

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 2022**



# **FUSION UK**

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# FUSION UK

## LEGAL AND ADMINISTRATIVE INFORMATION

### FOR THE YEAR ENDED 31 AUGUST 2022

**Registered charity name:** Fusion UK

**Trading name:** Fusion Movement

**Trustees:** Oliver Grills  
James Hill  
Hannah Miller  
Roger Bretherton - resigned 1 December 2021

**Company secretary:** Mark Huskisson - resigned 30 April 2022

**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 2022**

Across the UK, Covid decimated youth groups and the percentage of Christian students arriving at university is now at its lowest level since World War II. There is seismic change going on in both church and culture with much turbulence and uncertainty. Into this moment Fusion is called to bring the hope of the gospel into the lives of students.

This year has been a year of adjustment to a new landscape that requires Fusion to work differently than before the pandemic. Part of adjusting has meant taking some risks with gatherings and events. We tried some new things and in doing so reawakened some of Fusion's movement DNA around pioneering. We are pioneering again with the people, resources and relationships we have to see students find hope in Jesus and home in the local church. We continue to pray and prepare for a move of God that consumes all our efforts and energy.

Churches are tired and leaders are weary. We recognise that to help serve hundreds of local churches in pioneering student mission they don't need more challenge at this time. They are overloaded, we must come alongside to strengthen, encourage and envision. We must help them find a unique strategy for their context with a common DNA around risk taking and engagement. We must help raise up 100s of everyday evangelists and pioneers in and around the churches.

In the year ahead our commitment to the mission is greater than repeating the same method/structure/strategy year on year regardless of the culture and what God is saying. This is uncomfortable and necessary. In living memory universities have never been so unreached, so we must pioneer again. The first part of the year is about waiting on God and forming a new strategy around what God wants to do and how he wants to do it. It is a time to STOP, LOOK and LISTEN. The second part of the year is implementing what we believe God is asking of us.

We move forward with a prayerful conviction and a deep dependence on God's leading for working out this great commission to students.

**Rich Wilson**  
**Fusion Movement Leader**

# **FUSION UK**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

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 2022. 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:

# **FUSION UK**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

#### **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**

##### **General**

Fusion was well-run and remained focused throughout 2021/22 despite it being a difficult year in which the wider effects of the pandemic were being revealed and felt. The impact of many churches having furloughed or not replaced student workers took away key connection points for collaboration. Church workers have repeatedly expressed being under a huge amount of pressure due to increased and diversified responsibility. The size of the student mission task remained considerable, and the need for evangelism and discipleship among this generation reached new heights.

# **FUSION UK**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

#### **ACHIEVEMENTS AND PERFORMANCE (continued)**

##### **Sixty One**

The Fusion team put in a huge amount of work and energy to run a festival for the first time. This was called "Sixty One" and was in partnership with New Wine. The event was a success and feedback would suggest greatly appreciated by the 1000 delegates. New Wine was very generous to Fusion in inviting us into the partnership. They shouldered the financial risk and provided the necessary infrastructure. Fusion contributed to the creative, content, planning, organisation and delivery of the event. We also took financial responsibility for the promotion of the event through a digital media company, "The Growth Guys".

The event was priced and planned to be as diverse as possible on every metric. It was affordable and cheap hotel rooms were available near the showground which makes a huge difference to a variety of ethnicities. Where possible, this was replicated in the speakers and leaders. The event was for both students and young adults which was mutually beneficial to both demographics in energy and experience. It helped Fusion to reach a wider audience than usual.

##### **Student Linkup & Try Church**

Student linkup numbers continued to be lower than pre-pandemic numbers. While the number of students using Student Linkup has decreased we have seen students increasingly engaging with the platform to message churches. Churches have echoed this observation noting that while the number of students is less, students are increasingly messaging and responding to churches.

Fusion didn't recruit a Student Linkup Leader this year which meant that the responsibilities were held across the team. We ran in-person fresher fair stands for the first time since the pandemic, which increased the church engagement with Student Linkup. We also advertised to a wide audience through a campaign in published media and online. We also produced a video that was shown on Portsmouth Big Screen throughout October 2021. This video ran six times an hour, meaning it was shown 4,464 times to over 125,000 weekly passing audience!

