

**FUNDAMENTALS LIMITED**

**AUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 March 2020**

THURSDAY



\*A9KLBZCE\*

A09

24/12/2020

#286

COMPANIES HOUSE

---

**FUNDAMENTALS LIMITED**

---

**COMPANY INFORMATION**

---

<b>Directors</b>	Dr J Hiscock Mr D Bage Mr M Harris Mr J Humble Dr V Thornley Mr M Ansell (appointed 12 July 2019)
<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 Accountants & Statutory Auditors 8 King Edward Street Oxford OX1 4HL

---

**FUNDAMENTALS LIMITED**

---

**CONTENTS**

---

	<b>Page</b>
<b>Group Strategic Report</b>	1 - 3
<b>Directors' Report</b>	4 - 5
<b>Independent Auditors' Report</b>	6 - 8
<b>Consolidated Statement of Comprehensive Income</b>	9
<b>Consolidated Balance Sheet</b>	10 - 11
<b>Company Balance Sheet</b>	12 - 13
<b>Consolidated Statement of Changes in Equity</b>	14 - 15
<b>Company Statement of Changes in Equity</b>	16 - 17
<b>Consolidated Statement of Cash Flows</b>	18 - 19
<b>Notes to the Financial Statements</b>	20 - 48

---

## FUNDAMENTALS LIMITED

---

### GROUP STRATEGIC REPORT For the Year Ended 31 March 2020

---

#### Introduction

Following several years of significant growth, both organic and inorganic, the business has experienced a year of consolidation as it seeks to position itself for the next period of growth which will involve portfolio expansion and internationalisation. During the year, management has constructed a clear strategy and a detailed plan for the next five years of growth to realise its ambitions. Although the Covid-19 pandemic did not have any impact on the most recent financial year, it will do in the FY'20/'21 and possibly beyond.

#### Business review

With a very significant market share of the core business in the UK it is increasingly difficult to maintain the growth levels the business has achieved over recent years. The group financial results for the year show an essentially flat year and support this view. There are many areas in the business which have seen significant steps forward and although not yet revenue generating, are on track to contribute to the growth objectives and the ambition to become an international technology company.

The expansion of the product portfolio has required increasing levels of investment and has resulted in recruitment of many people in the technology and business development teams, from software and hardware engineering to marketing and application engineering. The rationalisation of the plan into four distinct but inter-related themes has facilitated a very clear development pathway. Some of the developing technology and solutions has involved trials with customers which proves the promise of the ultimate commercial solution(s).

Alongside the portfolio expansion the business is planning to establish a wider international presence. The Australian subsidiary business is developing very well and is expected to play a key part of the growth journey due to the similarities to the UK electricity grid structure and challenges. This has been strengthened by the recent (summer 2020) acquisition and integration of Perth-based SystemCORP Energy Pty Ltd who bring market-leading communications, IoT (Internet of Things) and Smart Grid technology to the portfolio.

The development of other international markets will involve engagement with Value Added Resellers (VARs) who have strong relationships with utility customers, experience with product approvals and system integration capabilities. We already have a VAR in the Middle East (based in the UAE) and have recently engaged a VAR in South-East Asia (based in Malaysia).

From an operational perspective, the business has continued to invest in manufacturing and production capabilities, but also in the systems and processes which are critical to being able to operate in the electricity industry. Health and safety, environmental and quality considerations are fundamental to the success of the group and continue to be promoted by management across all group companies.

---

## FUNDAMENTALS LIMITED

---

### GROUP STRATEGIC REPORT (CONTINUED) For the Year Ended 31 March 2020

---

#### Principal risks and uncertainties

There are a number of external factors which present risks to delivery of the business plan. The most recent and serious issue to appear is the Covid-19 pandemic which although did not affect the FY'19/20 results could have a significant impact on future business performance. The mode of working has changed significantly with most office workers now working from home. Productivity seems to be holding up well but only time will tell as to how this might be maintained, recognising that much of the workforce would like to resume some level of office-based working as they seek more human interaction.

The energy regulator, Ofgem, is not allowing for any special variations to the plans committed by electricity companies for the current price control period up to March 2023. There have been inevitable interruptions to work programmes during the course of 2020 as a result of Covid-19 and we therefore expect to see some level of increased demand in order for customers to get their plans back on track for delivery of their 2023 objectives.

The Group has assessed the opportunities and risks associated with Brexit, specifically in respect of the supply chain, and have put into place contingencies including a prudent increase in stock levels. Currently the Group has no significant export business to customers in the European Union, but an unfavourable trading relationship might affect future plans.

