

CLYDE GATEWAY DEVELOPMENTS LIMITED

Financial Statements

For the year ended 31 March 2013

Company registration number: SC335662

CLYDE GATEWAY DEVELOPMENTS LIMITED

Financial Statements

For the year ended 31 March 2013

Officers and Advisers:

Directors

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

Secretary

Burness Paull & Williamsons LLP
120 Bothwell Street
Glasgow
G2 7JL

Registered office

11 Bridgeton Cross
Glasgow
G40 1BN

Bankers

Royal Bank of Scotland
Parkhead Branch
1304 Duke Street
Glasgow
G31 5PZ

Auditor

Scott-Moncrieff
25 Bothwell Street
Glasgow
G2 6NL

CLYDE GATEWAY DEVELOPMENTS LIMITED

Financial Statements
For the year ended 31 March 2013

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CLYDE GATEWAY DEVELOPMENTS LIMITED

Directors' Report

For the year ended 31 March 2013

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2013.

Principal activities and strategic goals

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. The three strategic objectives which provide a more detailed framework for Clyde Gateway Developments Limited's activities are:

Sustainable Place Transformation is focused on the overall infrastructure and environment of the area which in turn will increase the attractiveness of Clyde Gateway as a place to live and work.

Increased Economic Activity is targeted at attracting major employers into the area and working with existing businesses to maximise growth which in turn will generate employment opportunities for local people.

Developing Community Capacity aims to ensure there is long-term investment in the community which leads to increased levels of both community participation and private sector investment.

Board of directors

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

David Bankier (appointed 27 August 2012)
John Gallacher
Neil MacDonald
Ian Manson

Derek McCrindle
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.

Code of conduct

Clyde Gateway Developments Limited supports the highest standards of corporate governance and has in place a code of conduct for its directors. The company operates strict and comprehensive procedures to deal with potential conflicts of interest. These include holding, and updating annually, a register of directors' interests which is open to public inspection.

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 13 to the accounts.

Review of the business and future developments

Funding for Clyde Gateway Developments Limited's activities is obtained from a number of sources with the two main contributors to date being the Scottish Government and Scottish Enterprise. Glasgow City Council and South Lanarkshire Council also provide direct and indirect funding and will both provide significant land holdings on a phased basis over the anticipated 20 year lifespan of the Clyde Gateway project.

CLYDE GATEWAY DEVELOPMENTS LIMITED

Directors' Report

For the year ended 31 March 2013

Review of the business and future developments (continued)

In March 2013 Clyde Gateway Developments Limited received confirmation from the Scottish Government that grant funding of approximately £39.8m would be made available across the 2013/14 and 2014/15 financial years. When combined with accumulated reserves and funding offers from other sources the directors have a reasonable expectation that Clyde Gateway Developments Limited has sufficient resources to continue its regeneration activities during this two year period. Accordingly, the financial statements have been prepared again on a going concern basis.

Clyde Gateway Developments Limited will continue to seek new sources of funds, including those available from its public and private sector partners and from Europe, to supplement the amounts available from the Scottish Government and its own accumulated reserves. The aim is to maximise the investment which the company can make to the economic growth and sustainable development of the area.

The following strategic projects, which will kick-start the physical, economic and social transformation of the Clyde Gateway area, were progressed by Clyde Gateway Developments Limited during 2012/13.

National Business District, Shawfield

The delivery of the National Business District at Shawfield is central to achieving the ambitious target of 20,000 new jobs coming to the area over Clyde Gateway's anticipated twenty year lifespan. Since Clyde Gateway Development Limited's inception the company, with the assistance of South Lanarkshire Council, has acquired almost all of land comprising the former Shawfield Industrial Estate on the banks of the River Clyde. Businesses formerly based on this site have been successfully relocated allowing Clyde Gateway Developments Limited to undertake an extensive demolition and clearance programme. Works will then begin during the 2013/14 financial year on the first phase of essential remediation works necessary to bring this heavily decontaminated land back into economic use.

