

FUSION ASSETS LIMITED

FINANCIAL STATEMENTS

31 MARCH 2025

(A Company Limited by Guarantee)

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

FUSION ASSETS LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	E E Kemp (resigned 11 April 2025) S M Duguid W J Dunlop P Humphries B McCulloch R S Smith R A Sullivan G Telfer (appointed 14 April 2025) T Fisher L A Roarty G Robinson
Company secretary	Burness Paull LLP
Registered number	SC299690
Registered office	Civic Centre Windmillhill Street Motherwell North Lanarkshire ML1 1AB
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants 1st Floor 24 Blythswood Square Glasgow G2 4BG
Bankers	Bank of Scotland 300 Lawnmarket Edinburgh EH1 2PH Royal Bank of Scotland 10 Gordon Street Glasgow G1 3PL
Solicitors	Burness Paull LLP 2 Atlantic Square Glasgow G2 8AS

FUSION ASSETS LIMITED
(A Company Limited by Guarantee)

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FUSION ASSETS LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Directors present their report and the financial statements for the year ended 31 March 2025.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 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.

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 (resigned 11 April 2025)
S M Duguid
W J Dunlop
P Humphries
B McCulloch
R S Smith
R A Sullivan
T Fisher
L A Roarty
G Robinson

FUSION ASSETS LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Disclosure 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 the Director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

Small companies note

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 and signed on its behalf.



G Telfer
Director

Date: 01/10/2025

FUSION ASSETS LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' 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 2025, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, 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 2025 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

FUSION ASSETS LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUSION ASSETS LIMITED (CONTINUED)

Opinion 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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.

FUSION ASSETS LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUSION ASSETS LIMITED (CONTINUED)

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and knowledge of the Company to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management and review of appropriate industry knowledge. Key laws and regulations we identified during the audit were the UK Companies Act 2006 and tax legislation, UK employment legislation and UK health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above by making enquiries of management and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries recorded on the Company's finance system to identify unusual transactions that may indicate override of controls;
- reviewed key judgements and estimates for any evidence of management bias.
- reviewed the application of accounting policies with focus on those with heightened estimation uncertainty.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation and
- enquiring of management to identify actual and potential litigation and claims.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUSION ASSETS LIMITED (CONTINUED)

the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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



Martin Johnston (Senior Statutory Auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants and Statutory Auditors

Glasgow

Date: 02/10/2025

FUSION ASSETS LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025 £	2024 £
Turnover	4	343,995	2,185,902
Gross profit		343,995	2,185,902
Administrative expenses		(318,305)	(301,777)
Provision for impairment of land under development		(238,137)	(2,185,902)
Other operating income	5	1,014,582	963,338
Revaluation of Investment Property	11	(70,732)	206,735
Operating profit	6	731,403	868,296
Interest receivable and similar income	9	117,412	19,084
Profit before tax		848,815	887,380
Tax on profit		(292,978)	(178,023)
Profit for the financial year		555,837	709,357

There was no other comprehensive income for 2025 (2024:£NIL).

The notes on pages 10 to 23 form part of these financial statements.

FUSION ASSETS LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: SC299690

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets			
Investments	10	2	1,039,984
Investment property	11	4,320,000	4,320,000
		<u>4,320,002</u>	<u>5,359,984</u>
Current assets			
Stocks	12	3,876,165	3,685,187
Debtors: amounts falling due within one year	13	1,655,412	621,336
Cash at bank and in hand	14	3,805,596	2,236,038
		<u>9,337,173</u>	<u>6,542,561</u>
Creditors: amounts falling due within one year	15	(4,656,283)	(4,670,011)
Net current assets		<u>4,680,890</u>	<u>1,872,550</u>
Total assets less current liabilities		<u>9,000,892</u>	<u>7,232,534</u>
Creditors: amounts falling due after more than one year	16	(3,439,336)	(2,314,336)
Provisions for liabilities			
Deferred tax	17	(276,249)	(188,728)
Net assets		<u><u>5,285,307</u></u>	<u><u>4,729,470</u></u>
Capital and reserves			
Revaluation reserve	18	737,862	800,279
Other reserves	18	1,094,091	1,094,091
Profit and loss account	18	3,453,354	2,835,100
		<u><u>5,285,307</u></u>	<u><u>4,729,470</u></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 by:



G Telfer
Director

Date: 01/10/2025

The notes on pages 10 to 23 form part of these financial statements.