One of the uncertainties for the business is related to recruitment of talent required to support the longer-term plan. Although there is confidence in placing more operational personnel to be able to increase production and support resourcing, there could be more difficulty in recruiting more technical staff to help deliver the technology plan. We are mitigating to an extent by recruiting as much for attitude as for skill but also by continuing to invest in apprenticeships and corresponding training.

#### 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.

---

**FUNDAMENTALS LIMITED**

---

**GROUP STRATEGIC REPORT (CONTINUED)**  
**For the Year Ended 31 March 2020**

---

**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 has continued to invest significantly in the development of the 'Organisational Health' 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.

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

DocuSigned by:  
*Jon Hiscock*  
445E18B5826142B...  
**Dr J Hiscock**  
Director

DocuSigned by:  
*David Bage*  
C53AD036E354439...  
**Mr D Bage**  
Director

Date: 22-12-20

---

## FUNDAMENTALS LIMITED

---

### DIRECTORS' REPORT For the Year Ended 31 March 2020

---

The directors present their report and the financial statements for the year ended 31 March 2020.

#### 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 profit for the year, after taxation and minority interests, amounted to £1,368,988 (2019 - £1,454,025).

Dividends for the year amounted to £240,000 (2019 - £270,000)

#### 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 (appointed 12 July 2019)

---

**FUNDAMENTALS LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)**  
**For the Year Ended 31 March 2020**

---

**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**

The Company continues to monitor the effects of COVID-19 outbreak which has been declared as a pandemic by the World Health Organization. The outbreak has not only prompted widespread health concerns, but has caused recent deteriorations in global market conditions. The eventual outcome is highly uncertain and is largely dependent on how successful authorities are at containing and managing the outbreak. For further information concerning the assessment of COVID-19 impact on the Financial Statements please refer to the Strategic Report.

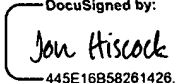
The Board of Directors considers the emergence of the COVID-19 coronavirus pandemic to be a non-adjusting post balance sheet event and hence any future impact is likely to be in connection with the assessment of the fair value of assets and liabilities affected, in future periods investments at future valuation dates.

There are no other significant subsequent events that need to be disclosed or reflected in the annual accounts.

**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.

DocuSigned by:  
  
445E16958261426...  
**Dr J Hiscock**  
Director

Date: 22-12-20

DocuSigned by:  
  
C53AD036E354439...  
**Mr D Bage**  
Director

Date: 22-12-20

---

## FUNDAMENTALS LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUNDAMENTALS LIMITED

---

#### Opinion

We have audited the financial statements of Fundamentals Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2020, 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 2020 and of the Group's profit 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 that are due to be sold by the company or undertake alternative measures due to covid-19 lockdown restrictions in place at the balance sheet date. Therefore, we are unable to obtain sufficient audit evidence regarding the existence and condition of inventory 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information

---

## FUNDAMENTALS LIMITED

---

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

---

included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

---

## FUNDAMENTALS LIMITED

---

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

---

#### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, 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.

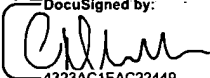
#### Auditors' responsibilities for the audit of the financial statements

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 financial statements.

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.

#### Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  


4323AC1EAC22449...  
Ms Christina Nawrocki (Senior Statutory Auditor)  
for and on behalf of

#### Wellers

Accountants  
Statutory Auditors  
8 King Edward Street  
Oxford  
OX1 4HL

Date: 23-12-20

**FUNDAMENTALS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	3	11,594,500	11,855,371
Cost of sales		(3,969,922)	(4,680,783)
<b>Gross profit</b>		<u>7,624,578</u>	<u>7,174,588</u>
Administrative expenses		(6,427,648)	(5,698,212)
Other operating income	4	58,018	67,093
<b>Operating profit</b>	5	<u>1,254,948</u>	<u>1,543,469</u>
Interest receivable and similar income	9	5,836	2,703
Interest payable and expenses	10	(26,883)	(41,866)
<b>Profit before taxation</b>		<u>1,233,901</u>	<u>1,504,306</u>
Tax on profit	11	182,232	(45,393)
<b>Profit for the financial year</b>		<u><u>1,416,133</u></u>	<u><u>1,458,913</u></u>
<b>Total comprehensive income for the year</b>		<u><u>1,416,133</u></u>	<u><u>1,458,913</u></u>
<b>Profit for the year attributable to:</b>			
Non-controlling interests		47,145	4,888
Owners of the parent Company		1,368,988	1,454,025
		<u><u>1,416,133</u></u>	<u><u>1,458,913</u></u>

The notes on pages 20 to 48 form part of these financial statements.