Works are also scheduled during 2013/14 for the construction of a £4.8m pedestrian bridge linking the National Business District at Shawfield to Dalmarnock on the opposite bank. This 'SMART' bridge, which has been designed to also carry a range of power, telecommunications and information technology services, will be within a short walking distance of the re-constructed Dalmarnock Railway Station which is due to re-open in December 2013. The station will become the main public transport hub for the local venues and facilities associated with the 2014 Commonwealth Games.

Rutherglen Low Carbon Zone

Works began during the year to bring the site of the former Monogram factory at Farme Cross back into use. Currently branded at the Rutherglen Low Carbon Zone this area will be built out in stages with a proposed mix of offices and commercial space. Site remediation and infrastructure works will get underway during 2013/14 and at the same time Clyde Gateway Developments Limited will pursue a range of options to secure funding for a new 3,900 square metre four-storey advance office.

Dalmarnock Riverside

Dalmarnock Riverside is the name of the site of the former Dalmarnock Power Station which opened in 1915. This coal-fired facility closed in 1977 and was demolished in 1980. Works to clear 5.4 hectares of derelict and contaminated land which began in November 2011 were completed during the current financial year and plans for residential development will be brought forward at a later date.

Dalmarnock Gasworks

The remains of the former gasworks in Dalmarnock, originally built in 1843 and closed in 1956, are spread over a 3.6 hectare area. Clyde Gateway Developments Limited acquired ownership of these sites in 2010 and following public consultation engaged specialist contractors during 2012/13 to perform essential remediation works which are scheduled to be finished by July 2013.

CLYDE GATEWAY DEVELOPMENTS LIMITED

Directors' Report

For the year ended 31 March 2013

Review of the business and future developments (continued)

Riverside East Office Development, Dalmarnock

Riverside East directly faces, from across the River Clyde, the National Business District at Shawfield. The inward investment potential of this development plot for a major occupier was recognised in 2008. Since then following an extensive period of public consultation plans have been developed alongside a potential occupier to build approximately 11,000 square metres of Grade A energy efficient office space.

As part of a wider Scottish Government economic stimulus package Clyde Gateway Developments Limited received a grant award of £16.0m in January 2013 towards the £24.5m total anticipated cost of this project. The company has entered into a construction contract to build this office on a speculative basis. Works began on site in March 2013 and are scheduled to be completed by October 2014. During this period Clyde Gateway Developments Limited will continue its efforts to secure a major single occupier for this prominent building.

Olympia Building, Bridgeton

Towering over Bridgeton Cross is the imposing structure of the Olympia Theatre of Varieties which first opened in September 1911. Over the years it has served as a cinema, bingo hall and furniture warehouse before closing in the mid-1990s and then falling into a state of neglect and disrepair. Clyde Gateway Developments Limited bought the building in September 2009 with support from the Scottish Government's Town Centre Regeneration Fund. Work on the re-development of the building, which now hosts a new public library and cafe on the ground floor, a high performance centre for amateur boxing on the first floor and two upper floors of commercial office space, began in March 2011 and was completed by November 2012 when the first event held was Clyde Gateway's 2012 Annual Public Meeting

Red Tree Business Suites, Bridgeton

Works on the second of Clyde Gateway's 'Red Tree' branded business suites was completed at Bridgeton in February 2013. The £3.6m contract to convert a range of former derelict shops and commercial properties into office space was also part financed by a grant of £1.14m from the European Regional Development Fund. This development consists of 28 business suites suitable for small and medium sized enterprises and the first tenants took occupation in March of this year.

Impairment Review

The company reviews the value of assets acquired for regeneration purposes on an annual basis. Assets are held at cost until the intention for the asset is decided and the project has advanced sufficiently to allow a reliable valuation to be obtained. During the current financial year a number of key regeneration projects and in particular the National Business District at Shawfield, the Rutherglen Low Carbon Zone, the former power station site at Dalmarnock, the re-development of the former Olympia Theatre and the Red Tree Business Suites at Bridgeton reached a stage of completion where a reliable impairment review could be performed. An overall impairment provision of £36,478,077 has been recorded within the financial statements and further information is set out in note 3 on page 13. This impairment provision reflects the cost of bringing long-standing vacant, derelict and contaminated land and buildings back into productive commercial use.