Whilst the overall numbers of Student Linkups are lower, we are encouraged by the engagement and impact. A student worker at The Belfrey in York recently told us that she is a Christian because she found a church through the app, having discovered it on a freshers' fair stand. She gave her life to Jesus in the first week of university and hasn't looked back since!

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

We celebrated the graduation of the first cohort from our Graduate Diploma in Kingdom Theology and Student Ministry (six graduates received the diploma). This is a significant step forward in validating student ministry as a long-term calling. We also broadened the awareness of this course with church leaders through a variety of methods. We also recruited enough pupils on the course for it to continue this year. We haven't had as many applicants as we would have liked. However, establishing a new course is always an uphill battle and Westminster Theological Centre (WTC) is happy with the progress.

# **FUSION UK**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

#### **ACHIEVEMENTS AND PERFORMANCE (continued)**

##### **Training for Churches**

The team delivered training for a total of 3,036 students and student workers across the academic year (excluding Sixty One). We met with churches in 42 university locations, delivering a form of student work consultancy.

In June, we surveyed 102 churches and celebrated with them 206 students giving their lives to Jesus and 201 being baptised. Whilst this survey is only a small sample of the churches we work with, it is a wonderful indicator of the fruit of our work and the goodness of God.

##### **Churches & Students**

We launched a new resource called "Church and Students" which is the rationale for church-based student mission. It makes the case, in a clear and concise way, for why local churches need to engage with the challenge of reaching the 99% of students who don't yet know Jesus. This resource has a wide reach and long shelf-life as this case needs to be made regularly in order for us to make progress with the mission of Fusion.

The team here in the UK also helped our colleagues in the USA to launch five existing resources in the USA. They needed considerable editing in order to contextualise for an American readership. This process has helped us learn how to do this for future Fusion nations.

##### **Operations**

Eight Fusion team members completed professional apprenticeships gaining qualifications in digital marketing, people and project management. Team members dedicated a minimum of 20% of their working hours to off-the-job training. Releasing team members to complete these courses did impact what we were able to achieve in the short term. However, since team members have completed their apprenticeships they have contributed new ideas and practices to Fusion that will sharpen us going forward.

Ministry Partner Development (MPD) continues to be stable and a key funding strategy for Fusion. The team have received additional support in MPD through an established coaching structure, peer support huddles and the appointment of a team member responsible for Ministry Partner Development within Fusion.

Reduced income from Churches and resource sales have been recorded. As a result, we have significantly increased our investment in publicity by outsourcing work to a digital marketing agency in order to increase brand awareness and sales. These income streams will continue to be monitored as a risk.



# **FUSION UK**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

#### **ACHIEVEMENTS AND PERFORMANCE (continued)**

##### **Review and summary of the year**

The results for the year and state of the charity's affairs at 31 August 2022 are set out in the financial statements on pages 12 to 22 showing income of £789,515 (2021 - £721,152) and expenditure of £903,483 (2021 - £725,998). The charity does not use professional fundraisers or raise funds from the general public.

The charity recorded net outgoing resources of £113,968 (2022 - £4,846) combined with net unrealised losses for the year of £11,960 (2021 - net unrealised gains of £40,721) bringing the total reserves to a surplus of £264,630 (2021 - £390,558) which includes restricted funds of £6,022 (2021 - £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 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 £247,352, are in line with target. 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.

# **FUSION UK**

## **TRUSTEES' REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

#### **FINANCIAL REVIEW (continued)**

##### **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 below:

Firstly, established office spaces remain crucial to the professionalism and development of healthy work culture at Fusion despite the growth of hybrid working. The charity rents office spaces in Loughborough. It also receives office spaces within churches in York and Southampton rent-free. These office spaces create continuity for team members and peer support which helps mitigate the risk of high team turnover. The future availability of all of these offices is uncertain to varying degrees, therefore, it is necessary to closely monitor and communicate with the various landlords to ensure continuity in tenure and to identify potential alternatives in case of an enforced move. Part of the cash reserves is in place to fulfil any unforeseen change in office circumstances.