**FUNDAMENTALS LIMITED**  
Registered number: 02939559

**CONSOLIDATED BALANCE SHEET**  
As at 31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	13	1,112,249	1,294,203
Tangible assets	14	351,192	438,717
Investments	15	77,447	-
		<u>1,540,888</u>	<u>1,732,920</u>
<b>Current assets</b>			
Stocks	16	1,305,661	1,181,977
Debtors	17	2,997,812	1,964,804
Cash at bank and in hand	18	1,774,551	2,846,762
		<u>6,078,024</u>	<u>5,993,543</u>
Creditors: amounts falling due within one year	19	<u>(2,055,314)</u>	<u>(3,067,100)</u>
<b>Net current assets</b>		<u>4,022,710</u>	<u>2,926,443</u>
<b>Total assets less current liabilities</b>		<u>5,563,598</u>	<u>4,659,363</u>
Creditors: amounts falling due after more than one year	20	(544,936)	(816,833)
<b>Provisions for liabilities</b>			
Other provisions	24	<u>(91,857)</u>	<u>(91,857)</u>
		<u>(91,857)</u>	<u>(91,857)</u>
<b>Net assets excluding pension asset</b>		<u>4,926,805</u>	<u>3,750,673</u>
<b>Net assets</b>		<u>4,926,805</u>	<u>3,750,673</u>
<b>Capital and reserves</b>			
Called up share capital	25	24	24
Capital redemption reserve	26	76	76
Profit and loss account	26	5,026,992	3,898,004
<b>Equity attributable to owners of the parent Company</b>		<u>5,027,092</u>	<u>3,898,104</u>
Non-controlling interests		<u>(100,287)</u>	<u>(147,431)</u>
		<u>4,926,805</u>	<u>3,750,673</u>

---

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

---

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**As at 31 March 2020**

---

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

DocuSigned by:  
*Jon Hiscock*  
445E16B58261426...  
**Dr J Hiscock**  
Director

DocuSigned by:  
*David Bage*  
C53AD036E354439...  
**Mr D Bage**  
Director

Date: 22-12-20

The notes on pages 20 to 48 form part of these financial statements.

**FUNDAMENTALS LIMITED**  
Registered number: 02939559

**COMPANY BALANCE SHEET**  
As at 31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	13	146,795	166,395
Tangible assets	14	310,312	379,040
Investments	15	1,509,176	1,431,729
		<u>1,966,283</u>	<u>1,977,164</u>
<b>Current assets</b>			
Stocks	16	703,859	669,179
Debtors	17	3,563,558	2,433,103
Cash at bank and in hand	18	1,024,019	2,305,278
		<u>5,291,436</u>	<u>5,407,560</u>
Creditors: amounts falling due within one year	19	<u>(1,548,204)</u>	<u>(2,667,966)</u>
<b>Net current assets</b>		<b>3,743,232</b>	<b>2,739,594</b>
<b>Total assets less current liabilities</b>		<b>5,709,515</b>	<b>4,716,758</b>
Creditors: amounts falling due after more than one year	20	(277,866)	(526,346)
<b>Provisions for liabilities</b>			
Other provisions	24	(91,857)	(91,857)
		<u>(91,857)</u>	<u>(91,857)</u>
<b>Net assets excluding pension asset</b>		<b>5,339,792</b>	<b>4,098,555</b>
<b>Net assets</b>		<b>5,339,792</b>	<b>4,098,555</b>
<b>Capital and reserves</b>			
Called up share capital	25	24	24
Capital redemption reserve	26	76	76
Profit and loss account carried forward		5,339,692	4,098,455
		<u>5,339,792</u>	<u>4,098,555</u>

---

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

---

**COMPANY BALANCE SHEET (CONTINUED)**  
**As at 31 March 2020**

---

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

DocuSigned by:  
*Jon Hiscock*  
448E16B60281425...  
**Dr J Hiscock**  
Director

DocuSigned by:  
*David Bage*  
C83AD000E354439...  
**Mr D Bage**  
Director

Date: 22-12-20

The notes on pages 20 to 48 form part of these financial statements.

**FUNDAMENTALS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended 31 March 2020

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Non- controlling interests £	Total equity £
At 1 April 2019	24	76	3,898,004	(147,432)	3,750,672
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	1,368,988	47,145	1,416,133
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	1,368,988	47,145	1,416,133
Dividends: Equity capital	-	-	(240,000)	-	(240,000)
<b>Total transactions with owners</b>	-	-	(240,000)	-	(240,000)
<b>At 31 March 2020</b>	<b>24</b>	<b>76</b>	<b>5,026,992</b>	<b>(100,287)</b>	<b>4,926,805</b>

The notes on pages 20 to 48 form part of these financial statements.

