

Fusion Assets Limited

Directors' Report and Financial Statements

Year Ended

31 March 2019

Company Number SC299690

Fusion Assets Limited
(A company limited by guarantee)

Company Information

Directors	E E Kemp A G Graham M J Coyle S M Duguid W J Dunlop C D R Currie R S Smith P Humphries
Company secretary	Burness Paull LLP
Registered number	SC299690
Registered office	Civic Centre Windmillhill Street Motherwell North Lanarkshire ML1 1AB
Independent auditor	BDO LLP 4 Atlantic Quay 70 York Street Glasgow G2 8JX
Bankers	Bank of Scotland 300 Lawnmarket Edinburgh EH1 2PH Clydesdale Bank 43 Hamilton Road Motherwell ML1 3DD
Solicitors	Burness Paull 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 2019

The directors present their report together with the audited financial statements for the year ended 31 March 2019.

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:

E E Kemp
A G Graham
M J Coyle
S M Duguid
W J Dunlop
C D R Currie
R S Smith
P Humphries (appointed 8 January 2019)
D H Murray (resigned 25 September 2018)

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.

Disclosure 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 the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

This report was approved by the board on 23rd August 2019 and signed on its behalf.



E E Kemp
Director

Fusion Assets Limited
(A company limited by guarantee)

Directors' Responsibilities Statement
For the Year Ended 31 March 2019

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 judgements 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
(A company limited by guarantee)

Independent Auditor's Report to the Members of Fusion Assets Limited

Opinion

We have audited the financial statements of Fusion Assets Limited ("the company") for the year ended 31 March 2019 which comprise the statement of comprehensive income, the balance sheet and the statement of changes in equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Fusion Assets Limited
(A company limited by guarantee)

Independent Auditor's Report to the Members of Fusion Assets Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Fusion Assets Limited
(A company limited by guarantee)

Independent Auditor's Report to the Members of Fusion Assets Limited (continued)

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



29 August 2019

Mark McCluskey (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Glasgow
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Fusion Assets Limited
(A company limited by guarantee)

Statement of Comprehensive Income
For the Year Ended 31 March 2019

	Note	2019 £	2018 £
Grant income	4	846,833	89,833
Administrative expenses		(206,118)	(189,605)
Impairment of land under construction		(338,016)	(89,833)
Impairment write-back on revaluation of land under construction		357,688	-
Unrealised gain on revaluation of investment property		230,618	-
Other operating income	5	108,909	97,252
Operating profit/(loss)	6	999,914	(92,353)
Interest receivable and similar income		8,530	4,498
Profit/(loss) before tax		1,008,444	(87,855)
Tax on profit/(loss)	10	(132,898)	1,048
Profit/(loss) and total comprehensive income for the financial year		875,546	(86,807)

There was no other comprehensive income for 2019 (2018 - £Nil).

The notes on pages 9 to 22 form part of these financial statements.

Fusion Assets Limited
(A company limited by guarantee)
Registered number: SC299690

Balance Sheet
As at 31 March 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	11		2,249		2,999
Investments	12		1,488,399		631,001
Investment property	13		1,795,000		1,540,946
			<u>3,285,648</u>		<u>2,174,946</u>
Current assets					
Stocks	14	2,874,337		3,144,062	
Debtors: amounts falling due within one year	15	592,415		586,151	
Cash at bank and in hand	16	1,790,393		1,844,510	
			<u>5,257,145</u>	<u>5,574,723</u>	
Creditors: amounts falling due within one year	17	<u>(3,370,563)</u>		<u>(3,492,101)</u>	
Net current assets			<u>1,886,582</u>		<u>2,082,622</u>
Total assets less current liabilities			<u>5,172,230</u>		<u>4,257,568</u>
Creditors: amounts falling due after more than one year	18		(2,314,336)		(2,314,336)
Provisions for liabilities					
Deferred tax	19		(39,116)		-
Net assets			<u>2,818,778</u>		<u>1,943,232</u>
Capital and reserves					
Revaluation reserve	20		230,618		-
Other reserves	20		1,094,091		1,094,091
Profit and loss account	20		1,494,069		849,141
Total equity			<u>2,818,778</u>		<u>1,943,232</u>

The financial statements have been prepared 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 - small entities.