Stock and Work-in-progress

The cost of land and properties purchased with a view to resale in the short term is shown as stock and work-in-progress and is valued at the lower of cost and net realisable value. At the year end stock was written down by £3,922,945 with the bulk of this provision being set against community relocation yards built at Rigby Street and Plant Street in Glasgow. This provision also reflects the cost of bringing long-standing vacant and derelict land back into use.

During the 2013/14 financial year Clyde Gateway Developments Limited will continue to focus its activities on physical regeneration, identifying and securing commercial development opportunities as well as providing business development and skills and employability initiatives.

CLYDE GATEWAY DEVELOPMENTS LIMITED

Directors' Report

For the year ended 31 March 2013

Financial results

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

Risk management

Clyde Gateway Developments Limited has a risk management policy which is aligned with the recommendations of the Combined Code on Corporate Governance. 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.

Payments to customers and suppliers

The company is committed to paying its customers and suppliers within 30 days of the date of receipt of agreed invoices where no other contractual arrangement applies.

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 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.

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are directors at the time the report is approved:

- a) so far as the directors are aware, there is no relevant information of which the company's auditor is unaware, and
- b) the directors have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant information and to establish that the company's auditor is aware of the information.

CLYDE GATEWAY DEVELOPMENTS LIMITED

Directors' Report

For the year ended 31 March 2013

Auditor

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.

Signed by order of the board on 24 June 2013

A handwritten signature in black ink, appearing to read 'Christopher Thompson', is written over a horizontal line. The signature is stylized and cursive.

Christopher Thompson
Chairman

CLYDE GATEWAY DEVELOPMENTS LIMITED

Independent Auditor's Report to the Members of Clyde Gateway Developments Limited *For the year ended 31 March 2013*

We have audited the financial statements of Clyde Gateway Developments Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 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.

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

CLYDE GATEWAY DEVELOPMENTS LIMITED

Independent Auditor's Report to the Members of Clyde Gateway Developments Limited
For the year ended 31 March 2013

Matters on which we are required to report by exception (continued)

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

Dated: 24 June 2013

CLYDE GATEWAY DEVELOPMENTS LIMITED**Profit and Loss Account**
For the year ended 31 March 2013

	Notes	2013 £	2012 £
Turnover		5,124,581	3,309,674
Cost of sales		<u>(3,520,520)</u>	<u>(2,695,358)</u>
Gross profit		1,604,061	614,316
Administrative expenses		<u>(84,002)</u>	<u>52,221</u>
Operating profit	2	1,520,059	666,537
Interest received		42,912	7,448
Gift aid		<u>(3,689,620)</u>	<u>(1,821,851)</u>
Loss on ordinary activities before taxation		<u>(2,126,649)</u>	<u>(1,147,866)</u>
Tax on loss on ordinary activities		-	-
Loss for the financial year after taxation		<u><u>(2,126,649)</u></u>	<u><u>(1,147,866)</u></u>

The notes on pages 11 to 17 form part of these financial statements

CLYDE GATEWAY DEVELOPMENTS LIMITED

Statement of Total Recognised Gains and Losses
For the year ended 31 March 2013

	Notes	2013 £	2012 £
Loss for the financial year		(2,126,649)	(1,147,866)
Release from Land and property reserve to Profit and loss account		2,223,408	1,042,440
Movement in Land and property reserve		(24,163,113)	9,412,254
Total recognised gains and losses since the last annual Report		<u>(24,066,354)</u>	<u>9,306,828</u>