**FUNDAMENTALS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended 31 March 2019

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Non- controlling interests £	Total equity £
At 1 April 2018	27	73	3,133,979	(152,320)	2,981,759
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	1,454,025	4,888	1,458,913
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	1,454,025	4,888	1,458,913
Dividends: Equity capital	-	-	(270,000)	-	(270,000)
Purchase of own shares	-	3	(420,000)	-	(419,997)
Shares redeemed during the year	(3)	-	-	-	(3)
<b>Total transactions with owners</b>	(3)	3	(690,000)	-	(690,000)
<b>At 31 March 2019</b>	<b>24</b>	<b>76</b>	<b>3,898,004</b>	<b>(147,432)</b>	<b>3,750,672</b>

The notes on pages 20 to 48 form part of these financial statements.

---

**FUNDAMENTALS LIMITED**

---

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**For the Year Ended 31 March 2020**

---

	<b>Called up share capital</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2019	24	76	4,098,455	4,098,555
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,481,237	1,481,237
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other comprehensive income for the year</b>	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	-	1,481,237	1,481,237
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(240,000)	(240,000)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	-	-	(240,000)	(240,000)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 2020</b>	<b>24</b>	<b>76</b>	<b>5,339,692</b>	<b>5,339,792</b>

The notes on pages 20 to 48 form part of these financial statements.

**FUNDAMENTALS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended 31 March 2019

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2018	27	73	3,267,851	3,267,951
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,520,604	1,520,604
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	1,520,604	1,520,604
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(270,000)	(270,000)
Purchase of own shares	-	3	(420,000)	(419,997)
Shares redeemed during the year	(3)	-	-	(3)
<b>Total transactions with owners</b>	(3)	3	(690,000)	(690,000)
<b>At 31 March 2019</b>	<b>24</b>	<b>76</b>	<b>4,098,455</b>	<b>4,098,555</b>

The notes on pages 20 to 48 form part of these financial statements.

**FUNDAMENTALS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Year Ended 31 March 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,416,133	1,458,913
<b>Adjustments for:</b>		
Amortisation of intangible assets	175,446	172,674
Depreciation of tangible assets	135,375	167,143
Loss on disposal of tangible assets	(6,028)	(1,575)
Interest paid	26,883	41,866
Interest received	(5,836)	(2,703)
Taxation charge	(182,232)	45,393
R&D tax credit	(58,018)	(66,093)
Corporation tax received	16,191	10,571
(Increase) in stocks	(123,683)	(416,225)
(Increase) in debtors	(808,997)	(207,166)
(Decrease)/increase in creditors	(1,012,039)	1,260,429
Increase/(decrease) in provisions	-	(113,143)
<b>Net cash generated from operating activities</b>	<b>(426,805)</b>	<b>2,350,084</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	-	(177,482)
Purchase of tangible fixed assets	(56,938)	(128,766)
Sale of tangible fixed assets	14,418	32,335
Purchase of unlisted and other investments	(77,447)	-
Interest received	5,836	2,703
<b>Net cash from investing activities</b>	<b>(114,131)</b>	<b>(271,210)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	49	-
Purchase of ordinary shares	-	(420,000)
Other new loans	-	4,820
Repayment of loans	(241,024)	(223,630)
Repayment of other loans	(23,417)	-
Interest paid	(26,883)	(41,866)
Dividends paid	(240,000)	(270,000)
<b>Net cash used in financing activities</b>	<b>(531,275)</b>	<b>(950,676)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,072,211)</b>	<b>1,128,198</b>
Cash and cash equivalents at beginning of year	2,846,762	1,718,564

---

**FUNDAMENTALS LIMITED**

---

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**For the Year Ended 31 March 2020**

---

	2020 £	2019 £
<b>Cash and cash equivalents at the end of year</b>	<u><u>1,774,551</u></u>	<u><u>2,846,762</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u>1,774,551</u>	<u>2,846,762</u>
	<u><u>1,774,551</u></u>	<u><u>2,846,762</u></u>

The notes on pages 20 to 48 form part of these financial statements.

---

## FUNDAMENTALS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2020

---

#### 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. These plans have been updated to take into consideration the current information available in respect of the COVID-19 outbreak and Brexit.

Whilst full financial implications are not yet known, based on the Company's current strong financial and liquidity position, the Company is in a position to withstand the financial impact of the pandemic.