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


E E Kemp
Director

23 August 2019

The notes on pages 9 to 22 form part of these financial statements.

Fusion Assets Limited
(A company limited by guarantee)

Statement of Changes in Equity
For the Year Ended 31 March 2019

	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2018	-	1,094,091	849,141	1,943,232
Comprehensive income for the year				
Profit for the year	-	-	875,546	875,546
Total comprehensive income for the year	-	-	875,546	875,546
Transfer to/(from) profit and loss account	230,618	-	(230,618)	-
Total transactions with owners	230,618	-	(230,618)	-
At 31 March 2019	230,618	1,094,091	1,494,069	2,818,778

Statement of Changes in Equity
For the Year Ended 31 March 2018

	Other reserves	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	1,094,091	935,948	2,030,039
Comprehensive income for the year			
Loss for the year	-	(86,807)	(86,807)
Total comprehensive income for the year	-	(86,807)	(86,807)
At 31 March 2018	1,094,091	849,141	1,943,232

The notes on pages 9 to 22 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 2019

1. General information

Fusion Assets Limited is a private company limited by guarantee and incorporated in Scotland. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover comprises grant income released to the statement of comprehensive income in the period in respect of the ongoing development projects.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Security equipment	-	20%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Fusion Assets Limited
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Notes to the Financial Statements
For the Year Ended 31 March 2019

2. Accounting policies (continued)

2.4 Investment property

Investment property is carried at fair value determined annually by valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any differences in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

2.5 Associates and joint ventures

Associates and joint ventures are held at cost less impairment.

2.6 Valuation of investments

Investments held as fixed assets are shown at cost less provision for impairment.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Costs include all direct costs.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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Notes to the Financial Statements
For the Year Ended 31 March 2019

2. Accounting policies (continued)

2.10 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

Grants awarded for specific development projects are credited to deferred income to be released to income when the specific development projects are sold or impaired. Other grants are credited to statement of comprehensive income in the period to which they relate.

2.13 Operating leases: the company as lessor

Rentals income from operating leases is credited to the statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

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Notes to the Financial Statements
For the Year Ended 31 March 2019

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.16 Deferred income

Deferred income also consists of amounts contributed to the company to fund specific development projects, to be recognised in the income statement upon sale or impairment of the specific development projects.

Fusion Assets Limited
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Notes to the Financial Statements
For the Year Ended 31 March 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's fixed asset investments and stock. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 11)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Investment property (see note 13)

Investment properties are professionally valued on a regular basis using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

4. Grant income

The total turnover of the company for the period arises from the release of deferred income against operating costs in the period. This relates wholly to activities undertaken in the United Kingdom.

The grant income recorded in the year is as follows:

	2019	2018
	£	£
Impairment over land held for development	338,016	89,833
Release of unreleased deferred grant in respect of a project transfer	12,077	-
Release of deferred grant in respect of a project transfer	333,677	-
Release of deferred grant in respect of a project disposal	148,076	-
Release of a project's deferred grant	14,987	-
	846,833	89,833

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Notes to the Financial Statements
For the Year Ended 31 March 2019

5. Other operating income

	2019	2018
	£	£
Gain on sale of land	91,469	97,252
Rents receivable	17,440	-
	108,909	97,252

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of tangible fixed assets	750	750
Fees payable to the company's auditor for the audit of the company's annual financial statements	7,400	7,495
Fees payable to the company's auditor for the provision of non-audit services	985	1,300
Defined contribution pension cost	17,863	16,777
Impairment write-back on revaluation of land under construction	(357,688)	-
Provision for impairment of land under construction	338,016	89,833
	(1,897)	116,155

7. Employees

Payroll services are provided by the parent company North Lanarkshire Council, and employee costs are recharged to the company.

