

Company registration number: 03679369

Charity registration number: 1073572

FUSION UK

Company Limited by Guarantee

**UNAUDITED FINANCIAL STATEMENTS AND
TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**



FUSION UK

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FOR THE YEAR ENDED 31 AUGUST 2021

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FUSION UK

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 AUGUST 2021

Registered charity name:	Fusion UK
Trading name:	Fusion Movement
Trustees:	Mr Oliver Grills Mr James Hill Mrs Hannah Miller
Company secretary:	Mr Mark Huskisson
Company registration number:	03679369
Charity registration number:	1073572
Registered office address:	Unit 7 30 Meadow Lane Loughborough Leicestershire LE11 1JY
Independent examiner:	Daniel Styles FCA Lifestyles Accountancy Limited 39 Kirklees Road Southport PR8 4RB
Bankers:	Barclays Bank plc 74 East Street Chichester West Sussex PO19 1HT

FUSION UK

EXECUTIVE SUMMARY OF THE YEAR'S ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

This last year has confirmed and magnified the need for the Fusion movement to fulfil its God given destiny and mandate. When we look beyond the chaos and despair that many young adults are feeling and articulating. We see tremendous hope and possibility for a generation seen and noticed by God and called to Kingdom adventure. We have continued to sow these seeds of hope liberally through whatever mediums have been available and been permitted to witness a good number that produced wonderful fruit in people's lives.

This has been the first year in Fusion's history where due to the global coronavirus pandemic the team engaged with and trained a broader audience than ever before but didn't host a single gathering in person as the whole team worked from home for the entire year. For a movement that primarily ministers through people and not materials and resources we haven't operated in our sweet spot but we have continued to pioneer in prayer, in relationships, in training, in partner raising, and in new areas of vision.

Paul spoke these words to Timothy, "But you, keep your head in all situations, endure hardship, do the work of an evangelist, discharge all the duties of your ministry." This is how the Fusion Team continues to operate. We have not stopped doing what we believe God has called us to. I shouldn't be surprised that because we are working with God, it is possible that Fusion went into the pandemic in two nations and may emerge from the restrictions established in five or six nations.

The year ahead is an exciting one for Fusion and student ministry. Fusion will launch Sixty One in the summer of 2022 in partnership with New Wine. Rooted deeply in Isaiah 61, the strategic aim of this event is to go way beyond one week in the summer of 2022. Drawing deeply on Isaiah 61 the intent is to create a God-charged space that invites and then ignites a generation into their calling. To bring about transformational change at the personal and corporate level in the local church and on campuses up and down the country. Developing discipleship pathways for young adults to discern and then walk confidently in their calling.

Sixty One is not being built as a one-off, but as an annual waymarker for the young people of each generation to gather and set about building out the movement and to answer the Isaiah 61 commissioning and anointing; that the Spirit of the Sovereign Lord is upon them, to proclaim good news to the poor, to bind up the brokenhearted, to proclaim freedom for the captives and release from darkness for the prisoners, to proclaim the year of the Lord's favour for each young generation in the church and across the nations. The planting of oaks of righteousness in our broken world that will run for years to come with many partners who are called to speak into each generation.

Events of this scale and ambition require a huge amount of resource and effort. However, Fusion remains entirely true to our mission; delivering world-class training, encouragement, and resources to the local church in the post-COVID landscape. That all students should have the opportunity to be invited to be welcomed home in their local church and to find hope in Jesus. The year ahead is an exciting one and will see much change but it is a challenge that Fusion has been preparing for for two decades and we're more than ready.

Mr Rich Wilson
Fusion Movement Leader

FUSION UK

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees of the charity, who are also directors of the company for the purpose of company law, submit their annual report and financial statements for the year ended 31 August 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in 2005 in preparing the annual report and financial statements of the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is a company limited by guarantee, formed on 4 December 1998 and is governed by its memorandum and articles of association.

Recruitment and appointment of the trustees

The board seeks to achieve a balance of skills and experience amongst the trustees. In order to maintain this, the board reviews its skill and experience mix each year and seeks to recruit new trustees as and when necessary.

Potential trustees are identified and then approached to determine whether they are able and willing to become part of the charity. Interested individuals are invited to attend a number of trustee meetings to enable them to gain an understanding of the ethos and philosophy of management of the charity. They are also invited to the main office in Loughborough to be given information about the activities, resources and objectives of the charity as well as information regarding the roles and responsibilities of trustees. At the end of this investigative period, individuals are invited to become trustees. Appointment is made at a formal meeting of the board of trustees in line with the charity's memorandum and articles of association.

