1,070,732
Amounts owed to group undertakings		-	-	1,529,757	1,762,175
Amounts owed to undertakings in which the group has a participating interest		-	-	31,623	-
Corporation tax payable		-	119,625	-	119,625
Other taxation and social security		218,923	173,355	207,417	173,355
Other creditors		1,041,391	994,472	652,743	979,834
Accruals and deferred income		671,643	1,195,643	601,585	1,188,827
		<u>3,379,388</u>	<u>3,677,433</u>	<u>4,390,243</u>	<u>5,374,689</u>

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Creditors: amounts falling due within one year (Continued)

HSBC Bank Plc hold a fixed and floating charge over all assets of the company.

16 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	17	139,409	376,003	139,409	376,003

17 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	214,684	456,144	214,684	456,144
Payable within one year	75,275	80,141	75,275	80,141
Payable after one year	139,409	376,003	139,409	376,003

The bank loan is secured by a legal charge over the commercial property.

A personal guarantee has also been provided to Funding Circle by the director, O Gibbons.

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	-	20,504
Company	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	-	20,504

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18	Deferred taxation	(Continued)	
		Group	Company
		2021	2021
		£	£
	Movements in the year:		
	Liability at 1 January 2021	20,504	20,504
	Credit to profit or loss	(20,504)	(20,504)
	Asset at 31 December 2021	-	-

The deferred tax liability set out above is expected to reverse within and relates to accelerated capital allowances that are expected to mature.

19	Retirement benefit schemes	2021	2020
		£	£
	Defined contribution schemes		
	Charge to profit or loss in respect of defined contribution schemes	24,296	12,825

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

20	Share capital	2021	2020	2021	2020
	Group and company	Number	Number	£	£
	Ordinary share capital				
	Issued and fully paid				
	Ordinary A of 1p each	100,000	100,000	1,000	1,000
	Ordinary B of 1p each	100,000	100,000	1,000	1,000
		200,000	200,000	2,000	2,000

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

21 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	6,739	587	6,739	587
Between two and five years	-	147	-	147
	<u>6,739</u>	<u>734</u>	<u>6,739</u>	<u>734</u>

22 Related party transactions

During the year services amounting to £19,000 (2020 - £30,500) were purchased from The FD Centre for the accounting consultancy services of T Davies.

All transactions were at arms length and on normal commercial terms.

23 Cash generated from group operations

	2021 £	2020 £
(Loss)/profit for the year after tax	(31,209)	1,747,825
Adjustments for:		
Share of results of associates and joint ventures	57,404	(483,160)
Taxation charged	76,426	262,444
Finance costs	95,182	113,285
Loss on disposal of tangible fixed assets	28,307	-
(Gain)/loss on disposal of investment property	-	35
Depreciation and impairment of tangible fixed assets	25,934	21,199
Movements in working capital:		
Decrease/(increase) in debtors	172,926	(2,736,994)
(Decrease)/increase in creditors	(292,532)	1,972,405
Cash generated from operations	<u>132,438</u>	<u>897,039</u>

FULKRUM TECHNICAL RESOURCES LTD AND ITS GROUP UNDERTAKINGS

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

24 Cash generated from operations - company

	2021 £	2020 £
Profit for the year after tax	133,267	700,236
Adjustments for:		
Taxation charged	67,261	128,586
Finance costs	95,182	113,285
Loss on disposal of tangible fixed assets	28,307	-
(Gain)/loss on disposal of investment property	-	35
Depreciation and impairment of tangible fixed assets	12,293	21,083
Movements in working capital:		
Decrease/(increase) in debtors	1,275,031	(2,973,373)
(Decrease)/increase in creditors	(859,955)	2,330,969
Cash generated from operations	751,386	320,821

25 Analysis of changes in net funds/(debt) - group

	1 January 2021 £	Cash flows £	Exchange rate movements £	31 December 2021 £
Cash at bank and in hand	466,106	(238,333)	(77,785)	149,988
Borrowings excluding overdrafts	(456,144)	241,460	-	(214,684)
	<u>9,962</u>	<u>3,127</u>	<u>(77,785)</u>	<u>(64,696)</u>

26 Analysis of changes in net debt - company

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	62,483	(42,007)	20,476
Borrowings excluding overdrafts	(456,144)	241,460	(214,684)
	<u>(393,661)</u>	<u>199,453</u>	<u>(194,208)</u>

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.