

Company Registration No. 06636622

Fusion Universal Limited

Directors' Report & Unaudited Financial Statements

For the year ended 30th June 2014

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Fusion Universal Limited

Company Information

Directors	S.P. Dineen D.C. MacDonald (Appointed 15 September 2014) P.A. Rose (Appointed 10 June 2014) U. Goenka (Resigned 15 September 2014)
Secretary	M.J. Dineen
Registered Office	1 Curtain Road London EC2A 3LT
Registered Number	06636622

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Fusion Universal Limited

Report of the Directors

The directors submit their report and accounts for the year ended 30th June 2014

Business Review

The results for the year, and the financial position as at the year end, are as set out in the attached financial statements. Although the Company's liabilities exceeded its assets as at 30 June 2014, the directors consider it feasible that the Company can continue as a going concern for the following reasons. On 29 July 2014, Fusion Universal Limited entered into a Company Voluntary Arrangement (CVA) with its creditors. It also secured £400,000 of loan funding in order to ensure its financial stability.

In the period after 30 June 2014, the Company has increased its revenues significantly and has returned to good profitability. On 29 April 2015, the Company signed a detailed term sheet with a US based investor. In June 2015, the Company concluded the investment of £6.5m in return for a stake of approximately 26% in the Company. This funding will allow the Company to grow and expand in line with its current business plan, and ensure the maintenance of a high quality service to its clients as it expands. As a result of this investment, the Company has proposed an amendment to the CVA to settle its liabilities by a lump sum payment. The creditors bound by the CVA have accepted this amendment.

Principal Activity

The Company provides E Learning content software.

Dividends

The directors do not recommend payment of a dividend.

Directors

The Directors, and their interest in the Issued Ordinary Share Capital are as set out below:

<u>Name</u>	<u>Ordinary Shares</u>	
	<u>2014</u>	<u>2013</u>
S.P. Dineen	10,000	10,000
D.C. MacDonald (Appointed 15 September 2014)		
P.A. Rose (Appointed 10 June 2014)		
U. Goenka (Resigned 15 September 2014)		

Fusion Universal Limited

Report of the Directors

(Continued)

Statement of Directors' Responsibilities

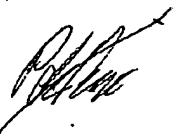
Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to;

- * Select suitable accounting policies and the apply them consistently
- * Make judgements and estimates that are reasonable and prudent
- * Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Basis of Preparation

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



P.A. Rose

Director

Date

25 JUNE 2015

1 Curtain Road

London

EC2A 3LT

**Chartered Accountants' Report to the Directors on the unaudited financial statements of
Fusion Universal Limited**

The Chartered Accountants present their report and accounts for the year ended 30 June 2014.

In accordance with our terms of engagement, and in order to assist you to fulfil your duties under the Companies Act 2006 we have compiled the financial statements of the company which comprise the Profit and Loss Account, Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Directors, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Directors that we have done so, and state those matters that we have agreed to state to him in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Directors, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet as at 30 June 2014 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express an opinion on the financial statements.

Tom Carolan & Co
Chartered Accountants

Gortnamóna
Newdown
The Downs
Mullingar
Co. Westmeath

Ireland

Date 25 JUNE 2015

Fusion Universal Limited

Profit & Loss Account for the year ended 30 June 2014

		2014	2013
	Notes	£	£
Turnover	2	1,662,294	1,349,476
Cost of Sales		<u>468,366</u>	<u>230,289</u>
Gross Profit		1,193,928	1,119,187
Operating and administrative expenses		<u>2,009,466</u>	<u>1,173,568</u>
Operating Loss		(815,538)	(54,381)
Bank interest earned		174	26
Bank interest payable		<u>(4,133)</u>	<u>(2,809)</u>
Loss on ordinary activities before taxation	3	(819,497)	(57,164)
Taxation	5	<u>70,730</u>	<u>45,000</u>
Loss on ordinary activities after taxation	6	(748,767)	(12,164)
Dividends		<u>-</u>	<u>-</u>
Retained Loss for the year		(748,767)	(12,164)
Retained Loss Brought Forward		<u>(388,372)</u>	<u>(376,208)</u>
Retained Loss Carried Forward		<u>(£1,137,139)</u>	<u>(£388,372)</u>

Statement of Total Recognised Gains and Losses

The loss on ordinary activities after taxation, as stated above, recognises all gains and losses for the year as defined by Financial Reporting Standard No.3. All turnover and profits arose from continuing operations of the Company.