---

**FUNDAMENTALS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year-Ended 31 March 2020**

---

**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 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.

---

**FUNDAMENTALS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

---

**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 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

---

## FUNDAMENTALS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2020

---

#### 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.

---

## FUNDAMENTALS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2020

---

#### 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.

---

## FUNDAMENTALS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2020

---

#### 2. Accounting policies (continued)

##### 2.15 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.

##### 2.16 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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

---

## FUNDAMENTALS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2020

---

#### 2. Accounting policies (continued)

##### 2.18 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.

##### 2.19 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.

##### 2.20 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.

##### 2.21 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.

##### 2.22 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.

##### 2.23 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.

---

## FUNDAMENTALS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2020

---

#### 2. Accounting policies (continued)

##### 2.24 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.

##### 2.25 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.

---

**FUNDAMENTALS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

---

**3. Turnover**

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

	2020 £	2019 £
Sale of goods	7,382,677	7,110,164
Income from services	4,211,823	4,745,207
	<u>11,594,500</u>	<u>11,855,371</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	9,608,106	10,548,043
Rest of Europe	836,849	413,687
Rest of the World	1,149,545	893,641
	<u>11,594,500</u>	<u>11,855,371</u>

**4. Other operating income**

	2020 £	2019 £
Government grants receivable	-	1,000
R&D tax credit	58,018	66,093
	<u>58,018</u>	<u>67,093</u>

**5. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Research & development charged as an expense	415,323	385,844
Exchange differences	83,622	33,512
Other operating lease rentals	283,503	236,652
	<u>782,448</u>	<u>656,008</u>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**6. Auditors' remuneration**

	<b>2020</b>	<b>2019</b>
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<b>33,300</b>	<b>30,000</b>

**7. Employees**

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

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2020</b>	<i>2019</i>	<b>2020</b>	<i>2019</i>
	£	£	£	£
Wages and salaries	<b>4,235,345</b>	<i>4,030,410</i>	<b>3,591,256</b>	<i>3,494,687</i>
Social security costs	<b>454,443</b>	<i>410,979</i>	<b>395,490</b>	<i>350,008</i>
Cost of defined contribution scheme	<b>200,952</b>	<i>171,835</i>	<b>174,248</b>	<i>155,226</i>
	<b>4,890,740</b>	<i>4,613,224</i>	<b>4,160,994</b>	<i>3,999,921</i>

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

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2020</b>	<i>2019</i>	<b>2020</b>	<i>2019</i>
	No.	No.	No.	No.
Directors	<b>10</b>	<i>8</i>	<b>6</b>	<i>5</i>
Employees	<b>86</b>	<i>76</i>	<b>74</b>	<i>65</i>
	<b>96</b>	<i>84</i>	<b>80</b>	<i>70</i>

---

FUNDAMENTALS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 March 2020

---

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	445,039	348,091
Company contributions to defined contribution pension schemes	51,397	44,829
	<u>496,436</u>	<u>392,920</u>

During the year retirement benefits were accruing to 4 directors (2019 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £103,788 (2019 - £82,755).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,848 (2019 - £6,000).

9. Interest receivable

	2020 £	2019 £
Other interest receivable	5,836	2,703
	<u>5,836</u>	<u>2,703</u>

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	19,916	37,048
Other loan interest payable	6,967	4,818
	<u>26,883</u>	<u>41,866</u>

---

FUNDAMENTALS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 March 2020

---

11. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	246	-
	<u>246</u>	<u>-</u>
<b>Total current tax</b>	<u>246</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(182,478)	45,393
<b>Total deferred tax</b>	<u>(182,478)</u>	<u>45,393</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(182,232)</u>	<u>45,393</u>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**11. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>1,233,901</u>	<u>1,504,306</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	234,441	285,818
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(8,906)	11,390
Capital allowances for year in excess of depreciation	10,602	11,036
Inter-group trade	24,101	32,433
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(353,931)	(309,905)
Prior year tax charges	246	-
Patent Box	(47,054)	(18,422)
Unrelieved tax losses carried forward	140,746	(12,350)
Deferred tax adjustment	(182,477)	45,393
<b>Total tax charge for the year</b>	<u>(182,232)</u>	<u>45,393</u>

**Factors that may affect future tax charges**

The Group has £2,698,703 (2019 - £1,616,259) of tax losses which are being carried forward to use against future taxable profits.

