

FUSION ASSETS LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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FUSION ASSETS LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

Directors	Thomas Maginnis Alistair Crichton Michael Coyle Iain Carmichael Scott Duguid Walter Dunlop Frank McNally
Company secretary	Burness LLP
Company number	SC299690
Registered office	Airdrie Business Centre 1 Chapel Lane Airdrie Lanarkshire ML6 6GX
Auditor	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)

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

FUSION ASSETS LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and the financial statements for the year ended 31 March 2012.

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 undertakes commercial development projects and land reclamation initiatives that tackle areas of market failure, working in partnership with the private sector through joint ventures. The current focus of activity is on industrial development but the company operates across all sectors including, office, residential, retail and mixed use development

Directors

The directors who served during the year were:

Thomas Maginnis
Alistair Crichton
Maureen McConachie (resigned 22 June 2011)
Michael Coyle
Scott Duguid
Walter Dunlop
Iain Carmichael
Thomas Lunny
Eric Hislop (appointed 19 September 2011 and resigned 19 December 2011)
Frank McNally (appointed 25 June 2012)

Provision of information to auditor

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 his 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

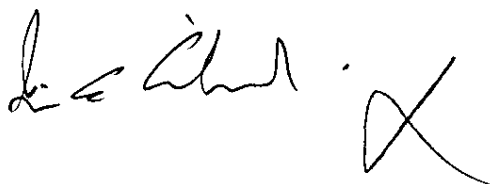
The company does not have share capital and is limited by guarantee. The liability of the members in the event of winding up is limited to £1 each.

This report was approved by the board on

1/10/12

and signed on its behalf.

Director



IAIN CARMICHAEL.

FUSION ASSETS LIMITED
(A company limited by guarantee)

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012

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 accounting 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
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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 2012 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 of the financial statements

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 2012 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 behalf of PKF (UK) LLP, Statutory auditor
Glasgow, UK

9 October 2012

FUSION ASSETS LIMITED
(A company limited by guarantee)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012 £	2011 £
Administrative expenses		(70,434)	(55,135)
Other operating income	2	70,434	55,135
OPERATING PROFIT	3	-	-
Interest receivable and similar income		52,146	77,082
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		52,146	77,082
Tax on profit on ordinary activities	5	(11,825)	(27,671)
PROFIT FOR THE FINANCIAL YEAR	12	40,321	49,411

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 2012

	Note	£	2012 £	£	2011 £
CURRENT ASSETS					
Stocks	6	1,326,184		-	
Debtors	7	1,667,227		350,760	
Cash at bank and in hand		2,873,478		4,210,872	
		<u>5,866,889</u>		<u>4,561,632</u>	
CREDITORS: amounts falling due within one year	8	<u>(504,968)</u>		<u>(218,500)</u>	
NET CURRENT ASSETS			<u>5,361,921</u>		<u>4,343,132</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,361,921</u>		<u>4,343,132</u>
CREDITORS: amounts falling due after more than one year	9		<u>(3,788,484)</u>		<u>(2,810,016)</u>
NET ASSETS			<u>1,573,437</u>		<u>1,533,116</u>
CAPITAL AND RESERVES					
Other reserves	12		1,335,060		1,335,060
Profit and loss account	12		238,377		198,056
			<u>1,573,437</u>		<u>1,533,116</u>

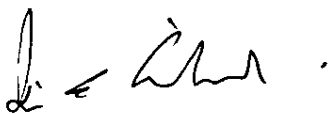
The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

1/10/12

Director

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



IAN CARMICHAEL



FUSION ASSETS LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Pending completion, payments made in respect of projects are shown under work in progress. Projects are brought to revenue in the year in which the projects are sold.

1.3 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.

1.4 Grants

Grants awarded for specific development projects are credited to the specific work in progress projects when all conditions are met and the grant is receivable. Grant income received in relation to future operating costs is treated as deferred income released to the profit and loss account in line with yearly operating costs.

1.5 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

	2012	2011
	£	£
Deferred income release	70,434	55,135

FUSION ASSETS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

3. OPERATING PROFIT

The operating profit is stated after charging:

	2012 £	2011 £
Auditor's remuneration	<u>6,150</u>	<u>5,500</u>

4. DIRECTORS' REMUNERATION

	2012 £	2011 £
Aggregate emoluments	<u>15,000</u>	<u>7,785</u>

5. TAXATION

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	10,429	16,187
Deferred tax (see note 10)		
Origination and reversal of timing differences	<u>1,396</u>	<u>11,484</u>
Tax on profit on ordinary activities	<u>11,825</u>	<u>27,671</u>

6. STOCKS

	2012 £	2011 £
Work in progress	<u>1,326,184</u>	<u>-</u>

7. DEBTORS

	2012 £	2011 £
Amounts owed by related undertakings	1,024,401	-
Amounts owed by undertakings in which the company has a participating interest	400,351	265,351
Other debtors	230,691	72,229
Deferred tax asset (see note 10)	11,784	13,180
	<u>1,667,227</u>	<u>350,760</u>

FUSION ASSETS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

8. CREDITORS:
Amounts falling due within one year

	2012 £	2011 £
Trade creditors	327,208	14,055
Corporation tax	10,429	16,187
Deferred income	150,000	175,000
Other creditors and accruals	17,331	13,258
	<u>504,968</u>	<u>218,500</u>

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

	2012 £	2011 £
Deferred income	<u>3,788,484</u>	<u>2,810,016</u>

Deferred income consists of monies received and receivable from Scottish Enterprise Lanarkshire, a former member of the company, Boots plc and North Lanarkshire Council. 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 8.

10. DEFERRED TAX ASSET

	2012 £	2011 £
At the beginning of the year	13,180	24,664
Credited during the year	(1,396)	(11,484)
	<u>11,784</u>	<u>13,180</u>

The deferred tax asset is made up as follows:

	2012 £	2011 £
Tax losses carried forward	<u>11,784</u>	<u>13,180</u>

11. 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 2012 there was 1 member: North Lanarkshire Council.

FUSION ASSETS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

12. RESERVES

	Other reserves £	Profit and loss account £
At 31 March 2011	1,335,060	198,056
Profit for the year		40,321
At 31 March 2012	<u>1,335,060</u>	<u>238,377</u>

13. 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 2012 (2011 - £6,000). Accommodation was provided at £4,994 for the year to 31 March 2012 (2011 - £5,993) and a balance of £499 remains due to Fusion Assets Limited at the year end. The company purchased stock from North Lanarkshire Council totalling £363,002 (2011 - £nil). North Lanarkshire Council provided grant funding totalling £1,023,902 (2011 - £nil) to the company. There was a balance of £1,024,401 (2011 - £nil) owing to Fusion Assets Limited at the year end relating to the grant funding and the accommodation refund.

At the year end a balance of £265,351 (2011 - £265,351) was due from Drumpellier Business Park LLP, an entity in which Fusion Assets Limited is a member.

At the year end a balance of £135,000 (2011 - £nil) was due from Dundyvan LLP, an entity in which Fusion Assets Limited is a member.

14. CONTINGENT LIABILITIES

The company has secured grant funding from North Lanarkshire Council in the year amounting to £1,023,902. There are no repayment terms in respect of this funding other than by default of the grant conditions.

15. CONTROLLING PARTY

Fusion Assets Limited is controlled by North Lanarkshire Council.