Fusion Universal Limited

Balance Sheet at 30 June 2014

		2014		2013	
	Notes	£	£	£	£
Tangible Fixed Assets	7		34,333		31,328
Current Assets					
Debtors	8	1,107,378		736,221	
Cash at bank and in hand		<u>3,815</u>		<u>2,819</u>	
		1,111,193		739,040	
Less: Current Liabilities					
Amounts falling due within one year	9	<u>1,676,541</u>		<u>1,158,729</u>	
Net Current Liabilities			<u>(565,348)</u>		<u>(419,689)</u>
			<u>(£531,015)</u>		<u>(£388,361)</u>
Represented by; Capital & Reserves					
Share capital	10		11		11
Share premium	11		606,113		-
Profit & loss account - Deficit			<u>(1,137,139)</u>		<u>(388,372)</u>
			<u>(£531,015)</u>		<u>(£388,361)</u>

For the financial year ended 30 June 2014 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledges their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Directors and authorised for issue on 25 JUNE 2015

S.P. Dineen

Director



Notes to the Financial Statements for the year ended 30 June 2014

1. Accounting policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in compliance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

Turnover represents invoiced sales of services, net of Value Added Tax.

Tangible fixed assets

Depreciation is provided at the following annual rates to write off fixed assets over their useful lives as follows;

Office Equipment (reducing balance)	20.00%
Fixtures and fittings (reducing balance)	20.00%

Cash Flow Statement

The company, as a small company, is entitled to the exemptions under the companies Act 2006. The Directors have not, therefore, prepared a cashflow statement as permitted by Financial Reporting Standard No. 1.

2. Turnover

The turnover is attributable solely to the company's principal activity arising in the United Kingdom.

	<u>2014</u>	<u>2013</u>
	£	£
3. Operating Profit		
The operating profit is stated after charging:		
Staff costs (including director's remuneration)	1,341,445	812,030
Depreciation	<u>7,335</u>	<u>7,379</u>
4. Directors' remuneration		
For services as director	<u>16,500</u>	<u>36,000</u>
	<u>£16,500</u>	<u>£36,000</u>
5. Taxation		
Tax credits receivable in respect of research and development Expenditure	70,730	45,000
Provision for Corporation Tax on the profits for the year.	<u>-</u>	<u>-</u>
	<u>£70,730</u>	<u>£45,000</u>
6. Dividends		
Dividends paid on the Ordinary Share Capital	<u>-</u>	<u>27,000</u>
	<u>-</u>	<u>£27,000</u>

Fusion Universal Limited

Notes to the Financial Statements for the year ended 30 June 2014

(Continued)

7.Tangible Fixed Assets	Computer and office Equipment	Fixtures and Fittings	Total
Cost	£	£	£
At 1 July 2013	42,500	16,982	59,482
Additions at cost	6,869	3,471	10,340
Cost at 30 June 2014	49,369	20,453	69,822
Depreciation			
At 1 July 2013	20,164	7,990	28,154
Charge for the year	5,057	2,278	7,335
Depreciation at 30 June 2014	25,221	10,268	35,489
Net Book Value			
At 30 June 2014	£24,148	£10,185	£34,333
At 30 June 2013	£22,336	£8,992	£31,328

	<u>2014</u>	<u>2013</u>
8.Debtors	£	£
Trade debtors	693,318	626,339
Other debtors	225,000	-
Tax credits receivable	160,730	90,000
Prepayments and other debtors	28,330	19,882
	<u>£1,107,378</u>	<u>£736,221</u>

9.Creditors: Amounts falling due within one year

Trade creditors and accruals	168,593	196,469
Bank loans & overdrafts	6,862	33,661
Social Security & other taxes	1,297,547	751,072
Accruals and other creditors	203,539	177,527
	<u>£1,676,541</u>	<u>£1,158,729</u>

The Company has granted But For Limited a fixed and floating charge over its assets as security for monies advanced.