FUSION ASSETS LIMITED
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025**

	Investment property revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2023	593,544	1,094,091	2,332,478	4,020,113
Comprehensive income for the year				
Profit for the year	-	-	709,357	709,357
Transfer to/from profit and loss account	206,735	-	(206,735)	-
At 1 April 2024	800,279	1,094,091	2,835,100	4,729,470
Comprehensive income for the year				
Profit for the year	-	-	555,837	555,837
Transfer to/from profit and loss account	(62,417)	-	62,417	-
At 31 March 2025	737,862	1,094,091	3,453,354	5,285,307

The notes on pages 10 to 23 form part of these financial statements.

FUSION ASSETS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. General information

Fusion Assets Limited is a private company, limited by guarantee, registered in Scotland. The company's registration number is SC299690 and the registered address is Civic Centre, Windmillhill Street, Motherwell, North Lanarkshire, ML1 1AB. The nature of the company's operations and its principal activities are set out in the directors' report.

These financial statements have been presented in pounds sterling, rounded to the nearest pound, as this is the currency of the primary economic environment in which the entity operates.

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 FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

In preparing these financial statements, the Directors of the Company have given careful consideration to current and anticipated future solvency requirements of the Company and its ability to continue as a going concern for the foreseeable future.

The Directors have prepared cash flow forecasts for a period beyond 12 months from the date of approval of these financial statements which indicate that the company will have sufficient funds, through its operating cash flows and cash reserves to meet its liabilities as they fall due for that period.

As part of their assessment, the Directors have given consideration to the fact that, in line with standard cyclical procedure North Lanarkshire Council had initiated a review of all its arm's length external organisations to consider the best way forward for these entities. This review was concluded in Q1 2025 with no change to the company's operational future made. Based on the recommendations made from this review the directors believe it remains appropriate to prepare the financial statements on a going concern basis following the conclusion of this review.

Based on the above considerations, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis.

2.3 Revenue

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

FUSION ASSETS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessor

Rental income from operating leases is credited to profit or loss on a straight-line basis over the lease term.

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.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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 reporting 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 reporting date.

2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

FUSION ASSETS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.9 Investment property

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

2.10 Valuation of investments

Investments held as fixed assets are measured at cost less accumulated impairment.

2.11 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

Income from joint ventures is recognised when it is received.

2.12 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 the statement of comprehensive income.

2.13 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.

2.14 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.

2.15 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.

FUSION ASSETS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.16 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 of a capital nature awarded for specific development projects are credited to deferred income to be released to income when the specific development projects are sold or impaired.

Capital grants received in respect of investment properties are recognised in the statement of comprehensive income over the useful life of the buildings for which they were provided.

2.17 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.18 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

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 the deduction of all its liabilities.

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

FUSION ASSETS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.18 Financial instruments (continued)

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

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

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

2.19 Deferred income

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

3. Judgments 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:

- Investment property (*see note 11*)

Investment properties are professionally valued on a regular basis using a yield methodology. Management review and update the valuations between professional valuations. 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.

- Investment property, stock and investment valuation

The investment property is stated at fair value, per valuation reports provided by Knight Frank LLP, a certified valuer. The valuation is on the basis of Market Value ("MV"), which is defined in the RICS Valuation Standards. The investment property is revalued at each year end at MV by the directors or surveyor with the surplus being taken to the statement of comprehensive income. Management also use valuations of investments and stock to calculate any impairment or provisioning required.

4. Turnover

The total turnover of the company for the year arises from the release of deferred income against operating costs in the period.

	2025 £	2024 £
Grant income	238,137	2,185,902
Release of grant funding - investment properties	105,858	-
	<u>343,995</u>	<u>2,185,902</u>

All turnover arose within the United Kingdom.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

5. Other operating income

	2025 £	2024 £
Net rents receivable	303,813	159,347
Profit share arising from sale of joint venture asset	710,769	803,991
	<u>1,014,582</u>	<u>963,338</u>

6. Operating profit

The operating profit is stated after charging:

	2025 £	2024 £
Fees payable to the company's auditor in respect of the audit of the company's financial statements	19,730	18,250
Fees payable to the company's auditor for the provision of non-audit services	3,800	3,450
Defined contribution pension cost	32,239	38,181
Provision for impairment of land under development	238,137	2,185,902
	<u>293,906</u>	<u>2,245,783</u>

7. Employees

Payroll services are provided by the parent entity North Lanarkshire Council. Employee costs are recharged to the company by North Lanarkshire Council.

