

**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**Financial Statements**

**For the year ended 31 March 2010**

**Company registration number: SC335662**

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## CLYDE GATEWAY DEVELOPMENTS LIMITED

### Financial Statements

*For the year ended 31 March 2010*

#### **Officers and Advisers:**

##### Directors

John Gallacher  
Neil MacDonald  
Ian Manson  
Derek McCrindle  
Allan McQuade  
George Redmond  
Christopher Thompson (Chair)

##### Secretary

Burness LLP  
120 Bothwell Street  
Glasgow  
G2 7JL

##### Registered office

15 Bridgeton Cross  
Glasgow  
G40 1BN

##### Bankers

Royal Bank of Scotland  
Glasgow Bridgeton Branch  
609 London Road  
Glasgow  
G40 1NE

##### Auditors

Scott-Moncrieff  
25 Bothwell Street  
Glasgow  
G2 6NL

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## CLYDE GATEWAY DEVELOPMENTS LIMITED

### **Financial Statements**

*For the year ended 31 March 2010*

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## CLYDE GATEWAY DEVELOPMENTS LIMITED

### Directors' Report

*For the year ended 31 March 2010*

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2010.

#### **Principal activities**

Clyde Gateway Developments Limited is a company limited by shares with the shares being 100% owned by Clyde Gateway URC. The company follows the same strategic objectives as its parent body and was established as the main delivery vehicle for commercial property projects within the Clyde Gateway operating area particularly the acquisition and subsequent development of land and buildings for these purposes.

Funding for the above activities is obtained from a number of sources including the Scottish Government and Scottish Enterprise. Glasgow City Council and South Lanarkshire Council are providing land holdings on a phased basis over the anticipated 20 year lifespan of Clyde Gateway.

#### **Review of the business and future developments**

The following strategic projects, which will kick-start the physical, economic and social transformation of the Clyde Gateway area, were initiated by the company during 2009/10.

##### Clyde Gateway East

Located on a 14 hectare site in the East End of Glasgow close to the M74 motorway, Clyde Gateway East is a £35m business park development aimed at attracting both light industrial and office-based companies. The business park is being built on a brownfield site on London Road which has lain unused for over 30 years and will generate a number of benefits to residents in the local community. The groundbreaking ceremony has been performed and the first phase release of development platforms is scheduled for September 2010 with two further phases due for release in early 2011.

##### Office Development at Brook Street, Mile End

Clyde Gateway is progressing a new 6,000 square metres office development on a brownfield site at the junction of London Road and Brook Street in Mile End. Clyde Gateway will be working alongside the private sector to fund and construct the new office for completion in March 2012. The property will be occupied by Glasgow Community & Safety Services Limited.

##### Strathclyde Police HQ, Dalmarnock

Work also began on the preparation of a full business case appraisal for a new office building on land adjacent to the River Clyde in Dalmarnock. It is proposed that new headquarters for Strathclyde Police would be situated here housing up to 1200 employees.

##### Clyde Gateway Trade Park, Rutherglen

In June 2009, Clyde Gateway Developments Limited also acquired a 4,000 square metres trade park in the Farme Cross area of Rutherglen. The eight units initially available are targeted specifically at existing local businesses requiring to re-locate due to Clyde Gateway's regeneration activities and two disposals were made during the financial year.

##### Phase 1 of East End Regeneration Route

The East End Regeneration Route (EERR) is a new road being built in three phases which will connect the extended M74 through the east end of Glasgow to the junction of the M8 and M80 in the north of the city. The road is being built and funded by Glasgow City Council and is a major dependency for Clyde Gateway in terms of accessing key development sites in Shawfield and Dalmarnock. Phase 1 of the EERR, which runs from Polmadie to Shawfield, was completed and opened in March 2010 with support from Clyde Gateway.

The identification and securing of commercial development opportunities will remain a key priority during the 2010/11 financial year.

## CLYDE GATEWAY DEVELOPMENTS LIMITED

### Directors' Report

For the year ended 31 March 2010

#### Financial results

The financial results are as set out in the attached financial statements.