The trustees delegate the day-to-day responsibility for administering the activities of the charity to a full time head of operations who is also responsible for overseeing the charity's employees and liaising with others to whom the trustees have contracted to undertake various projects and initiatives.

Trustee induction and training

The current board of trustees provide any new trustee with an overview of the timetable of board meetings, copies of the recent minutes of meetings, the recent reports and financial statements and explains their general and specific responsibilities.

Ongoing training is provided by the board of trustees as and when the need arises.

OBJECTIVES AND ACTIVITIES

Aim and purpose

The charity exists primarily to advance the Christian faith and works to catalyse, facilitate and grow a student movement by working in partnership with local churches and other organisations. This is summarised through three purposes:

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES (continued)

Aim and purpose (continued)

1. Equipping students: preparing and inspiring students for a life of mission and discipleship at university;
2. Serving churches: connecting students into the heart of local church and encouraging churches to be at the heart of student mission;
3. Developing student workers: training, resourcing and strengthening all those in church based student ministry.

Included in this is the development and maintenance of a national and international network that will produce and exchange resources to promote student mission.

Objectives and activities

The trustees have established that the aims and purposes of the charity will primarily be reached through working with local churches, their student workers and university students directly. All activities will be focused on providing resources and support in these three areas.

In planning activities for the year, the trustees have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. We want every student to have the opportunity to encounter Jesus whilst at university, for them to find a home in their local church and to live out their faith as part of their local, national and the global community through:

- Preparing and distributing resources on spiritual formation and discipleship, the gospel and kingdom mission, and developing a passion and love for Jesus;
- Providing new students with information to access pastoral care in their new environment;
- Encouraging students to be socially involved in the student and wider community;
- Mission and outreach through enabling, resourcing and training local churches.

ACHIEVEMENTS AND PERFORMANCE

Summary of the year's activities

Reflecting upon a full year of COVID-19 pandemic restrictions Fusion has delivered on many levels and on many strategic objectives. In some cases because of the lockdown and not despite of the lockdown restrictions, Fusion has again seen a year of team growth and impact. Delivering not only what was required now but establishing a firm foundation for what the future holds for student ministry in the UK – and increasingly internationally.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

Summary of the year's activities (continued)

The Fusion Team is in a great place when you consider all that has gone on in this year. Being a Movement allows and enables us to be flexible in our approach and delivery. This has been essential in this second year of the COVID-19 pandemic. Able to flex with external conditions but remaining entirely mission focussed has been evident in the delivery of the training and in the development of the team.

Fusion adopted a bend-don't-break stance into the prevailing conditions, and it would be safe to say that each Fusion team member has been enabled, equipped, and released to pursue their roles freely and without hindrance as much as possible. We see the whole person and we draw out the long term calling in people. This entails both onboarding and releasing people well in their development and calling.

Our Regional Team structure has continued to develop, each has become stronger and clearer in their regional and ministry focus. The teams have benefited from running online training and each is much more confident with what we offer churches and why. Structurally each regional team has also taken ownership of all church relations in their region. This has included an audit of BAME churches with new targets established to grow engagement with, and support for, BAME churches in each region.

Operationally and financially Fusion is a well run, balanced, and professionally managed charity. The indicators of success are seen in the numbers and the outcomes in this annual report and in the annual accounts, but we are committed to being a learning organisation and to continue to continuously improve at every opportunity – to continually sharpen and be sharpened by those we work with, those who are called to the movement, and those we ultimately support and encourage.

As per our normal rhythm we started the year with our annual student worker conference which had to flex to being delivered as an online conference rather than in-person due to the pandemic. The theme was Into the Deep, a title dreamt up way before the pandemic that helped us deliver something that was important, relevant, and very well produced. Whilst it was successful it was frustrating to not engage more widely through online delivery.

The Student Linkup and Try Church seasons faced enormous uncertainty that reflected the higher education environment. With a dearth of physical events the universities attempts to move Freshers events online were largely unsuccessful and directly affected the ability to drive Student Linkups for local churches and for new students to be invited to Try Church in their new locations. With the continued support and trust from the Allchurches Trust we developed innovative ways to invite students to try church online and through local church student workers.

