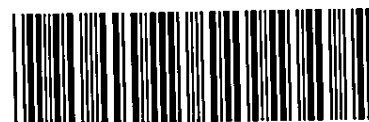


FUSION ASSETS LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

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COMPANIES HOUSE

FUSION ASSETS LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

Directors	Thomas Maginnis Alistair Crichton Maureen McConachie Michael Coyle Iain Carmichael Scott Duguid Walter Dunlop Thomas Lunny
Company secretary	Burness LLP
Company number	SC299690
Registered office	Suite 32 Airdrie Business Centre 1 Chapel Lane Airdrie Lanarkshire ML6 6GX
Auditors	PKF (UK) LLP 78 Carlton Place Glasgow G5 9TH
Bankers	Airdrie Savings Bank 56 Stirling Street ML6 0AW
Solicitors	Burness LLP 120 Bothwell Street Glasgow G2 7JL

FUSION ASSETS LIMITED
(A company limited by guarantee)

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FUSION ASSETS LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2011

The directors present their report and the financial statements for the year ended 31 March 2011.

Principal activity

The principal activity of the company is to capitalise upon urban regeneration and economic development opportunities within North Lanarkshire. In particular the company will focus on physical development projects aimed at diversifying town centre usage and identifying opportunities to engage with the private sector to deliver commercial property.

Directors

The directors who served during the year were:

Thomas Maginnis
John Pentland (resigned 22 November 2010)
Alistair Crichton
Maureen McConachie
Michael Coyle
Iain Carmichael (appointed 23 September 2010)
Scott Duguid (appointed 23 September 2010)
Walter Dunlop (appointed 23 September 2010)
Thomas Lunny (appointed 21 February 2011)

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

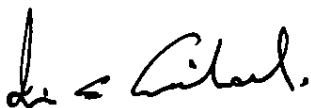
Limited by guarantee

The company does not have share capital and is limited by guarantee. The liability of the members in the event of winding up is limited to £1 each.

This report was approved by the board on

19/9/11

and signed on its behalf.



Iain Carmichael
Director

FUSION ASSETS LIMITED
(A company limited by guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2011

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

FUSION ASSETS LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FUSION ASSETS LIMITED

We have audited the financial statements of Fusion Assets Limited for the year ended 31 March 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

FUSION ASSETS LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FUSION ASSETS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report.

PKF (UK) LLP

Charles Barnett (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor

Glasgow, UK

11 October 2011

FUSION ASSETS LIMITED
(A company limited by guarantee)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 £
Administrative expenses		(55,135)	(44,759)
Other operating income	2	55,135	44,759
OPERATING PROFIT	3	-	-
Interest receivable and similar income		77,082	82,169
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		77,082	82,169
Tax on profit on ordinary activities	5	(27,671)	(17,355)
PROFIT FOR THE FINANCIAL YEAR	11	49,411	64,814

The notes on pages 7 to 10 form part of these financial statements.

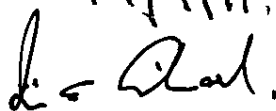
FUSION ASSETS LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: SC299690

BALANCE SHEET
AS AT 31 MARCH 2011

	Note	£	2011 £	£	2010 £
CURRENT ASSETS					
Debtors	6	350,760		251,863	
Cash at bank and in hand		4,210,872		4,313,465	
		<u>4,561,632</u>		<u>4,565,328</u>	
CREDITORS: amounts falling due within one year	7	<u>(218,500)</u>		<u>(231,472)</u>	
NET CURRENT ASSETS			<u>4,343,132</u>		<u>4,333,856</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,343,132</u>		<u>4,333,856</u>
CREDITORS: amounts falling due after more than one year	8		<u>(2,810,016)</u>		<u>(2,850,151)</u>
NET ASSETS			<u><u>1,533,116</u></u>		<u><u>1,483,705</u></u>
CAPITAL AND RESERVES					
Other reserves	11		1,335,060		1,335,060
Profit and loss account	11		<u>198,056</u>		<u>148,645</u>
			<u><u>1,533,116</u></u>		<u><u>1,483,705</u></u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

19/9/11,


Iain Carmichael
Director

The notes on pages 7 to 10 form part of these financial statements.