The average monthly number of employees, including directors, during the year was 1 (2018 - 1).

8. Directors' remuneration

	2019	2018
	£	£
Directors' emoluments	14,992	14,986
	14,992	14,986

9. Interest receivable

	2019	2018
	£	£
Other interest receivable	8,530	4,498
	8,530	4,498

Fusion Assets Limited
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Notes to the Financial Statements
For the Year Ended 31 March 2019

10. Taxation

	2019	2018
	£	£
Corporation tax		
Current tax on profit/(loss) for the year	57,830	-
Adjustments in respect of previous periods	-	(1,048)
Total current tax	57,830	(1,048)
Deferred tax		
Origination and reversal of timing differences	75,068	-
Total deferred tax	75,068	-
Taxation on profit/(loss) on ordinary activities	132,898	(1,048)

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Notes to the Financial Statements
For the Year Ended 31 March 2019

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	1,008,444	(87,855)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	191,604	(16,692)
Effects of:		
Expenses not deductible for tax purposes	1,789	30,757
Income not taxable for tax purposes	(43,817)	(18,478)
Losses carried back	-	1,036
Chargeable gains	43,817	3,377
Adjustment to tax change in respect of previous periods	-	(1,048)
Adjustments to deferred tax	21,682	-
Deferred tax not recognised	(82,177)	-
Total tax charge for the year	132,898	(1,048)

Factors that may affect future tax charges

Reductions in the UK Corporation tax rate from 20.00% to 17.00% (19.00% effective from 1 April 2017 and 17.00% effective from 1 April 2020) have been substantively enacted. This will impact the company's future tax rate accordingly. The deferred tax asset at 31 March 2019 has been calculated based on the rates substantively enacted at the balance sheet date.

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Notes to the Financial Statements
For the Year Ended 31 March 2019

11. Tangible fixed assets

	Security equipment £
Cost or valuation	
At 1 April 2018	3,749
At 31 March 2019	<u>3,749</u>
Depreciation	
At 1 April 2018	750
Charge for the year	750
At 31 March 2019	<u>1,500</u>
Net book value	
At 31 March 2019	<u>2,249</u>
At 31 March 2018	<u>2,999</u>

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Notes to the Financial Statements
For the Year Ended 31 March 2019

12. Fixed asset investments

	Investment in participating interests £
Cost or valuation	
At 1 April 2018	631,001
Additions	857,398
At 31 March 2019	1,488,399
 Net book value	
At 31 March 2019	1,488,399
At 31 March 2018	631,001

During the year, the company invested £857,398, including £520,000 from work in progress, in a joint venture Gartcosh Estates LLP.

During the prior year the trading assets of Dundyvan LLP were fully disposed of. The business is not currently trading and will be wound up in due course.

Participating Interests

Joint ventures

Name	Class of shares	Holding
Drumpellier Business Park LLP	Ordinary	50 %
Central Assets (Scotland) LLP	Ordinary	50 %
Gartcosh Estates LLP	Ordinary	50 %
Dundyvan LLP	Ordinary	50 %

The principal activity of each company noted above is the same, the construction of property and the rental of property.

The registered office of Drumpellier Business Park LLP is 200 Glasgow Road, Stirling, FK7 8ES.

The registered office of Dundyvan LLP and Central Assets (Scotland) LLP is 119 Whitefield Road, Glasgow, G51 2SD.

The registered office of Gartcosh Estates LLP is 28 Cramond Road South, Edinburgh, Midlothian, EH4 6AB.

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Notes to the Financial Statements
For the Year Ended 31 March 2019

13. Investment property

	Freehold investment property £	Property under construction £	Total £
Valuation			
At 1 April 2018	-	1,540,946	1,540,946
Additions at cost	-	23,436	23,436
Reclassification of status due to completion of construction	1,564,382	(1,564,382)	-
Surplus on revaluation	230,618	-	230,618
At 31 March 2019	1,795,000	-	1,795,000

The company's investment property was valued on 31 March 2019 at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual.