#### The board of directors

The directors who served the company during the year were as follows:

John Gallacher (appointed 24 September 2009)  
Neil MacDonald  
Ian Manson  
Derek McCrindle (appointed 30 December 2009)  
Allan McQuade  
George Redmond  
Christopher Thompson (Chairman)

The company maintains directors' and officers' liability insurance which provides cover against liabilities which they may incur personally as a consequence of claims made against them alleging breach of duty or other wrongful act or omission in their capacity as directors or officers.

#### Directors and their interests

Where a director has an interest in a project under consideration by the board then they are required to declare the interest and thereafter to take no part in the appraisal or approval of the case. Such declarations by directors are recorded in the minutes of the appropriate board meeting. Details of directors' interests in contracts are given in note 12 to the accounts.

#### Risk Management

The directors of the company have assessed risk and where necessary put in place plans to manage and mitigate those risks to an acceptable level in its day to day operations. These procedures are periodically reviewed to ensure they continue to meet the needs of the company.

#### Statement of directors' responsibilities

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 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.

## CLYDE GATEWAY DEVELOPMENTS LIMITED

### Directors' Report

For the year ended 31 March 2010

#### Disclosure of information to auditors

As far as each of the directors at the time the report is approved are aware:

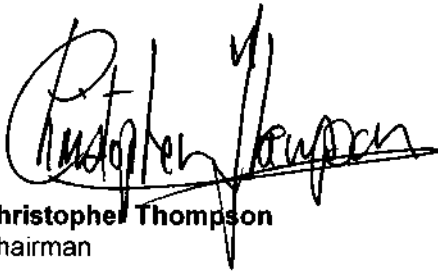
- a) there is no relevant information of which the company's auditors are unaware, and
- b) the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of the information.

#### Auditors

Scott-Moncrieff, Chartered Accountants, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

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

On behalf of the board

A handwritten signature in black ink, appearing to read 'Christopher Thompson', written over a horizontal line.

**Christopher Thompson**  
Chairman

Date: 28 June 2010

## **CLYDE GATEWAY DEVELOPMENTS LIMITED**

<b>Independent Auditors' Report to the Members of Clyde Gateway Developments Limited</b> <i>For the year ended 31 March 2010</i>
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We have audited the financial statements of Clyde Gateway Developments Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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.

### **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 2010 and of its loss 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 matters 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.

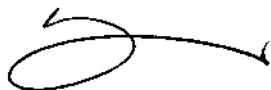
**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**Independent Auditors' Report to the Members of Clyde Gateway Developments Limited**  
*For the year ended 31 March 2010*

**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 and the directors' report in accordance with the small companies regime.



**Iain D Lee, Senior Statutory Auditor**

For and behalf of Scott-Moncrieff, Statutory Auditor  
Chartered Accountants  
25 Bothwell Street  
Glasgow  
G2 6NL

Dated: 28 June 2010



**CLYDE GATEWAY DEVELOPMENTS LIMITED****Profit and Loss Account**  
*For the year ended 31 March 2010*

	<b>Notes</b>	<b>Year ended 31 March 2010 £</b>	<b>Period ended 31 March 2009 £</b>
<b>Turnover</b>		280,839	21,675
Cost of sales		(184,051)	-
<b>Gross profit</b>		96,788	21,675
Administrative expenses		(17,540)	(21,675)
<b>Operating profit</b>	2	79,248	-
Interest received		2,173	-
Loss on sale of fixed assets		(195,361)	-
<b>Loss on ordinary activities before taxation</b>		(113,940)	-
Tax on loss on ordinary activities		-	-
<b>Loss for the financial year after taxation</b>		(113,940)	-

The notes on pages 9 to 12 form part of these financial statements

**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**Statement of Total Recognised Gains  
and Losses**

*For the year ended 31 March 2010*

	<b>Notes</b>	<b>Year ended 31 March 2010 £</b>	<b>Period ended 31 March 2009 £</b>
<b>Loss for the financial year</b>		(113,940)	-
Release from Land and property reserve to Profit and loss account		695,361	-
Movement in Land and property reserve		27,023,692	5,434,120
<b>Total recognised gains and losses since the last annual report</b>		<u>27,605,113</u>	<u>5,434,120</u>