FUSION UK

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

Summary of the year's activities (continued)

With travel and meeting restrictions in place Fusion invested heavily in the professional development of the team. Nine team members began training for recognised qualifications in Project Management, Digital Communications, and People Leadership during the second quarter. These courses are already bringing in new ideas and practices that sharpen the day-to-day delivery of the Fusion mission as well as serving the long-term needs of amplifying our message and improving our efficiency as a movement.

The team did a great job with a Lent series of devotionals based entirely upon each verse of Isaiah 61. A core, meaningful chapter of the Bible for this generation which generated a great level of wider engagement and learning for Fusion Communications by doing this and we will want to do similar things in the future.

In partnership with 24-7 Prayer we launched the P.R.A.Y. Deck. A new resource that complements the How to Pray book from 24-7 Prayer and the two existing Fusion decks, The Discipleship Deck and DMC Deck (Deep Meaningful Conversations). The first print run sold out and it is positioned well for all activity going forward. As reflected in the accounts in this report, other resources in the Fusion portfolio have not sold as well as previous years due to the team not being at events where the resources support the training.

The Graduate Diploma in Kingdom Theology and Student Ministry entered its second year and launched its second cohort in partnership with Westminster Theology Centre (WTC). This important strand of the Fusion Movement, like many aspects of church ministry and mission in this season, has faced challenges and a new emphasis on recruitment will be carried into the year ahead.

Throughout the year we have maintained a focus on Partner Raising at Fusion – our internal terminology for ministry partner development (MPD). This critical element of drawing people into the movement to provide prayer, encouragement, and financial support has continued to ensure sustainability in this season and a confidence in planning and accelerating with confidence into the years ahead. We had two great partner raising weeks dedicated to helping the team focus on their supporter teams and to hit their salary targets.

Finally, throughout the year we launched the Sixty One Festival in partnership with New Wine, an exciting new festival and gathering for students and young adults. A huge amount of time and energy went into planning and gathering a team throughout the year to curate the very best event for launch. But by March 2021 it was clear that due to the pandemic conditions and with unclear guidance from central government meant that we would need to cancel the event for this year. But we continued to lay strong foundations for Sixty One with churches and key partners. It will now launch in August 2022.

FUSION UK

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

Operational outcomes

A 23% increase (£81k) in individual contributions reflects the success of the championing of Partner Raising, the new coaching structure, and a better, deeper theological understanding of pioneering ministry partner development (MPD);

The higher expenditures in training and team development (£17k) reflect a higher salience in long-term training and nurturing of individuals for the development of the team;

Fusion has developed into a three-quarters-of-a-million pound charity during two years of COVID lockdown with more cost going directly to the team and its development (£102k) and less into the operational overhead, is encouraging;

The operations team has developed a capacity during this year that can grow with the need for greater support as things return to the new version of normal and support new projects; and

Giving to Fusion from church partners was identified as a risk and potentially under threat as budgets tightened, but has seen 19% (£18k) growth over this year.

Review and summary of the year

The results for the year and state of the charity's affairs at 31 August 2021 are set out in the financial statements on pages 13 to 23 showing income of £721,152 (2020 - £737,547) and expenditure of £725,997 (2020 - £645,755). The charity does not use professional fundraisers or raise funds from the general public.

The charity recorded net outgoing resources of £4,845 (2021 - net incoming resources of £91,792) combined with net unrealised gains for the year of £40,721 (2020 - net unrealised losses of £37,220) bringing the total reserves to a surplus of £390,558 (2020 - £354,682) which includes restricted funds of £6,022 (2020 - £6,022).

Principal funding sources

The principal funding sources of the charity continue to be received from the very generous donors and grant funders that the charity is so very thankful to.

Reserves policy

The trustees have a reserves policy to hold in free reserves an amount of around £220,000, sufficient to cover six months' operational expenditure of around £70,000 plus three months of salary expenditure of around £150,000 as explained further on the next page.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW (continued)

Reserves policy (continued)

The trustees have a reserves policy to hold in free reserve sufficient sums to cover six months operational expenditure minus salaries, as any fall in support income is mitigated by a contractual reduction in wage costs through the partner raising model. The trustees believe that this reserve sum is adequate to ensure continuity in ministry and cover the costs associated with training, conferencing, student support and travel due to any unforeseen changes in circumstances and revenues.