**12. Dividends**

	2020 £	2019 £
Ordinary A shares	<u>240,000</u>	<u>270,000</u>
	<u>240,000</u>	<u>270,000</u>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**13. Intangible assets**

**Group**

	Licences £	Intellectual property rights £	Goodwill £	Total £
<b>Cost</b>				
At 1 April 2019	104,800	95,994	2,027,147	2,227,941
Foreign exchange movement	-	-	(7,660)	(7,660)
At 31 March 2020	<u>104,800</u>	<u>95,994</u>	<u>2,019,487</u>	<u>2,220,281</u>
<b>Amortisation</b>				
At 1 April 2019	62,880	9,599	861,259	933,738
Charge for the year on owned assets	20,960	9,600	144,229	174,789
Foreign exchange movement	-	-	(495)	(495)
At 31 March 2020	<u>83,840</u>	<u>19,199</u>	<u>1,004,993</u>	<u>1,108,032</u>
<b>Net book value</b>				
At 31 March 2020	<u>20,960</u>	<u>76,795</u>	<u>1,014,494</u>	<u>1,112,249</u>
At 31 March 2019	<u>41,920</u>	<u>86,395</u>	<u>1,165,888</u>	<u>1,294,203</u>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 March 2020**

**13. Intangible assets (continued)**

**Company**

	Licenses £	Intellectual property rights £	Goodwill £	Total £
<b>Cost</b>				
At 1 April 2019	100,000	95,994	577,200	773,194
At 31 March 2020	100,000	95,994	577,200	773,194
<b>Amortisation</b>				
At 1 April 2019	20,000	9,599	577,200	606,799
Charge for the year	10,000	9,600	-	19,600
At 31 March 2020	30,000	19,199	577,200	626,399
<b>Net book value</b>				
At 31 March 2020	70,000	76,795	-	146,795
At 31 March 2019	80,000	86,395	-	166,395

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**14. Tangible fixed assets**

**Group**

	Leasehold Improv's £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Computer equipment £
<b>Cost or valuation</b>						
At 1 April 2019	347,136	317,727	113,434	161,257	19,035	121,631
Additions	-	14,542	-	495	1,316	40,584
Disposals	-	-	(14,318)	-	-	-
Exchange adjustments	-	(183)	-	-	(965)	-
At 31 March 2020	<u>347,136</u>	<u>332,086</u>	<u>99,116</u>	<u>161,752</u>	<u>19,386</u>	<u>162,215</u>
<b>Depreciation</b>						
At 1 April 2019	172,345	212,163	83,589	90,682	14,242	68,482
Charge for the year on owned assets	24,948	47,598	7,125	8,898	5,280	41,273
Disposals	-	-	(5,928)	-	-	-
Exchange adjustments	-	(30)	-	-	(168)	-
At 31 March 2020	<u>197,293</u>	<u>259,731</u>	<u>84,786</u>	<u>99,580</u>	<u>19,354</u>	<u>109,755</u>
<b>Net book value</b>						
At 31 March 2020	<u>149,843</u>	<u>72,355</u>	<u>14,330</u>	<u>62,172</u>	<u>32</u>	<u>52,460</u>
At 31 March 2019	<u>174,791</u>	<u>105,564</u>	<u>29,845</u>	<u>70,575</u>	<u>4,793</u>	<u>53,149</u>

---

**FUNDAMENTALS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

---

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

	Total £
<b>Cost or valuation</b>	
At 1 April 2019	1,080,220
Additions	56,937
Disposals	(14,318)
Exchange adjustments	(1,148)
At 31 March 2020	<u>1,121,691</u>
<b>Depreciation</b>	
At 1 April 2019	641,503
Charge for the year on owned assets	135,122
Disposals	(5,928)
Exchange adjustments	(198)
At 31 March 2020	<u>770,499</u>
<b>Net book value</b>	
At 31 March 2020	<u>351,192</u>
At 31 March 2019	<u>438,717</u>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

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

**Company**

	Leasehold Improv's £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Computer equipment £
<b>Cost or valuation</b>						
At 1 April 2019	334,059	277,728	62,545	100,303	14,420	110,306
Additions	-	13,461	-	495	-	37,217
At 31 March 2020	<u>334,059</u>	<u>291,189</u>	<u>62,545</u>	<u>100,798</u>	<u>14,420</u>	<u>147,523</u>
<b>Depreciation</b>						
At 1 April 2019	171,864	179,722	43,440	49,818	12,389	63,087
Charge for the year on owned assets	23,450	46,761	4,776	7,349	1,012	36,554
At 31 March 2020	<u>195,314</u>	<u>226,483</u>	<u>48,216</u>	<u>57,167</u>	<u>13,401</u>	<u>99,641</u>
<b>Net book value</b>						
At 31 March 2020	<u><u>138,745</u></u>	<u><u>64,706</u></u>	<u><u>14,329</u></u>	<u><u>43,631</u></u>	<u><u>1,019</u></u>	<u><u>47,882</u></u>
At 31 March 2019	<u><u>162,194</u></u>	<u><u>98,005</u></u>	<u><u>19,106</u></u>	<u><u>50,485</u></u>	<u><u>2,031</u></u>	<u><u>47,219</u></u>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