10.Share Capital

	<u>2014</u>	<u>2013</u>
Authorised - 1,000,000 Ordinary £0.001 Shares	£	£
	<u>£1,000</u>	<u>£1,000</u>
Issued and fully paid - 11,146 Ordinary £0.001 Shares		
	<u>£11</u>	<u>£11</u>

Fusion Universal Limited

Notes to the Financial Statements for the year ended 30 June 2014

(Continued)

	2014	2013
11. Share Premium	£	£
Premiums of £606,113 were paid on issue of an additional 1,146 Ordinary £0.0010 shares.	<u>£606,113</u>	<u>£-</u>
12. Reconciliation of Movements in Shareholders Funds		
Shareholders funds at 1 July 2013 - Deficit	(388,362)	55,646
Premium on shares issued	606,113	-
Retained Loss for the year	<u>(748,767)</u>	<u>(444,008)</u>
Shareholders funds at 30 June 2014 - Deficit	<u>(£531,016)</u>	<u>(£388,362)</u>

There were no gains or losses other than those recognised in the Profit & Loss Account.

13. Ultimate control

The Company is under the control of Mr. S.P. Dineen, director, by virtue of his majority ownership of the ordinary share capital.

14. Going concern

In the period after 30 June 2014, the Company has increased its revenues significantly and has returned to good profitability. On 29 April 2015, the Company signed a detailed term sheet with a US based investor. In June 2015, the Company concluded the investment of £6.5m in return for a stake of approximately 26% in the Company. This funding will allow the Company to grow and expand in line with its current business plan, and ensure the maintenance of a high quality service to its clients as it expands.

At the balance sheet date the Company's liabilities exceeded its assets by 748,757, The Directors believe that it is appropriate for the financial statements to be prepared on a going concern basis on the grounds that the Company's existing sources of funding will continue to support it for the foreseeable future. On 29 July 2014, Fusion Universal Limited entered into a Company Voluntary Arrangement with its creditors. As a result of the investment of £6.5m from a US based investor, the Company has proposed an amendment to the CVA to settle its liabilities by a lump sum payment. The creditors bound by the CVA have accepted this amendment.

For these reasons, the Directors consider it feasible that the Company can continue trading as a going concern.

Fusion Universal Limited

Profit & Loss Account for the year ended 30 June 2014

	2014		2013	
	£	£	£	£
Turnover		1,662,294		1,349,476
Cost of Sales: Direct costs		<u>468,366</u>		<u>230,289</u>
Gross Profit		1,193,928		1,119,187
Operating charges				
Wages and salaries	1,341,445		812,030	
Software expenses	34,820		14,447	
Travel & Subsistence	69,910		80,154	
Entertainment	13,480		9,623	
Printing, postage and stationery	7,896		5,654	
Subscriptions	3,184		213	
Legal and professional costs	172,331		50,998	
Voiceover fees	37,792		-	
PR & Marketing	131,747		48,843	
Telecommunications	18,869		12,684	
Equipment rental and maintenance	3,551		5,250	
Insurance	1,722		1,422	
Rent & Rates	124,059		90,142	
Property maintenance	27,636		22,564	
Light & heat	5,334		6,583	
Bank charges	2,674		5,053	
Late filing fees & penalties	1,677		100	
Miscellaneous	4,003		429	
Depreciation	<u>7,336</u>		<u>7,379</u>	
		<u>2,009,466</u>		<u>1,173,568</u>
Operating (Loss)/Profit		<u>(£815,538)</u>		<u>(£54,381)</u>

This page does not form part of the statutory financial statements