Secondly, establishing sustainable fundraising income streams is increasingly uncertain in the current socio-political climate. The trustees mitigate this risk through the partnership fundraising model (known as Ministry Partnership Development (MPD) 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 reviewing and monitoring progress. The board of trustees determined that where universities are open and where students are attending their courses, the charity should not be absent in fulfilling its mission of supporting local churches and their student constituencies despite the ongoing financial effects of COVID-19. It was, therefore, 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 as they begin to recover and rebuild post-COVID.

# **FUSION UK**

## **TRUSTEES' REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

#### **RISK REVIEW (continued)**

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 management team and then reviewed, assessed and minuted by the board of trustees. The board of trustees along with the ops manager ensure the establishment and continuance of systems and procedures to mitigate those risks.

#### **PLANS FOR FUTURE PERIODS**

##### **Student Survey**

At the start of this academic year, we finalised a student worldview survey and have been carrying it out this year. The aim is to complete over 2,000 surveys with a diverse range of students in a variety of university locations. This will gather useful data on how students perceive the world, allow us to speak with authority into the student demographic and it also provides thousands of missional opportunities in these conversations. We are doing this survey with local churches in each place. After Easter, we will publish the results and begin to give commentary on them.

##### **Student Gathering**

This year we have decided to do a much smaller, more focused gathering of students than in previous years. We sense this is the best direction of travel for us in order to have the biggest impact. We will be inviting those students who are most passionate about sharing the gospel. With this smaller group of about 150 students, we will influence the campuses of the UK more generally.

##### **Student Evangelism**

Alongside the survey, we are seeking ways for the team to be involved in and encourage direct student evangelism. We are aware that it is core to the mission of Fusion and it's what is necessary for the current climate. This means the team will be going in twos to university locations to pioneer, adventure and pray. We have also identified that we may need to produce resources that will help students to engage with the Bible.

##### **Broadening income streams**

Alongside the development of our MPD strategy, we also intend to explore new avenues of fundraising. This involves discovering new trust funds that we can apply to and developing a plan to invite larger donors to join Fusion in a more significant way financially. Resource sales also need to increase.

# **FUSION UK**

## **TRUSTEES' REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

#### **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 10 March 2023 and signed on its behalf by:

.....  
  
**James Hill - Trustee board chair**

# FUSION UK

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

### FOR THE YEAR ENDED 31 AUGUST 2022

I report to the trustees on my examination of the financial statements of Fusion UK ('the charity') for the year ended 31 August 2022, which are set out on pages 12 to 22.

#### 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:** 23 March 2023

# FUSION UK

## STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure)

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>INCOMING RESOURCES</b>					
Donations and similar income:					
Donations received	3	613,974	-	<b>613,974</b>	555,066
Income tax recoverable		66,808	-	<b>66,808</b>	52,490
Income from grant making trusts	4	72,691	-	<b>72,691</b>	78,633
Charitable activities:					
Training and conference fees		3,550	-	<b>3,550</b>	2,203
Sale of training materials		22,540	-	<b>22,540</b>	24,178
Advertising revenue		-	-	-	-
Investments					
Investment income	5	9,952	-	<b>9,952</b>	8,582
Other income:					
Covid-19 grants		-	-	-	-
<b>TOTAL INCOMING RESOURCES</b>		<b>789,515</b>	<b>-</b>	<b>789,515</b>	<b>721,152</b>
<b>RESOURCES EXPENDED</b>					
Raising funds	6	23,779	-	<b>23,779</b>	6,855
Charitable activities	7	878,264	-	<b>878,264</b>	718,084
Governance costs	8	1,440	-	<b>1,440</b>	1,059
<b>TOTAL RESOURCES EXPENDED</b>		<b>903,483</b>	<b>-</b>	<b>903,483</b>	<b>725,998</b>
<b>NET OUTGOING RESOURCES FOR THE YEAR</b>					
		<b>(113,968)</b>	<b>-</b>	<b>(113,968)</b>	<b>(4,846)</b>
<b>OTHER RECOGNISED GAINS</b>					
Unrealised investment (loss) / gain		(11,960)	-	<b>(11,960)</b>	40,721
<b>NET MOVEMENT IN FUNDS</b>		<b>(125,928)</b>	<b>-</b>	<b>(125,928)</b>	<b>35,875</b>
Fund balances at 1 September		384,536	6,022	390,558	354,682
Fund balances at 31 August		<b>258,608</b>	<b>6,022</b>	<b>264,630</b>	<b>390,557</b>

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 15 - 22 form part of these financial statements.