The charity remains heavily dependent on income from supporters to fulfil its objectives. In particular, 'partner raising' income whereby team members' salaries are directly linked to raising funds for the charity in relationship and partnership with individuals. As a core tenet of the charity's income stream, the trustees have set an additional reserve target calculated at 3 months of total wage costs in the year which they consider sufficient to cover three months of partner raising income should the need arise.

Through the approval and management of appropriate budgets, the charity also ensures it is in a position to maximise investment opportunities. At present, the free reserves, which amount to £367,586 are above target. The trustees consider the additional free reserves necessary to mitigate the risks outlined below. The level of desired reserves will be kept under review each year in the light of the charity's development. In addition to this, the Charity holds restricted funds totalling £6,022 to fund the establishment and development of Fusion Ireland.

Investment policy

The charity's memorandum provides the trustees with the power to invest monies not immediately required for its purposes, with the objective of managing resources effectively. The trustees will identify funds not required for short or medium term needs and will designate them for longer term investment. The trustees will consider the risk and benefits of such investments, and where necessary seek advice when selecting investment funds. The ethical stance of the charity is a core consideration for the placement of investment funds.

Pay policy for senior staff

The trustees consider the board of directors, who are also the charity's trustees, and the senior management team which comprises the key management personnel of the charity, responsible for directing, controlling, running and operating the charity on a day to day basis. All directors give their time freely and no director received any remuneration during the year.

RISK REVIEW

Principal risks and uncertainties

The trustees have identified two principal risks, which have been mitigated for, and are office provision and sustainable income streams as described on the next page:

FUSION UK

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

RISK REVIEW (continued)

Principal risks and uncertainties (continued)

The charity rents office spaces in Loughborough, London, Portsmouth and Manchester. It also receives office spaces in York rent-free. The future availability of all of these offices is uncertain to varying degrees but, as these spaces are seen as crucial to the professionalisation and development of a healthy work culture at the charity, it is necessary to closely monitor and communicate with the various landlords to ensure a continuity in tenure and to identify potential alternatives in case of an enforced move. Part of the cash reserves are in place to finance a shift in office premises and to secure long term leases where available of new office spaces when they are required.

Secondly, establishing sustainable fundraising income streams is an increasing uncertainty in the current socio-political climate. The trustees mitigate this risk through the partnership fundraising model (known as partner raising within the charity). This is where ministry team members seek to raise 100% of their gross salary from individuals with whom they partner, spreading the risk of income loss across multiple sources, and increasing the number of directly invested stakeholders in the charity. The trustees have established key performance indicators tracking regular giving as a percentage of salary cost, and continually review and monitor progress.

A risk management strategy is in place that consists of an annual review document detailing the risks to the charity and the control measures to be taken. This is prepared by the head of operations and then reviewed, assessed and minuted by the board of trustees. The board of trustees along with the head of operations ensure the establishment and continuance of systems and procedures to mitigate those risks.

The financial effect of COVID-19

The charity consistently monitors the charity sector and undertakes environment scans for risks to its mission as a direct effect or consequence of the global coronavirus pandemic. The student population has never needed the charity more than it does at this time of restricted movement and activity. As a consequence, the board of trustees has determined that where universities are open and where students are attending their courses, the charity should not be absent in fulfilling its mission in supporting local churches support their student constituencies. This determination and commitment to the mission and purpose of the charity at a time when free reserves are above target means that a deficit budget can and has been set to ensure that ongoing commitments are met and a strategy for the growth in impact is delivered even in these most difficult of times. Therefore, it is predicted that our expenditure will be higher than our income in at least this next year – if not longer – in order to meet the need of students and the churches supporting students and their student workers during the pandemic and in its disruptive wake.

FUSION UK

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

PLANS FOR FUTURE PERIODS

General plans

Operationally Fusion is a well run, balanced, and professionally managed charity. The indicators of success are seen in the Operational Outcomes above. But we know that we can still improve and do some things differently and better. We aim to work through the learning and increase understanding across the team and look to continually sharpen and be sharpened. We look at the year ahead to see what we can carry forward and build upon from the solid foundation that was tested and set in place over the past twelve-to-eighteen months of the COVID-19 pandemic.