	2025 £	2024 £
Wages and salaries including directors' emoluments	163,552	154,038
Social security costs	18,238	16,500
Cost of defined contribution scheme	32,239	38,181
	<u>214,029</u>	<u>208,719</u>

Staff costs include recharged costs of one seconded employee from North Lanarkshire Council.

The average monthly number of employees, including directors, during the year was 13 (2024 - 10).

FUSION ASSETS LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

8. Directors' remuneration

	2025	2024
	£	£
Directors' emoluments	15,000	15,041
	15,000	15,041

9. Interest receivable

	2025	2024
	£	£
Other interest receivable	117,412	19,084
	117,412	19,084

10. Fixed asset investments

	Investment in joint ventures £
Cost or valuation	
At 1 April 2024	1,039,984
Return of investment	(1,039,982)
At 31 March 2025	2

This is comprised of an investment of £1 for Drumpellier Business Park LLP and £1 for Gartcosh Estates LLP.

The return of the capital investment relates solely to Gartcosh Estates LLP. The joint venture is still in operation with further developments in progress, and an amount due to members of £65,885 was reported within the 2024 financial statements of Gartcosh Estates LLP. This balance will be recognised by the company in a future period when it is distributed in line with the recognition of income from investments in joint ventures held at cost less accumulated impairment per FRS 102.

FUSION ASSETS LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

10. Fixed asset investments (continued)

Joint ventures

The following were joint ventures of the Company:

Name	Registered office	Principal activity	Holding
Drumpellier Business Park LLP	200 Glasgow Road, Stirling, FK7 8ES	Construction and rental of property	50%
Gartcosh Estates LLP	28 Cramond Road South, Edinburgh, Midlothian, EH4 6AB	Construction and rental of property	50%

A fully impaired investment in Central Assets LLP was also held in the year. This joint venture was dissolved in May 2024, therefore Fusion Assets Limited is no longer a member at the year end.

11. Investment property

	Freehold investment property £
Valuation	
At 1 April 2024	4,320,000
Additions at cost	70,732
Loss on revaluation	(70,732)
At 31 March 2025	4,320,000

The valuations above were made by Knight Frank LLP, a professionally certified valuer on 5 March 2024, on an open market value for existing use basis. The directors do not believe the properties have changed materially in value since the date of this valuation.

FUSION ASSETS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

12. Stocks

	2025	2024
	£	£
Work in progress	3,876,165	3,685,187
	<u>3,876,165</u>	<u>3,685,187</u>

Work in progress represents land held for active development which is the principal activity of the company. Work in progress is held at the lower of cost and net realiseable value. The directors consider the carrying values of work in progress on an annual basis with reference to relevant professional valuations where available, the work performed on the sites in the year and other relevant supporting evidence.

FUSION ASSETS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

13. Debtors

	2025 £	2024 £
Amounts owed by controlling party	1,146,324	-
Amounts owed by joint ventures	345,350	370,350
Other debtors	21,473	217,996
Prepayments and accrued income	142,265	32,990
	<u>1,655,412</u>	<u>621,336</u>

14. Cash and cash equivalents

	2025 £	2024 £
Cash at bank and in hand	3,805,596	2,236,038
	<u>3,805,596</u>	<u>2,236,038</u>

15. Creditors: Amounts falling due within one year

	2025 £	2024 £
Amounts owed to controlling party	54,595	52,528
Corporation tax	193,452	142,699
Other creditors	74,420	116,908
Accruals and deferred income	4,333,816	4,357,876
	<u>4,656,283</u>	<u>4,670,011</u>

Deferred income includes grant monies received in respect of capital projects included in work in progress. The balance of deferred income at the balance sheet date was £4,213,185 (2024: £4,274,204).

There was £282,976 (2024: £3,261,986) of deferred VDLF grant income received during the financial year. In addition, £238,137 (2024: 2,185,902) of deferred VDLF grant income was released in respect of provision for impairment of land under construction. Furthermore, £105,858 of deferred income was released in respect of grant funding for investment properties.

Tenant deposits of £45,622 (2024: £45,622) within other creditors are held as security during the term of leases.

FUSION ASSETS LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

16. Creditors: Amounts falling due after more than one year

	2025 £	2024 £
Deferred income	3,439,336	2,314,336
	<u>3,439,336</u>	<u>2,314,336</u>

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

The balance also consists of a deferred capital grant for the development of a site. This deferred income will be released to the statement of comprehensive income in line with the useful life of the asset from the date of completion.