# FUSION UK

## BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	Total funds 2022 £	Total funds 2021 £
<b>FIXED ASSETS</b>			
Tangible assets	10	17,374	23,165
Investments	11	184,482	196,442
		<hr/> 201,856	<hr/> 219,607
<b>CURRENT ASSETS</b>			
Stocks of resources		31,957	27,606
Debtors and prepayments	12	15,960	41,116
Cash at bank and in hand		89,782	121,155
		<hr/> 137,699	<hr/> 189,877
<b>CREDITORS: Amounts falling due within one year</b>	13	74,925	18,927
<b>NET CURRENT ASSETS</b>		<hr/> <b>62,774</b>	<hr/> <b>170,950</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> <b>264,630</b>	<hr/> <b>390,557</b>
<b>FUNDS</b>			
Restricted funds		6,022	6,022
Unrestricted funds:			
Designated funds	14	-	-
General funds		258,608	384,536
<b>TOTAL FUNDS</b>		<hr/> <b>264,630</b>	<hr/> <b>390,558</b>

For the year ending 31 August 2022 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 10 March 2023, and are signed on behalf of the board by:

  
.....  
**James Hill - Director**

The notes on pages 15 - 22 form part of these financial statements.

# FUSION UK

## STATEMENT OF CASH FLOWS

AS AT 31 AUGUST 2022

	Notes	Total funds 2022 £	Total funds 2021 £
Net cash flow from operating activities	17	(41,326)	(44,759)
<b>Cash flow from investing activities</b>			
Payments to acquire investments		-	-
Interest received	5	9,952	8,582
Net cash flow from investing activities		9,952	8,582
Net increase / (decrease) in cash and cash equivalents		(31,374)	(36,177)
Cash and cash equivalents as at 1 September 2021		121,154	157,331
<b>Cash and cash equivalents at 31 August 2022</b>		<b>89,780</b>	<b>121,154</b>

The notes on pages 15 - 22 form part of these financial statements.



# FUSION UK

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 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

# FUSION UK

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 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 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Individuals	495,493	-	495,493	430,212
Churches	108,842	-	108,842	113,644
Other organisations	9,639	-	9,639	11,210
	<hr/> 613,974	-	<hr/> 613,974	<hr/> 555,066

# FUSION UK

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 4 INCOME FROM GRANT MAKING TRUSTS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Trusts and organisations	72,691	-	72,691	78,633
	<u>72,691</u>	<u>-</u>	<u>72,691</u>	<u>78,633</u>

#### 5 INVESTMENT INCOME

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Listed investments	9,940	-	9,940	8,556
Interest on cash deposits	12	-	12	26
	<u>9,952</u>	<u>-</u>	<u>9,952</u>	<u>8,582</u>

#### 6 COST OF RAISING FUNDS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Publicity costs	23,779	-	23,779	6,855
	<u>23,779</u>	<u>-</u>	<u>23,779</u>	<u>6,855</u>

# FUSION UK

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 7 COST OF CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Resources	3,069	-	3,069	4,595
Events	58,711	-	58,711	12,049
Salaries and other staff costs	693,386	-	693,386	594,006
Travel and other staff expenses	56,195	-	56,195	26,528
Premises costs	11,975	-	11,975	10,138
Telephone and communications	18,599	-	18,599	22,368
Electronic media and computers	5,371	-	5,371	19,558
Other office costs	25,167	-	25,167	23,051
Depreciation	5,791	-	5,791	5,791
	<u>878,264</u>	<u>-</u>	<u>878,264</u>	<u>718,084</u>