The notes on pages 11 to 17 form part of these financial statements

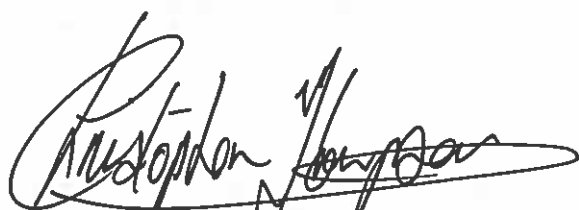
CLYDE GATEWAY DEVELOPMENTS LIMITED

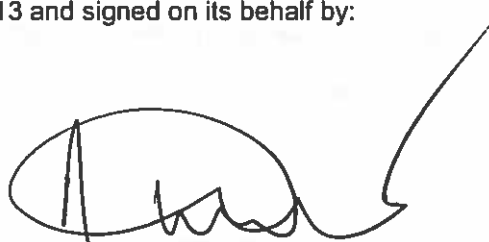
Balance Sheet
As at 31 March 2013

	Notes	31 March 2013 £	31 March 2012 £
Fixed assets			
Tangible assets	3	25,964,212	50,608,884
Current assets			
Stock and Work-in-progress	4	4,970,985	4,489,426
Debtors	5	7,018,863	8,023,853
Cash in hand and in bank		7,024,605	1,845,201
		<u>19,014,453</u>	<u>14,358,480</u>
Creditors			
Amounts falling due within one year	6	(13,946,609)	(9,868,954)
Net current assets		<u>5,067,844</u>	<u>4,489,526</u>
Net assets		<u><u>31,032,056</u></u>	<u><u>55,098,410</u></u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	96,759	-
Land and property reserve	9	30,935,197	55,098,310
Shareholders' funds		<u><u>31,032,056</u></u>	<u><u>55,098,410</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 24 June 2013 and signed on its behalf by:


Christopher Thompson
Chairman


Neil MacDonald
Director

Company number: SC335662

The notes on pages 11 to 17 form part of these financial statements

CLYDE GATEWAY DEVELOPMENTS LIMITED

Notes to the Financial Statements For the year ended 31 March 2013

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).

Going concern

As referred to in the Directors' Report, funding has been secured for 2013/14 and 2014/15. Given the strong cash position and net assets held by the company, the going concern assumption is deemed appropriate.

Turnover

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

Cashflow statement

The company is a wholly owned subsidiary of Clyde Gateway URC and is included in the financial statements of Clyde Gateway URC, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

Fixed assets

Assets acquired for development includes the cost of all land, buildings, demolition costs, disturbance costs and professional fees incurred on projects where infrastructure or construction works have yet to start. When work starts on site then the costs associated with the relevant projects are transferred into assets under construction.

Assets under construction include all expenditure including infrastructure and building costs for development projects that have started on site. On practical completion of each project the corresponding costs are transferred either to investment properties, for those assets being held for long-term income receipts and capital gain, or to stock and to work-in-progress, for those assets which are intended to be sold within the next financial year.

Investment properties are completed developments held for long term income receipts and capital gain. Investment properties are valued annually either by an employee or external valuer qualified by the Royal Institution of Chartered Surveyors to undertake accredited valuations. Every 5 years all investment properties are subject to an external valuation with the first such valuation having taken place as at 31 March 2011.

Increases in asset values on revaluation are reflected within the cost or valuation section of the tangible fixed asset note. Decreases in asset values on revaluation are reflected within the cost or valuation section of the tangible fixed assets note up to the extent of any previous revaluation increases of that asset. Thereafter, any further decreases in asset values on revaluation are reflected as an impairment provision through the depreciation and impairment section of the tangible fixed assets note.

Assets are held at cost until the intention for the asset is decided and the project has advanced sufficiently to allow a reliable valuation to be obtained. Impairment reviews are performed on an annual basis with independent valuation advice sought where appropriate. Any impairment is recognised as a charge against the land and property reserve.

Expenditure on any development schemes that are subsequently aborted is written off to the Profit and Loss Account in the year in which it is recognised that the scheme will not be designed to practical completion.

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.

CLYDE GATEWAY DEVELOPMENTS LIMITED

Notes to the Financial Statements For the year ended 31 March 2013

1. Accounting policies (continued)

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.

