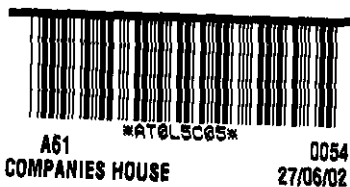


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REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st AUGUST 2001

FOR

FUSION UK
(A Company Limited by Guarantee)



FUSION UK

INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st AUGUST 2001

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FUSION UK
COMPANY INFORMATION
FOR THE YEAR ENDED 31st AUGUST 2001

TRUSTEES: A J Bullen
A Clarke
J M Featherby
D E West

SECRETARY: M J Topley

REGISTERED OFFICE: Revelation Centre
Spur Road
Chichester
West Sussex
PO19 2PR

REGISTERED NUMBER: 3679369 (England and Wales)

CHARITY NUMBER: 1073572

REPORTING ACCOUNTANT: Emjay Partnership Limited
Chartered Certified Accountants
76 Woodlands Avenue
Rustington
West Sussex
BN16 3EY

BANKERS: Barclays Bank P.L.C.
74 East Street
Chichester
West Sussex
PO19 1HT

FUSION UK

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31st AUGUST 2001

The trustees present their report together with the financial statements of the company for the year ended 31st August 2001.

OBJECTS OF THE CHARITY AND PRINCIPAL ACTIVITY

The charity's object and its principal activity is to advance the Christian faith by working in partnership with local churches to resource and support students.

INVESTMENT POWERS

The Trust Deed authorises the trustees to make and hold investments using the general funds of the charity, but no such investments are currently held.

DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS THIS PERIOD

The trustees consider that the performance of the charity this period has been satisfactory.

TRANSACTIONS AND FINANCIAL POSITION

The Statement of Financial Activities shows net income of £6,170 for the period and reserves stand at £6,808 in total. The trustees aim to keep in general reserves sufficient funds to maintain the ongoing activities of the charity for at least six months.

FUTURE DEVELOPMENTS

Whilst the income of the charity has grown by 30%, it has again doubled in size in operational terms during the year. The trustees anticipate that this rate of growth will continue, and the establishment of a long-term supporter base is entirely realistic.

DIRECTORS AND TRUSTEES

The registered directors of the company are also the trustees. All of the trustees named on page 1 served throughout the year.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are required by law to prepare financial statements for each financial period, which give a true and fair view of the financial activities of the charity and of its financial position at the end of the period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

FUSION UK

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31st AUGUST 2001

REPORTING ACCOUNTANT

Emjay Partnership Limited have signified their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'A Clarke', is written over the text 'ON BEHALF OF THE BOARD:'.

A Clarke – Director
2002

FUSION UK

INDEPENDENT ACCOUNTANTS' REPORT TO THE TRUSTEES OF FUSION UK

We report on the accounts of the Charity for the year, which are set out on pages 5 to 10.

Respective responsibilities of trustees and reporting accountant

As the charity's trustees you are responsible for the preparation of the accounts and you consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of independent examiner's report

Our work was carried out in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

1. the financial statements are in agreement with the accounting records kept by the company under s221 of the Companies Act 1985;
2. having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in s249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year, specified in s249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in s249B(1).