17. Deferred taxation

	2025 £
At beginning of year	(188,728)
Charged to profit or loss	(87,521)
At end of year	<u>(276,249)</u>

The provision for deferred taxation is made up as follows:

	2025 £	2024 £
Capital gains	(276,558)	(189,529)
Short-term timing differences	309	801
	<u>(276,249)</u>	<u>(188,728)</u>

FUSION ASSETS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

18. Reserves

Investment property revaluation reserve

The investment property revaluation reserve represents the total fair value gains/losses which arise from the revaluation of investment properties held by the company.

Other reserves

The other reserves 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.

19. 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 2025 there was one member: North Lanarkshire Council.

20. Contingent liabilities

The company has secured grant funding from North Lanarkshire Council amounting to £16,614,240 (2024: £15,383,240). There are no repayments terms in respect of this funding other than by default of the grant conditions, which includes a clawback on amounts relating to the funding of two investment properties, if the properties are sold within the clawback period. The clawback in place at the 2025 year end is £1,645,800 (2024: £1,845,800). It is the directors' opinion that the likelihood of grant funding being repayable at the balance sheet date and up to the date of signing is remote.

21. Capital commitments

At 31 March 2025 the Company had capital commitments as follows:

	2025 £	2024 £
Contracted for but not provided in these financial statements	2,140,973	-
	<u>2,140,973</u>	<u>-</u>

22. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £32,239 (2024: £38,181). Contributions totalling £1,238 (2024: £3,205) were payable to the fund at the reporting date and are included in creditors.

FUSION ASSETS LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

23. Commitments receivable under operating leases

At 31 March 2025 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2025 £	2024 £
Not later than 1 year	279,736	151,769
Later than 1 year and not later than 5 years	1,101,484	576,571
Later than 5 years	955,694	413,814
	<u>2,336,914</u>	<u>1,142,154</u>

24. Related party transactions

The company's ultimate 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 31 March 2025, a balance of £345,350 (2024: £370,350) was due from Drumpelier Business Park LLP, an entity in which Fusion Assets Limited is a member. During the year there were no amounts advanced and repayments of £25,000 were received.

Registered number:

FUSION ASSETS LIMITED

DETAILED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2025

THIS SCHEDULE IS NOT FOR PUBLICATION

FUSION ASSETS LIMITED
(A Company Limited by Guarantee)

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Turnover		343,995	2,185,902
Gross profit		<u>343,995</u>	<u>2,185,902</u>
Other operating income		<u>1,014,582</u>	<u>963,338</u>
Less: overheads			
Administration expenses		(556,442)	(2,487,679)
Revaluation of Investment Property		(70,732)	206,735
Operating profit		<u>731,403</u>	<u>868,296</u>
Interest receivable		117,412	19,084
Tax on profit on ordinary activities		(292,978)	(178,023)
Profit for the year		<u>555,837</u>	<u>709,357</u>

FUSION ASSETS LIMITED
(A Company Limited by Guarantee)

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Turnover		
Grant income	238,137	2,185,902
Release of capital grant funding - investment properties	105,858	-
	<u>343,995</u>	<u>2,185,902</u>
	2025 £	2024 £
Other operating income		
Net rents receivable	303,813	159,347
Final balance due from prior year profit share	710,769	803,991
	<u>1,014,582</u>	<u>963,338</u>

FUSION ASSETS LIMITED
(A Company Limited by Guarantee)

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Administration expenses		
Directors salaries	15,000	15,041
Staff salaries	148,552	138,997
Staff national insurance	18,238	16,500
Staff pension costs - defined contribution schemes	32,239	38,181
Entertainment	26	-
Hotels, travel and subsistence	2,344	2,660
Consultancy	750	750
Printing and stationery	186	444
Postage	35	-
Telephone and fax	391	376
Computer costs	3,776	4,162
Advertising and promotion	5,310	4,230
Trade subscriptions	1,565	2,008
Legal and professional	12,395	13,768
Auditors' remuneration	20,125	21,905
Bank charges	367	370
Sundry expenses	-	608
Rent - non-operating leases	5,556	5,538
Service charges	5,038	4,499
Insurances	4,747	4,191
Feasibility Study	13,615	10,050
Land management	13,050	2,499
SLA charges	15,000	15,000
Impairment of land under construction	238,137	2,185,902
	<u>556,442</u>	<u>2,487,679</u>
	2025 £	2024 £
Interest receivable		
Bank interest receivable	117,412	19,084
	<u>117,412</u>	<u>19,084</u>