Sixty One

The Sixty One Festival will take place in August 2022 in partnership with New Wine. This is a core, strategic objective for Fusion in the year ahead with a great deal of energy, time, and resource dedicated to delivering the very best space for students and young adults to gather and meet with God. To provide a place for beginning or re-energising discipleship in a generation that is critical to the future of the church and to the benefit and healing of society. Purposefully built from the ground up to reduce the traditional barriers to access for a wider audience, especially BAME participation, and a programme that is curated to be purposefully exciting and attractive for students and young adults.

Student Linkup and Try Church

Due to the effect of COVID-19 on higher education and the established pathways of engagement at university, Student Linkup numbers have struggled in the past year but we still managed to connect 921 new students with churches in their new university towns. A new strategic lead for Student Linkup will be recruited to drive the Student Linkup season, develop the app, aid sales of the Student Linkup Box, and prepare the ground for the height of the Try Church season at the start of the academic year. We pray for an exciting candidate to be called into the Operations role to drive this project successfully.

Graduate Diploma in Kingdom Theology and Student Ministry in Partnership with WTC

It is critical for the long term success of student mission that an established theology is supported and taught alongside and complementary to the practitioner peer support and best practice that is shared in the Fusion Movement. It faces many challenges in establishing its place and salience within other church initiatives. As such, a greater focus will be given to working with church leaders in educating and recruiting for the Grad Dip.

Operations

Fusion Operations is being gradually reshaped into a digital-first outfit, clarifying and amplifying a thought leadership position. The ongoing upskilling and scaling of the communications unit has been core to this. Operations will continue to do the quiet stuff to understand and develop this new shape that is required for the mission going forward. And, as we are a movement, it needs to be flexible and resilient, and we seek to recruit the right people with the right skills working in alignment with their calling and our mission.

FUSION UK

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the year. In preparing those financial statements, the trustees are required to:

- a. select suitable accounting policies and apply them consistently;
- b. observe the methods and principals in the Charities Statement of Recommended Practice (SORP);
- c. make judgements and estimates that are reasonable and prudent;
- d. state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- e. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT EXAMINER

Daniel Styles of Lifestyles Accountancy Limited has signified his willingness to continue in office and a resolution for his re-appointment will be proposed at the forthcoming annual general meeting.

This report was approved by the board of trustees on 9 February 2022 and signed on its behalf by:



Mr James Hill - Trustee board chair

FUSION UK

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF GP GIFT LIMITED

FOR THE YEAR ENDED 31 AUGUST 2021

I report to the trustees on my examination of the financial statements of Fusion UK ('the charity') for the year ended 31 August 2021, which are set out on pages 13 to 23.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake this examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Daniel Styles FCA (Independent examiner)

for and on behalf of Lifestyles Accountancy Limited
39 Kirklees Road, Southport, PR8 4RB

Dated: 29 January 2022

FUSION UK

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure)

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOMING RESOURCES					
Donations and similar income:					
Donations received	3	555,066	-	555,066	459,924
Income tax recoverable		52,490	-	52,490	45,597
Income from grant making trusts	4	78,633	-	78,633	164,760
Charitable activities:					
Training and conference fees		2,203	-	2,203	11,522
Sale of training materials		24,178	-	24,178	35,242
Advertising revenue		-	-	-	172
Investments					
Investment income	5	8,582	-	8,582	10,330
Other income:					
Covid-19 grants		-	-	-	10,000
TOTAL INCOMING RESOURCES		721,152	-	721,152	737,547
RESOURCES EXPENDED					
Raising funds	6	6,855	-	6,855	10,140
Charitable activities	7	718,083	-	718,083	634,508
Governance costs	8	1,059	-	1,059	1,107
TOTAL RESOURCES EXPENDED		725,997	-	725,997	645,755
NET (OUTGOING) / INCOMING RESOURCES FOR THE YEAR		(4,845)	-	(4,845)	91,792
OTHER RECOGNISED GAINS					
Unrealised investment gain / (loss)		40,721	-	40,721	(37,220)
NET MOVEMENT IN FUNDS		35,876	-	35,876	54,572
Fund balances at 1 September		348,660	6,022	354,682	300,110
Fund balances at 31 August		384,536	6,022	390,558	354,682

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 16 - 23 form part of these financial statements.