Emjay Partnership Limited
2002

76 Woodlands Avenue
Rustington
West Sussex
BN16 3EY

FUSION UK

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st AUGUST 2001

| | | <u>2001</u> | <u>2000</u> |
|---|-------|----------------|---------------|
| UNRESTRICTED FUNDS | Notes | £ | |
| INCOMING RESOURCES | | | |
| Gifts from churches and individuals | | 84,900 | 42,629 |
| Income Tax recoverable | | 15,234 | 12,172 |
| Income from grant making trusts | 2 | 15,500 | 32,990 |
| Sale of training materials | | 4,133 | 2,879 |
| Investment income | | 197 | 337 |
| TOTAL INCOMING RESOURCES | | <u>119,964</u> | <u>91,007</u> |
| RESOURCES EXPENDED | | | |
| Direct charitable expenditure | | 99,590 | 77,535 |
| Fundraising and publicity | | 7,129 | 9,245 |
| Management and administration | | 7,075 | 3,898 |
| TOTAL RESOURCES EXPENDED | 3 | <u>113,794</u> | <u>90,678</u> |
| NET INCOMING (OUTGOING) RESOURCES FOR THE PERIOD | | 6,170 | 329 |
| Investment gains unrealised | | - | - |
| Net Movement in Funds for the period | | <u>6,170</u> | <u>329</u> |
| Total Funds: | | | |
| Balance at 1 st September 2000 | | 638 | 309 |
| Carried Forward | | <u>£6,808</u> | <u>£638</u> |

FUSION UK

BALANCE SHEET
31st AUGUST 2001

| | | <u>2001</u> | | <u>2000</u> | |
|---|-------|--------------|---------------|--------------|-------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS: | | | | | |
| Tangible assets | 7 | | 6,135 | | 1,050 |
| CURRENT ASSETS: | | | | | |
| Sundry Debtors and Prepayments | 8 | 207 | | 207 | |
| Cash at bank and in hand | | <u>6,078</u> | | <u>2,420</u> | |
| | | 6,285 | | 2,627 | |
| CREDITORS: Amounts falling due within one period | 9 | <u>5,612</u> | | <u>3,039</u> | |
| NET CURRENT ASSETS: | | | 673 | | (412) |
| | | | <u>£6,808</u> | | <u>£638</u> |
| CAPITAL AND RESERVES: | | | | | |
| Unrestricted funds: | | | | | |
| General Fund | 10 | | <u>6,808</u> | | <u>638</u> |
| | | | <u>£6,808</u> | | <u>£638</u> |

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st August 2001.

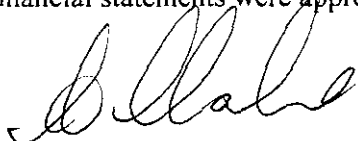
The members have not required the company to obtain an audit of its financial statements for the year ended 31st August 2001 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the board of Trustees on 2002 and signed on its behalf by:



A Clarke – DIRECTOR

FUSION UK

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st AUGUST 2001

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost and include the results of the charity's operations which are described in the Directors and Trustees' Report and all of which are continuing.

The accounts have been prepared in compliance with Statement of Recommended Practice on Charity Accounts.

The charity has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow forecast.

Grants

Grants are accounted for as they are received.

Investment Income

Investment income is accounted for on an income receivable basis.

Tangible fixed assets

Tangible fixed assets 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:

| | |
|---------------------|------------------------------|
| Computer Equipment | - 33 $\frac{1}{3}$ % on cost |
| Office Improvements | - 33 $\frac{1}{3}$ % on cost |

Taxation

The charity is exempt from the liability to taxation by virtue of section 505(1) Income and Corporation Taxes Act 1988.

Value added tax

Value added tax is not recovered by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

FUSION UK

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st AUGUST 2001

2. INCOME FROM GRANT MAKING TRUSTS

| | 2001 £ |
|--------------------------|---------------|
| Kingdom Charitable Trust | 9,000 |
| Spring Harvest | 4,000 |
| Nilgris Trust | 1,000 |
| Tufton Charitable Trust | 1,000 |
| The Carpenter Trust | 500 |
| | <hr/> |
| | <u>15,500</u> |