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

	<b>Total £</b>
<b>Cost or valuation</b>	
At 1 April 2019	899,361
Additions	51,173
At 31 March 2020	950,534
 <b>Depreciation</b>	
At 1 April 2019	520,320
Charge for the year on owned assets	119,902
At 31 March 2020	640,222
 <b>Net book value</b>	
At 31 March 2020	310,312
At 31 March 2019	379,040

**15. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2019	1,431,729	-	1,431,729
Additions	-	77,447	77,447
At 31 March 2020	1,431,729	77,447	1,509,176

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 March 2020**

**15. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Ferranti Tapchangers Ltd	Manufacture and supply of parts, and service of tapchangers and related products for the power supply industry.	Ordinary	100%
Ferranti Engineering Ltd	Dormant company.	Ordinary	100%
Powerline Developments Ltd	Holding company.	Ordinary	50.66%
Powerline Technologies Ltd	Design and development of fault prediction and detection devices for use on electrical power systems.	Ordinary	50.66%
Fundamentals Australia Pty Ltd	Supply of products for use on electrical power systems.	Ordinary	100%
	-		

**16. Stocks**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Raw materials and consumables	487,435	434,592	487,435	434,592
Work in progress (goods to be sold)	194,074	298,236	51,707	85,862
Finished goods and goods for resale	624,152	449,149	164,717	148,725
	<u>1,305,661</u>	<u>1,181,977</u>	<u>703,859</u>	<u>669,179</u>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**17. Debtors**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
<b>Due within one year</b>				
Trade debtors	2,125,681	1,479,704	1,950,356	1,317,340
Amounts owed by group undertakings	-	-	988,163	761,266
Other debtors	130,815	85,453	40	876
Called up share capital not paid	(49)	-	-	-
Prepayments and accrued income	218,211	108,840	188,216	86,635
Amounts recoverable on long term contracts	49,869	-	-	-
Deferred taxation	473,285	290,807	436,783	266,986
	<u>2,997,812</u>	<u>1,964,804</u>	<u>3,563,558</u>	<u>2,433,103</u>

**18. Cash and cash equivalents**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Cash at bank and in hand	1,774,551	2,846,762	1,024,019	2,305,278
	<u>1,774,551</u>	<u>2,846,762</u>	<u>1,024,019</u>	<u>2,305,278</u>

---

**FUNDAMENTALS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

---

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

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Bank loans	<b>248,479</b>	241,024	<b>248,479</b>	241,024
Trade creditors	<b>321,724</b>	517,072	<b>241,519</b>	382,004
Other taxation and social security	<b>547,576</b>	556,361	<b>492,473</b>	514,811
Other creditors	<b>53,029</b>	58,124	<b>47,028</b>	52,212
Accruals and deferred income	<b>884,506</b>	1,694,519	<b>518,705</b>	1,477,915
	<b><u>2,055,314</u></b>	<u>3,067,100</u>	<b><u>1,548,204</u></b>	<u>2,667,966</u>

The following liabilities were secured:

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Bank loans	<b>284,479</b>	241,024	<b>284,479</b>	241,024
	<b><u>284,479</u></b>	<u>241,024</u>	<b><u>284,479</u></b>	<u>241,024</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.

---

**FUNDAMENTALS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

---

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

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Bank loans	<b>277,866</b>	526,346	<b>277,866</b>	526,346
Other loans	<b>267,070</b>	290,487	-	-
	<b><u>544,936</u></b>	<u>816,833</u>	<b><u>277,866</u></b>	<u>526,346</u>

The following liabilities were secured:

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Bank loans	<b>277,866</b>	526,346	<b>277,866</b>	526,346
	<b><u>277,866</u></b>	<u>526,346</u>	<b><u>277,866</u></b>	<u>526,346</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.

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**21. Loans**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
<b>Amounts falling due within one year</b>				
Bank loans	248,479	241,024	248,479	241,024
	<u>248,479</u>	<u>241,024</u>	<u>248,479</u>	<u>241,024</u>
<b>Amounts falling due 1-2 years</b>				
Bank loans	256,165	248,479	256,165	248,479
Other loans	267,070	290,487	-	-
	<u>523,235</u>	<u>538,966</u>	<u>256,165</u>	<u>248,479</u>
<b>Amounts falling due 2-5 years</b>				
Bank loans	21,701	277,866	21,701	277,866
	<u>21,701</u>	<u>277,866</u>	<u>21,701</u>	<u>277,866</u>
	<u><u>793,415</u></u>	<u><u>1,057,856</u></u>	<u><u>526,345</u></u>	<u><u>767,369</u></u>