FUSION UK

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	Total funds 2021 £	Total funds 2020 £
FIXED ASSETS			
Tangible assets	10	23,165	28,956
Investments	11	196,442	155,720
		<u>219,607</u>	<u>184,676</u>
CURRENT ASSETS			
Stocks of resources		27,606	16,283
Debtors and prepayments	12	41,117	21,436
Cash at bank and in hand		121,155	157,331
		<u>189,878</u>	<u>195,050</u>
CREDITORS: Amounts falling due within one year	13	18,927	25,044
NET CURRENT ASSETS		<u>170,951</u>	<u>170,006</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>390,558</u>	<u>354,682</u>
FUNDS			
Restricted funds		6,022	6,022
Unrestricted funds:			
Designated funds	14	-	338
General funds		384,536	348,322
TOTAL FUNDS		<u>390,558</u>	<u>354,682</u>

For the year ending 31 August 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 9 February 2022, and are signed on behalf of the board by:


.....
Mr. James Hill - Director

The notes on pages 16 - 23 form part of these financial statements.

FUSION UK

STATEMENT OF CASH FLOWS

AS AT 31 AUGUST 2021

	Notes	Total funds 2021 £	Total funds 2020 £
Net cash flow from operating activities	17	(44,758)	58,906
Cash flow from investing activities			
Payments to acquire investments		-	-
Interest received	5	8,582	10,330
Net cash flow from investing activities		<u>8,582</u>	<u>10,330</u>
Net increase / (decrease) in cash and cash equivalents		<u>(36,176)</u>	<u>69,236</u>
Cash and cash equivalents as at 1 September 2020		157,331	88,095
Cash and cash equivalents at 31 August 2021		<u>121,155</u>	<u>157,331</u>

The notes on pages 16 - 23 form part of these financial statements.

FUSION UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 GENERAL INFORMATION

Fusion UK is a company, limited by guarantee, incorporated in England and Wales under the Companies Act 2006 and Charities Act 2011. The address of the registered office is provided in the Legal and Administration details on page 1. Details of the charity's operations are provided in the Trustees Report starting at page 3.

2 ACCOUNTING POLICIES

a Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared on a going concern basis, under the historical cost convention and include the results of the charity which are described in the Trustees Report and all of which are continuing. The financial statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

b Incoming resources

All income is included in the Statement of Financial Activities when the charity is legally entitled to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

c Resources expended

Liabilities are recognised on the accruals basis. Expenditure is recognised in the period in which it is incurred and includes any attributable VAT which cannot be recovered. Costs which are identified as relating to restricted activities are allocated directly to those activities. Costs which relate to the general running of the charity are allocated against unrestricted funds, and within the Statement of Financial Activities these expenses are shown as costs of generating funds and costs in furtherance of charitable objects.

d Fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life as follows:

Leasehold improvements	- straight line over the period of the lease
Computer equipment	- straight line over 3 years

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

2 ACCOUNTING POLICIES (continued)

e Investments

Investments are included at market value and any unrealised gains and losses recognised in the Statement of Financial Activities as they occur.

f Fund accounting

Unrestricted funds are those which are not subject to any special restrictions and they can be used as the trustees decide. Designated funds are part of unrestricted funds and are amounts the trustees have set aside to cover particular expenditure.

Restricted funds are those where the donor has imposed restrictions on how the fund may be used, but which do not prevent the fund being spent.

g Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value added tax is not recovered by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

h Pension scheme

The charity operates a defined contribution scheme for certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the charity.

i Limited by guarantee

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3 DONATIONS RECEIVED

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Individuals	430,212	-	430,212	349,499
Churches	113,644	-	113,644	95,090
Other organisations	11,210	-	11,210	15,335
	555,066	-	555,066	459,924

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

4 INCOME FROM GRANT MAKING TRUSTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Trusts and organisations	78,633	-	78,633	164,760
	<u>78,633</u>	<u>-</u>	<u>78,633</u>	<u>164,760</u>

5 INVESTMENT INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Listed investments	8,556	-	8,556	10,129
Interest on cash deposits	26	-	26	201
	<u>8,582</u>	<u>-</u>	<u>8,582</u>	<u>10,330</u>

6 COST OF RAISING FUNDS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Publicity costs	6,855	-	6,855	10,140
	<u>6,855</u>	<u>-</u>	<u>6,855</u>	<u>10,140</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