The notes on pages 9 to 12 form part of these financial statements

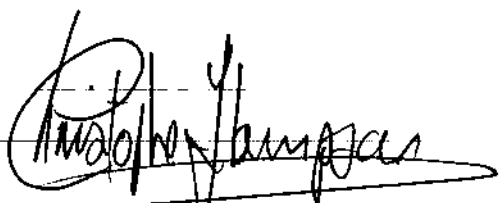
**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**Balance Sheet**  
As at 31 March 2010

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	3	31,724,288	5,434,120
<b>Current assets</b>			
Stock		733,524	-
Debtors	4	6,523,844	6,452,405
Cash in hand and in bank		2,762,923	3,401,513
		<u>10,020,291</u>	<u>9,853,918</u>
<b>Creditors</b>			
Amounts falling due within one year	5	(8,705,246)	(9,853,818)
<b>Net current assets</b>		<u>1,315,045</u>	<u>100</u>
<b>Net assets</b>		<u><u>33,039,333</u></u>	<u><u>5,434,220</u></u>
<b>Capital and reserves</b>			
Called up share capital	6	100	100
Profit and loss account	7	581,421	-
Land and property reserve	8	32,457,812	5,434,120
<b>Shareholders' funds</b>		<u><u>33,039,333</u></u>	<u><u>5,434,220</u></u>

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

Authorised for issue by the Board on 28 June 2010 and signed on their behalf by:



**Christopher Thompson**  
Chairman and Director



**Neil MacDonald**  
Director

**Company number: SC335662**

## CLYDE GATEWAY DEVELOPMENTS LIMITED

### Notes to the Financial Statements For the year ended 31 March 2010

#### 1. Accounting policies

##### Accounting convention

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).

##### Turnover

Turnover represents income received from all sources, excluding value added tax.

##### Fixed assets

Assets acquired for development includes the cost of all land, buildings, demolition costs and professional fees incurred within the capital projects of the company.

##### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset. As no assets acquired for development have been completed no depreciation is charged.

##### Land and property reserve

The land and property reserve represents costs of assets acquired with grant funding. The reserve will be released to the Profit and Loss account in the event of any of the assets being sold.

##### Investment properties

Investment properties are completed developments which are available for either rental or resale. The properties are revalued annually by staff who are qualified chartered surveyors and are included in the balance sheet at market value.

##### Stock

Stock represents the cost of land and properties purchased with a view to resale in the short term.

#### 2. Operating profit

	Year ended 31 March 2010	Period ended 31 March 2009
The operating loss is stated after charging:	£	£
Auditor's remuneration		
- as auditors	4,050	3,185
- other services	300	300
	<hr/> <hr/>	<hr/> <hr/>

**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**Notes to the Financial Statements**  
For the year ended 31 March 2010

**3. Tangible fixed assets**

	Assets acquired for development £	Investment properties £	Total £
<u>Cost or valuation</u>			
At 1 April 2009	5,434,120	-	5,434,120
Additions during the year	23,491,084	3,494,445	26,985,529
Disposals	-	(695,361)	(695,361)
	<hr/>	<hr/>	<hr/>
At 31 March 2010	28,925,204	2,799,084	31,724,288
	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>			
At 1 April 2009	-	-	-
Charge for the year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2010	-	-	-
	<hr/>	<hr/>	<hr/>
<u>Net book value</u>			
At 31 March 2010	28,925,204	2,799,084	31,724,288
	<hr/>	<hr/>	<hr/>
At 31 March 2009	5,434,120	-	5,434,120
	<hr/>	<hr/>	<hr/>

**4. Debtors**

	2010 £	2009 £
Trade debtors	379,550	-
Scottish Government	512,356	6,099,243
Glasgow City Council	3,002,128	-
Prepayments	13,096	1,339
VAT	1,957,635	133,735
Amounts owed from parent company	157,579	18,088
Other debtors	501,500	200,000
	<hr/>	<hr/>
	6,523,844	6,452,405
	<hr/>	<hr/>

Included within the balance due from Glasgow City Council is a grant contribution of £3m which was made during the year towards the construction costs of Phase 1 of the East End Regeneration Route. This amount is repayable on request.