FUSION ASSETS LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse and are not discounted.

1.3 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

1.4 Deferred income

Deferred income consists of amounts contributed to the company to fund current and future operating costs less amounts already recognised within the profit and loss account for this purpose.

2. OTHER OPERATING INCOME

	2011 £	2010 £
Deferred income release	55,135	44,759

3. OPERATING PROFIT

The operating profit is stated after charging:

	2011 £	2010 £
Auditors' remuneration	5,500	4,750

FUSION ASSETS LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

4. DIRECTORS' REMUNERATION

	2011 £	2010 £
Aggregate emoluments	<u>7,785</u>	<u>2,378</u>

5. TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	16,187	17,255
Adjustments in respect of prior periods	-	100
Total current tax	<u>16,187</u>	<u>17,355</u>
Deferred tax (see note 9)		
Origination and reversal of timing differences	<u>11,484</u>	-
Tax on profit on ordinary activities	<u>27,671</u>	<u>17,355</u>

6. DEBTORS

	2011 £	2010 £
Amounts owed by undertakings in which the company has a participating interest	265,351	155,351
Other debtors	72,229	71,848
Deferred tax asset (see note 9)	13,180	24,664
	<u>350,760</u>	<u>251,863</u>

**7. CREDITORS:
Amounts falling due within one year**

	2011 £	2010 £
Trade creditors	14,055	8,099
Corporation tax	16,187	17,255
Deferred income	175,000	190,000
Other creditors and accruals	13,258	16,118
	<u>218,500</u>	<u>231,472</u>

FUSION ASSETS LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

8. CREDITORS:
Amounts falling due after more than one year

	2011 £	2010 £
Deferred income	<u>2,810,016</u>	<u>2,850,151</u>

Deferred income consists of monies received from Scottish Enterprise Lanarkshire, a former member of the company, and Boots plc. The income is released to the profit and loss account as relevant expenditure is incurred by the company. The amount falling due to be released within one year is shown within note 7.

9. DEFERRED TAX ASSET

	2011 £	2010 £
At beginning of year	24,664	24,664
Credited during year	(11,484)	-
At end of year	<u>13,180</u>	<u>24,664</u>

The deferred tax asset is made up as follows:

	2011 £	2010 £
Tax losses carried forward	<u>13,180</u>	<u>24,664</u>

10. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each member is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation. At 31 March 2011 there was 1 member: North Lanarkshire Council.

11. RESERVES

	Other reserves £	Profit and loss account £
At 31 March 2010	1,335,060	148,645
Profit for the year		49,411
At 31 March 2011	<u>1,335,060</u>	<u>198,056</u>

FUSION ASSETS LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

12. RELATED PARTY TRANSACTIONS

Due to the nature of the company's operations and the composition of the Board of Directors it is inevitable that transactions may take place with companies and organisations in which directors of Fusion Assets Limited have an interest. The related party transactions occurring in this period are:

North Lanarkshire Council, a member of the company, provides accommodation, accounting and payroll services to the company. Accountancy services were provided at £6,000 plus VAT for the year to 31 March 2011 (2010 - £6,000). Accommodation was provided at £5,993 for the year to 31 March 2011 (2010 - £5,993). There was no balance outstanding at the year end.

At the year end a balance of £265,351 (2010 - £155,351) was due from Drumpellier Business Park LLP, an entity in which Fusion Assets Limited is a partner. During the year, the company gave a loan of £110,000 to the LLP (2010 - £5,000).

13. CONTROLLING PARTY

Fusion Assets Limited is controlled by North Lanarkshire Council.