7 COST OF CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Resources	4,595	-	4,595	17,421
Events	12,049	-	12,049	21,417
Salaries and other staff costs	594,006	-	594,006	501,602
Travel and other staff expenses	26,528	-	26,528	26,823
Premises costs	10,138	-	10,138	11,145
Telephone and communications	22,367	-	22,367	14,631
Electronic media and computers	19,558	-	19,558	10,531
Other office costs	23,051	-	23,051	24,950
Depreciation	5,791	-	5,791	5,988
	718,083	-	718,083	634,508

8 GOVERNANCE COSTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Independent examination	1,046	-	1,046	1,050
Legal and sundry governance	13	-	13	57
	1,059	-	1,059	1,107

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

9 STAFF COSTS

No remuneration or expenses were paid to trustees during the year (2020 - £nil). The staff costs of the remaining staff were:

	2021 £	2020 £
Wages and salaries	521,879	439,245
Social security costs	34,377	30,336
Pension costs	37,750	32,021
	<u>594,006</u>	<u>501,602</u>

The average weekly number of staff employed by the charity during the year was as follows:

	2021	2020
Direct charitable work	17.41	15.96
Administration	4.00	3.02
	<u>21.41</u>	<u>18.98</u>
Average number of staff employed (headcount)	<u>26.00</u>	<u>25.10</u>

No employee earned £60,000 per annum or more during the year.

10 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Office and computer equipment £	Total £
Cost			
At 1 September 2020 and 31 August 2021	40,539	5,781	46,320
Depreciation			
At 1 September 2020	11,583	5,781	17,364
Charge for year	5,791	-	5,791
At 31 August 2021	<u>17,374</u>	<u>5,781</u>	<u>23,155</u>
Net book value			
At 31 August 2021	<u>23,165</u>	<u>-</u>	<u>23,165</u>
At 1 September 2020	<u>28,956</u>	<u>-</u>	<u>28,956</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

11 INVESTMENTS

Investments represent units held in equities investment fund for charities.

	2021	2020
	£	£
Market valuation		
At 1 September 2020	155,721	192,940
Increase / (decrease) in unrealised gains	<u>40,721</u>	<u>(37,220)</u>
At 31 August 2021	196,442	155,720
Original Cost		
At 1 September 2020 & 31 August 2021	<u>200,000</u>	<u>200,000</u>

12 DEBTORS AND PREPAYMENTS

	2021	2020
	£	£
Income tax recoverable	12,000	17,800
Other debtors and prepayments	29,117	3,636
	<u>41,117</u>	<u>21,436</u>

13 CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Taxation and social security	9,169	8,375
Accruals	1,046	7,913
Other creditors	8,712	8,756
	<u>18,927</u>	<u>25,044</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

14 ANALYSIS OF FUNDS

	Balance at 1 Sep 20	Incoming resources	Outgoing resources	Unrealised gains	Balance at 31 Aug 21
Unrestricted funds:					
General funds	348,322	721,152	725,659	40,721	384,536
Fusion Scotland (designated)	338	-	338	-	-
Restricted funds:					
Fusion Ireland	6,022	-	-	-	6,022
Total funds:	<u>354,682</u>	<u>721,152</u>	<u>725,997</u>	<u>40,721</u>	<u>390,558</u>

Fusion Ireland: A grant was received from WCFI designated toward the setup costs of Fusion in Ireland and is expected to be utilised in the year ahead.

Fusion Scotland: A separate charity has been formed to develop the work of Fusion in Scotland which is registered with The Office of The Scottish Regulator (OSCR). Donations intended to fund work in Scotland were passed to this charity during the year.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	23,165	-	23,165
Investments	196,442	-	196,442
Net current assets	164,929	6,022	170,951
	<u>384,536</u>	<u>6,022</u>	<u>390,558</u>

16 GROSS OBLIGATIONS UNDER OPERATING LEASING AGREEMENTS

As at 31 August 2021, the charity had annual commitments under non-cancellable leases as follows:

	2021 £	2020 £
No later than one year	-	5,661
Later than one year but not later than 5 years	16,950	22,644
	<u>16,950</u>	<u>28,305</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

17 RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the year	35,876	54,572
Interest receivable	(8,582)	(10,330)
Depreciation and impairment of tangible fixed assets	5,791	5,988
Unrealised losses / (gains) on investments	(40,721)	37,220
(Increase) / decrease in stock	(11,323)	13,755
(Increase) / decrease in debtors	(19,681)	(1,651)
Increase / (decrease) in creditors	(6,117)	(40,649)
Net cash flow from operating activities	<u>(44,758)</u>	<u>58,906</u>