3. RESOURCES EXPENDED

| | Direct Charitable Expenditure | | Fundraising and publicity | | Management and administration | |
|-----------------------------------|-------------------------------------|---------------|---------------------------------|--------------|-------------------------------------|--------------|
| | 2001 £ | 2000 £ | 2001 £ | 2000 £ | 2001 £ | 2000 £ |
| Production of training materials | 4,326 | 9,067 | | | | |
| Other direct costs | 8,166 | 3,320 | | | | |
| Publicity costs | | | 7,129 | 9,245 | | |
| Office rentals | 4,243 | 4,896 | | | 223 | 258 |
| Telephone and communications | 4,791 | 2,698 | | | 252 | 142 |
| Equipment Costs | 4,046 | 479 | | | 213 | 25 |
| Other office costs | 8,441 | 6,316 | | | 3,969 | 1,592 |
| Fees. Salaries and staff expenses | 57,762 | 47,439 | | | 2,006 | 1,873 |
| Travel expenses | 4,555 | 2,772 | | | 240 | 146 |
| Depreciation | 3,260 | 548 | | | 172 | 29 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | <u>99,590</u> | <u>77,535</u> | <u>7,129</u> | <u>9,245</u> | <u>7,075</u> | <u>3,898</u> |

4. SURPLUS / (DEFICIT)

The Surplus / (Deficit) is stated after charging:

| | 2001 £ | 2000 £ |
|-----------------------------|--------------|------------|
| Depreciation - owned assets | <u>3,431</u> | <u>577</u> |

FUSION UK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2001

5. STAFF COSTS

No remuneration was paid to trustees in the period, and expenses incurred by the Trustees and reimbursed by the Charity amounted to £Nil. The staff costs of the remaining staff were:

| | 2001 £ | 2000 £ |
|-----------------------|---------------|---------------|
| Wages and Salaries | 38,309 | 33,649 |
| Social Security costs | 3,014 | 2,754 |
| | <u>41,323</u> | <u>36,403</u> |

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

| | 2001 | 2000 |
|------------------------|-------------|-------------|
| Direct charitable work | 2.71 | 2.71 |
| Administrative | 0.09 | 0.09 |
| | <u>2.80</u> | <u>2.80</u> |

No employee earned £40,000 p.a. or more.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2001 £ | 2000 £ |
|--------------------------|-------------|-------------|
| Deposit account interest | <u>£197</u> | <u>£337</u> |

7. TANGIBLE FIXED ASSETS

| | <u>Office Improvements</u> | <u>Office and Computer equipment</u> | <u>Total</u> |
|------------------------|--------------------------------|--|--------------|
| | £ | £ | £ |
| COST: | | | |
| At 1st September 2000 | | 1,731 | 1,731 |
| Additions | <u>2,617</u> | <u>5,899</u> | <u>8,516</u> |
| At 31st August 2001 | <u>2,617</u> | <u>7,630</u> | 10,247 |
| DEPRECIATION: | | | |
| At 1st September 2000 | | 681 | 681 |
| Charge for period | <u>872</u> | <u>2,559</u> | <u>3,431</u> |
| At 31st August 2001 | <u>872</u> | <u>3,240</u> | <u>4,112</u> |
| NET BOOK VALUE: | | | |
| At 31st August 2001 | <u>1,745</u> | <u>4,390</u> | <u>6,135</u> |
| At 1st September 2000 | <u>-</u> | <u>1,050</u> | <u>1,050</u> |

FUSION UK

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st AUGUST 2001

**8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE PERIOD**

| | 2001 | 2000 |
|-------------------------------|------------|------------|
| | £ | £ |
| Other debtors and prepayments | <u>207</u> | <u>207</u> |

**9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE PERIOD**

| | 2001 | 2000 |
|---|--------------|--------------|
| | £ | £ |
| Amounts due under Hire Purchase Contracts | 2,630 | - |
| Taxation and social security | - | 840 |
| Other creditors | 1,724 | - |
| Accruals | <u>1,258</u> | <u>2,199</u> |
| | <u>5,612</u> | <u>3,039</u> |

10. FUNDS

| | Total £ | General Fund £ |
|--|---------------|----------------------|
| Balance 1 st September 2000 | 638 | 638 |
| Net movement in funds | <u>6,170</u> | <u>6,170</u> |
| | <u>£6,808</u> | <u>£6,808</u> |