**5. Creditors: amounts falling due within one year**

	2010 £	2009 £
Trade creditors	697,298	73,236
Glasgow City Council	269,234	-
South Lanarkshire Council	158,021	-
Accruals	241,201	119,429
Deferred income	7,339,492	9,661,153
	<hr/>	<hr/>
	8,705,246	9,853,818
	<hr/>	<hr/>

**6. Called up share capital**

Authorised, allotted, issued and fully paid:

<u>Number</u>	<u>Class</u>	<u>Nominal value</u>	2010 £	2009 £
100	Ordinary shares	£1	100	100
			<hr/>	<hr/>

**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**Notes to the Financial Statements**  
For the year ended 31 March 2010

<b>7. Profit and loss account</b>		<b>£</b>
At 1 April 2009		-
Loss for year		(113,940)
Transfer from land and property reserve		695,361
		<hr/>
At 31 March 2010		581,421
		<hr/> <hr/>
<b>8. Land and property reserve</b>		
At 1 April 2009		5,434,120
Additions to land and property reserve in year		27,719,053
Transfer to profit and loss account		(695,361)
		<hr/>
At 31 March 2010		32,457,812
		<hr/> <hr/>
Analysed as:		
Tangible fixed assets		31,724,288
Stock		733,524
		<hr/>
		32,457,812
		<hr/> <hr/>
<b>9. Ultimate Holding Company</b>		
Clyde Gateway URC is the holding company and holds 100% of the share capital.		
<b>10. Commitments</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<u>Capital</u>		
Capital expenditure authorised by the directors and contracted for amounted to	6,574,691	9,188,504
	<hr/>	<hr/>
Capital expenditure authorised by the directors but not contracted for amounted to	9,744,672	nil
	<hr/>	<hr/>
<b>11. Contingent liabilities</b>		
On some occasions the company may require to enter into agreements when purchasing land and property, including businesses, where either compensation will require to be paid in the event of disturbance costs being incurred by the seller, or an overage payment may be required, depending on future circumstances. Any such costs are accounted for as and when they arise.		
The company has granted a standard security to the vendor of ground at Dalmarnock Road, Glasgow, in respect of an overage payment which may crystallise within a defined timespan under certain circumstances.		
<b>12. Directors' interests in contracts</b>		
Due to the nature of the company's activities and the composition of its Board of Directors (being from private and public sector organisations), it is very likely that, in the normal course of business, transactions will take place with companies or organisations in which a director of Clyde Gateway Developments Limited may have an interest. Such transactions may take the form of participation in projects or programmes supported by Clyde Gateway Developments Limited or may relate to the supply of goods or services to Clyde Gateway Developments Limited.		

## CLYDE GATEWAY DEVELOPMENTS LIMITED

<b>Notes to the Financial Statements</b> <i>For the year ended 31 March 2010</i>
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### 12. Directors' interests in contracts (continued)

During the financial year, Clyde Gateway Developments Limited, in the normal course of business, did not enter into any transactions with companies in which directors have an interest.

The company works in partnership with a number of public bodies and business organisations with whom joint projects have been undertaken during the financial year. The following also held official positions in these organisations, but cannot use this position for personal advantage:

<u>Director</u>	<u>Public Body</u>	<u>Position held</u>
Derek McCrindle	Scottish Enterprise	Employee
Allan McQuade	Scottish Enterprise	Employee
George Redmond	Glasgow City Council Glasgow East Regeneration Agency	Councillor Director
Christopher Thompson	South Lanarkshire Council Strathclyde Partnership for Transport	Councillor Board Member

### 13. Related parties

Exemption has been taken from disclosing transactions with the holding company on the basis that consolidated financial statements are publicly available. The company has no other related party transactions during the year requiring disclosure.

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