#### 8 GOVERNANCE COSTS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Independent examination	1,046	-	1,046	1,046
Legal and sundry governance	394	-	394	13
	<u>1,440</u>	<u>-</u>	<u>1,440</u>	<u>1,059</u>

# FUSION UK

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 9 STAFF COSTS

No remuneration or expenses were paid to trustees during the year (2021 - £nil). The staff costs of the remaining staff were:

	2022 £	2021 £
Wages and salaries	605,217	521,879
Social security costs	43,357	34,377
Pension costs	44,812	37,750
	<u>693,386</u>	<u>594,006</u>

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

	2022	2021
Direct charitable work	24	22
Administration	4	4
	<u>28</u>	<u>26</u>

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

#### 10 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Office and computer equipment £	Total £
<b>Cost</b>			
At 1 September 2021 and 31 August 2022	40,539	5,781	46,320
<b>Depreciation</b>			
At 1 September 2021	17,374	5,781	23,155
Charge for year	5,791	-	5,791
At 31 August 2022	<u>23,165</u>	<u>5,781</u>	<u>28,946</u>
<b>Net book value</b>			
At 31 August 2022	<u>17,374</u>	<u>-</u>	<u>17,374</u>
At 1 September 2021	<u>23,165</u>	<u>-</u>	<u>23,165</u>

# FUSION UK

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 11 INVESTMENTS

Investments represent units held in equities investment fund for charities.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Market valuation</b>		
At 1 September 2021	196,442	155,721
(Decrease) / increase in unrealised gains	(11,960)	40,721
At 31 August 2022	<u>184,482</u>	<u>196,442</u>
<b>Original Cost</b>		
At 1 September 2021 & 31 August 2022	<u>200,000</u>	<u>200,000</u>

#### 12 DEBTORS AND PREPAYMENTS

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Income tax recoverable	13,802	34,368
Other debtors and prepayments	2,158	6,748
	<u><b>15,960</b></u>	<u>41,116</u>

#### 13 CREDITORS: Amounts falling due within one year

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Taxation and social security	11,346	9,169
Accruals	46,046	1,046
Other creditors	17,533	8,712
	<u><b>74,925</b></u>	<u>18,927</u>

# FUSION UK

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 14 ANALYSIS OF FUNDS

	Balance at 1 Sep 21	Incoming resources	Outgoing resources	Unrealised losses	Balance at 31 Aug 22
<b>Unrestricted funds:</b>					
General funds	384,536	789,515	903,483	(11,960)	<b>258,608</b>
Fusion Scotland (designated)	-	-	-	-	-
<b>Restricted funds:</b>					
Fusion Ireland	6,022	-	-	-	<b>6,022</b>
<b>Total funds:</b>	<u>390,558</u>	<u>789,515</u>	<u>903,483</u>	<u>(11,960)</u>	<u><b>264,630</b></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	17,374	-	<b>17,374</b>
Investments	184,482	-	<b>184,482</b>
Net current assets	56,752	6,022	<b>62,774</b>
	<u>258,608</u>	<u>6,022</u>	<u><b>264,630</b></u>

#### 16 GROSS OBLIGATIONS UNDER OPERATING LEASING AGREEMENTS

As at 31 August 2022, the charity had annual commitments under non-cancellable leases as follows:

	2022 £	2021 £
No later than one year	-	-
Later than one year but not later than 5 years	11,256	16,950
	<u><b>11,256</b></u>	<u><b>16,950</b></u>

# FUSION UK

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2022

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

	2022 £	2021 £
Net income for the year	(125,928)	35,875
Interest receivable	(9,952)	(8,582)
Depreciation and impairment of tangible fixed assets	5,791	5,791
Unrealised losses / (gains) on investments	11,960	(40,721)
(Increase) / decrease in stock	(4,351)	(11,323)
(Increase) / decrease in debtors	25,156	(19,681)
Increase / (decrease) in creditors	55,999	(6,119)
Net cash flow from operating activities	<u>(41,326)</u>	<u>(44,759)</u>