**22. Financial instruments**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	1,851,998	2,846,762	1,101,467	2,305,278
	<u><u>1,851,998</u></u>	<u><u>2,846,762</u></u>	<u><u>1,101,467</u></u>	<u><u>2,305,278</u></u>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**23. Deferred taxation**

**Group**

	<b>2020</b>
	<b>£</b>
At beginning of year	290,807
Charged to profit or loss	182,478
<b>At end of year</b>	<b>473,285</b>

**Company**

	<b>2020</b>
	<b>£</b>
At beginning of year	266,986
Charged to profit or loss	169,797
<b>At end of year</b>	<b>436,783</b>

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Accelerated capital allowances	17,555	(19,330)	(14,857)	(17,102)
Tax losses carried forward	454,566	300,813	450,476	274,764
Tax on general provisions	1,164	9,324	1,164	9,324
	<b>473,285</b>	<i>290,807</i>	<b>436,783</b>	<i>266,986</i>

**FUNDAMENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 March 2020**

**24. Provisions**

**Group**

	<b>Staff pay provision £</b>
At 1 April 2019	91,857
<b>At 31 March 2020</b>	<b>91,857</b>

**Company**

	<b>Staff pay provision £</b>	<b>Total £</b>
At 1 April 2019	91,857	91,857
<b>At 31 March 2020</b>	<b>91,857</b>	<b>91,857</b>

The staff pay provision relates to a potential recalculation of holiday pay based on the outcomes of recent employment legal cases. It is anticipated that outflows, if any, will be paid within the next 12 months.

**25. Share capital**

	<b>2020 £</b>	<b>2019 £</b>
<b>Allotted, called up and fully paid</b>		
2,413 (2019 - 2,400) A Ordinary £0.0001 shares of £0.01 each	24	24

**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 2020**

**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) 2020</b>	<b>Number 2020</b>	<i>Weighted average exercise price (pence) 2019</i>	<i>Number 2019</i>
Outstanding at the beginning of the year	100	224	100	224
Granted during the year		-		-
<b>Outstanding at the end of the year</b>	<b>100</b>	<b>224</b>	<b>100</b>	<b>224</b>

	<b>2020 £</b>	<b>2019 £</b>
Equity-settled schemes	224	224
	<b>224</b>	<b>224</b>

**28. 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 £197,910 (2019 - £171,835). Contributions totalling £29,867 (2019 - £42,099) were payable to the fund at the balance sheet date and are included in creditors.

---

**FUNDAMENTALS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

---

**29. Commitments under operating leases**

At 31 March 2020 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> <b>2020</b> £	<i>Group</i> <i>2019</i> £	<b>Company</b> <b>2020</b> £	<i>Company</i> <i>2019</i> £
Not later than 1 year	<b>199,538</b>	190,745	<b>165,221</b>	167,645
Later than 1 year and not later than 5 years	<b>379,446</b>	314,097	<b>327,611</b>	314,097
Later than 5 years	<b>120,300</b>	180,450	<b>120,300</b>	180,450
	<b>699,284</b>	685,292	<b>613,132</b>	662,192

**30. 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 entered into the following transactions with its other related parties on normal commercial terms:

	<b>2020</b> £	<b>2019</b> £
Sales to Powerline Technologies Ltd	<b>61,384</b>	31,766
Purchases from Powerline Technologies Ltd	<b>25,000</b>	30,000
Amounts owed by Powerline Technologies Ltd	<b>228,704</b>	195,924
Interest charged to Powerline Technologies Ltd	<b>9,011</b>	4,625

---

**FUNDAMENTALS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

---

**31. Post balance sheet events**

The Company continues to monitor the effects of COVID-19 outbreak which has been declared as a pandemic by the World Health Organization. The outbreak has not only prompted widespread health concerns, but has caused recent deteriorations in global market conditions. The eventual outcome is highly uncertain and is largely dependent on how successful authorities are at containing and managing the outbreak. For further information concerning the assessment of COVID-19 impact on the Financial Statements please refer to the Directors' Report and Note 2 of the Financial Statements.

The Board of Directors considers the emergence of the COVID-19 coronavirus pandemic to be a non-adjusting post balance sheet event and hence any future impact is likely to be in connection with the assessment of the fair value of assets and liabilities affected, in future periods investments at future valuation dates.

Of the Other loans included in Group creditors falling due after more than one year, £267,070 is subject to the condition that any Loan and accrued interest not repaid by November 2020 will be written off by the Lender, and no further repayment sums in respect of the Loan (including accrued interest) shall be owed or payable by the Borrower. These amounts will be released during the year ended 31 March 2021.

There are no other significant subsequent events that need to be disclosed or reflected in the annual accounts

**32. Controlling party**

The ultimate controlling party is Mr J Hiscock.