

Company Registration No. 08437560 (England and Wales)

FUSION IMPLANTS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021
PAGES FOR FILING WITH REGISTRAR

FUSION IMPLANTS LIMITED

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FUSION IMPLANTS LIMITED

BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	5		3,248		2,547
Tangible assets	6		6,401		2,864
			<u>9,649</u>		<u>5,411</u>
Current assets					
Stocks		50,795		36,622	
Debtors	7	72,974		44,292	
Cash at bank and in hand		32,647		70,720	
		<u>156,416</u>		<u>151,634</u>	
Creditors: amounts falling due within one year	8	(330,129)		(318,143)	
Net current liabilities			<u>(173,713)</u>		<u>(166,509)</u>
Total assets less current liabilities			<u>(164,064)</u>		<u>(161,098)</u>
Creditors: amounts falling due after more than one year	9		(40,000)		(40,000)
Net liabilities			<u>(204,064)</u>		<u>(201,098)</u>
Capital and reserves					
Called up share capital	10		15		15
Share premium account			39,996		39,996
Profit and loss reserves			(244,075)		(241,109)
Total equity			<u>(204,064)</u>		<u>(201,098)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 June 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A for small entities.

FUSION IMPLANTS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2021

The financial statements were approved by the board of directors and authorised for issue on 28 October 2021 and are signed on its behalf by:

Dr Daniel Jones

Director

Company Registration No. 08437560

FUSION IMPLANTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 July 2019	15	39,996	(243,266)	(203,255)
Year ended 30 June 2020:				
Profit and total comprehensive income for the year	-	-	2,157	2,157
Balance at 30 June 2020	15	39,996	(241,109)	(201,098)
Year ended 30 June 2021:				
Loss and total comprehensive income for the year	-	-	(2,966)	(2,966)
Balance at 30 June 2021	15	39,996	(244,075)	(204,064)

FUSION IMPLANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Fusion Implants Limited is a private company limited by shares incorporated in England and Wales. The registered office is 177 Harrison Hughes Building, School of Engineering, University of Liverpool, Merseyside, L69 3GH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention.

1.2 Going concern

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

As at 30 June 2021 the company had net liabilities of £206,641. The company will continue to meet its obligations as they fall due through funds provided by the company's shareholder.

The company was due to repay its final instalment of its redeemable preference shares on 1 March 2020. The company's shareholder has not requested payment and committed its support to the company.

Due to Covid19, during and post year end the company availed itself of the Government's Job Retention Scheme and the VAT payment deferral scheme to safeguard the future of the company. The company has also availed itself of the Government's bounce back loan scheme (see note 8) and received Grant Funding from Liverpool City Council during the year.

1.3 Turnover

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

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

1.4 Intangible fixed assets (patents)

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 18 months.

1.5 Tangible fixed assets

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

FUSION IMPLANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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

Plant and machinery	20% on a straight line basis
Fixtures, fittings & equipment	20% on a straight line basis
Computer equipment	33% on a straight line basis

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Classification of financial liabilities

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

FUSION IMPLANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

1.10 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.11 Taxation

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

Current tax

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

Deferred tax

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

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

FUSION IMPLANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

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

1.14 Government grants

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

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

1.15 Foreign exchange

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

1.16 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technique, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which company is expected to benefit.

2 Judgements and key sources of estimation uncertainty

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

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

FUSION IMPLANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 6 (2020 - 6).

4 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	(30,015)	(15,814)
Adjustments in respect of prior periods	-	(5,846)
	<u> </u>	<u> </u>
Total current tax	<u>(30,015)</u>	<u>(21,660)</u>

The company has estimated tax losses of £122,103 (2020: £122,103) available for carry forward against future trading profits. Additionally, the company has unused tax credits to carry forward of £3,363 (2020: £3,363).

No deferred tax asset has been provided on these losses on the basis that the timing of any recoverability is uncertain.

The refund in corporation tax is due to research and development tax credits.

5 Intangible fixed assets

	Patents £
Cost	
At 1 July 2020	6,330
Additions	2,206
	<u> </u>
At 30 June 2021	8,536
Amortisation and impairment	
At 1 July 2020	3,782
Amortisation charged for the year	1,506
	<u> </u>
At 30 June 2021	5,288
Carrying amount	
At 30 June 2021	<u>3,248</u>
At 30 June 2020	<u>2,547</u>

FUSION IMPLANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

6 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 July 2020	26,835
Additions	5,216
	<hr/>
At 30 June 2021	32,051
	<hr/>
Depreciation and impairment	
At 1 July 2020	23,971
Depreciation charged in the year	1,679
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At 30 June 2021	25,650
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Carrying amount	
At 30 June 2021	6,401
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At 30 June 2020	2,864
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7 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	43,871	15,720
Corporation tax recoverable	29,103	21,661
Other debtors	-	6,911
	<hr/>	<hr/>
	72,974	44,292
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FUSION IMPLANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

8 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	5,533	400
Taxation and social security	14,718	17,259
Other creditors	309,878	300,484
	<u>330,129</u>	<u>318,143</u>

Other creditors include preference shares of £210,000. The preference shares are redeemable in instalments of £52,500 commencing 1 September 2018 with the final instalment falling due by 1 March 2020 or the date on which the company first has available profits. Preference shares have full rights in the company with regards to dividends and capital distribution, but do not entitle the holders thereof to receive notice of, attend or vote at General Meetings of the company. A dividend may be declared on this class to the exclusion of other classes but where a dividend is declared on more than one class of share the dividend for each class may be fixed intentionally. Dividends on Preference Shares are accrued at a rate of 7% per annum, on a daily basis.

9 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	40,000	40,000

The £40,000 relates to the Coronavirus Bounce Back Loan Scheme, to safeguard businesses through Covid-19.

10 Called up share capital

	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
400 Ordinary A shares of 1p each	4	4
86 Ordinary B shares of 1p each	1	1
974 Ordinary shares of 1p each	10	10
	<u>15</u>	<u>15</u>

The Ordinary shares are irredeemable and have full rights in the company with regards to voting, dividend and capital distribution. A dividend may be declared on the class of share to the exclusion of the other classes but where a dividend is declared on more than one class of share the dividend for each class may be fixed individually.

The 'A' Ordinary Shares are irredeemable and have full right in the company with regards to voting, dividend and capital distribution. A dividend may be declared on this class of share to the exclusion of the other classes but where a dividend is declared on more than one class of share the dividend for each class may be fixed individually.

FUSION IMPLANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

10 Called up share capital

(Continued)

The 'B' Ordinary shares are irredeemable and have full right in the company with regards to dividend and capital distribution, but do not entitle the holders thereof to receive notice of, attend or vote at general meeting of the company. A dividend may be declared on the class of share to the exclusion of the other classes but where a dividend is declared on more than one class of share the dividend for each class may be fixed individually.

At a board meeting of 13 March 2020 a resolution was passed to re-designate 72 B Ordinary shares as Ordinary shares. During the prior year 24 'B' Ordinary shares were issued. These shares were subscribed by current and new B ordinary shareholders.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.