14. Stocks

	2019 £	2018 £
Work in progress	2,874,337	3,144,062

15. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	112,730	102,349
Amounts owed by joint ventures and associated undertakings	415,350	405,350
VAT recoverable	45,331	18,883
Prepayments	607	2,222
Accrued income	18,397	21,395
Deferred taxation	-	35,952
	592,415	586,151

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Notes to the Financial Statements
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16. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,790,393	1,844,510
	<u>1,790,393</u>	<u>1,844,510</u>

17. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	159,300	468
Corporation tax	56,740	(1,090)
Other creditors	1,382	1,382
Accruals	18,224	32,607
Deferred income	3,089,255	3,458,734
Tenants deposits	45,662	-
	<u>3,370,563</u>	<u>3,492,101</u>

Deferred income includes grant monies receivable from North Lanarkshire Council in respect of projects included in work in progress.

There was £846,833 (2018 - £89,833) of deferred VDLF grant income released in respect of: provision for impairment for land under construction, transfer of land under construction to investment properties and sale of land. There was £477,354 (2018 - £307,119) of deferred VDLF grant income received during the financial year.

Tenant deposits of £45,662 (2018 - £Nil) are held as security during term of lease.

18. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Deferred income	<u>2,314,336</u>	<u>2,314,336</u>

Deferred income due after more than one year consists of monies received from Boots plc. The deferred income will be released to the statement of comprehensive income as relevant expenditure is incurred by the company.

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19. Deferred taxation

	2019 £
At beginning of year	35,952
Movement in the year	(75,068)
At end of year	(39,116)

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Fixed asset timing differences	(382)	-
Tax losses carried forward	-	35,952
Short term timing differences	471	-
Capital gains	(39,205)	-

20. Reserves

The company's capital and reserves are as follows:

Revaluation reserve

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value in which case it is charged to the statement of comprehensive income.

Other reserves

The other reserve balance represents the Scottish Enterprise contribution on incorporation of the company after any release of funds to the reserves account for those projects funded out of this contribution but transferred out of the company.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of impairment and other adjustments.

21. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation. At 31 March 2019 there was 1 member: North Lanarkshire Council.

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22. Contingent liabilities

The company has secured grant funding from North Lanarkshire Council amounting to £9,788,619 (2018 - £9,311,264). There are no repayment terms in respect of this funding other than by default of the grant conditions. It is the directors opinion that the likelihood of grant funding being repayable at the balance sheet date and up to date of signing is remote.

23. Pension commitments

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in independently administered funds.

The pension cost charge represents contributions payable by the company to the scheme during the period and amounted to £17,863 (2018 - £16,777). Contributions totalling £2,771 (2018 - £6,218) were payable to the scheme at the balance sheet date.

24. Commitments under operating leases

At 31 March 2019 the company was due future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	31,710	-
Later than 1 year and not later than 5 years	380,515	-
Later than 5 years	285,386	-
	697,611	-
	697,611	-

25. Related party transactions

The company's ultimate parent and 100% controlling party is North Lanarkshire Council. The financial statements of Fusion Assets Limited form part of the consolidated accounts for North Lanarkshire Council and on this basis have taken advantage of the exemption under FRS 102, Section 33 'Related Party Transactions', in relation to transactions with its controlling entity.

At the year end a balance of £415,350 (2018 - £405,530) was due from Drumpellier Business Park LLP, an entity in which Fusion Assets Limited is a member. During the year an amount of £10,000 (2018 - £20,000) was advanced to the LLP.

26. Controlling party

The parent undertaking of Fusion Assets Limited is North Lanarkshire Council, which is also the ultimate controlling party. The consolidated accounts are available to the public and may be obtained from its registered office.