Stock

Stock represents the cost of land and properties purchased with a view to resale in the short term. Where it is intended that an asset under construction will be sold then it is transferred from tangible fixed assets to work-in-progress when it is at least 80% completed. Stock and work-in-progress are valued at the lower of cost and net realisable value and any impairment is recognised as a charge against the land and property reserve.

2. Operating profit

	2013 £	2012 £
The operating profit is stated after charging:		
Directors' remuneration	-	-
Auditor's remuneration		
- as auditors	5,120	4,950
- other services – corporation tax	335	325
	<u> </u>	<u> </u>

In addition, a total of £4,875 (2011/12: £6,950) was invoiced in the year in respect of VAT advice provided by the auditor, with these costs having been capitalised by the company.

CLYDE GATEWAY DEVELOPMENTS LIMITED

Notes to the Financial Statements
For the year ended 31 March 2013

3. Tangible fixed assets

	Assets acquired for development £	Assets under construction £	Investment properties £	Total £
<u>Cost or valuation</u>				
At 1 April 2012	20,812,875	25,856,075	3,939,934	50,608,884
Reclassification of provision for diminution in value (as previously reported)	-	7,223,147	1,423,814	8,646,961
At 1 April 2012 (after reclassification)	20,812,875	33,079,222	5,363,748	59,255,845
Additions during the year	3,405,116	14,628,551	100,586	18,134,253
Reclassification of assets acquired for development	1,721,550	(1,721,550)	-	-
Transfer to assets under construction	(505,450)	505,450	-	-
Transfer to investment properties	-	(10,007,339)	10,007,339	-
Transfer to stock and work-in- progress	(1,324,710)	(4,946,538)	-	(6,271,248)
Disposals	(29,600)	-	-	(29,600)
At 31 March 2013	24,079,781	31,537,796	15,471,673	71,089,250
<u>Impairment and depreciation</u>				
At 1 April 2012	-	-	-	-
Impairment provision brought forward at 1 April 2012 (as previously reported)	-	7,223,147	1,423,814	8,646,961
Impairment provision for the year	14,151,971	12,895,695	9,430,411	36,478,077
At 31 March 2013	14,151,971	20,118,842	10,854,225	45,125,038
<u>Net book value</u>				
At 31 March 2013	9,927,810	11,418,954	4,617,448	25,964,212
At 31 March 2012	20,812,875	25,856,075	3,939,934	50,608,884

4. Stock and Work-in-Progress

	Stock £	Work-in- Progress £	Total £
At 1 April 2012	4,489,426	-	4,489,426
Additions during the year	327,064	-	327,064
Transfer from tangible fixed assets	6,271,248	-	6,271,248
Amounts written down	(3,922,945)	-	(3,922,945)
Disposals	(2,193,808)	-	(2,193,808)
At 31 March 2013	4,970,985	-	4,970,985

Stock and Work-in-progress are valued at the lower of cost and net realisable value.

Developments are transferred into Work-in-progress once 80% complete and where there is an expectation of selling the site within 12 months.

CLYDE GATEWAY DEVELOPMENTS LIMITED

Notes to the Financial Statements
For the year ended 31 March 2013

5. Debtors		2013	2012
		£	£
Trade debtors		20,439	63,821
Scottish Government		4,157,954	2,837,138
Glasgow City Council		-	3,000,000
South Lanarkshire Council		150,053	206,398
Scottish Enterprise		-	569,506
Prepayments		44,032	29,805
VAT		641,859	1,317,185
Accrued income		1,897,276	-
Other debtors		107,250	-
		<hr/>	<hr/>
		7,018,863	8,023,853
		<hr/> <hr/>	<hr/> <hr/>
 6. Creditors: amounts falling due within one year		 2013	 2012
		£	£
Trade creditors		379,555	245,389
South Lanarkshire Council		142,792	26,132
Accruals		113,150	140,608
Deferred income		9,678,464	7,563,876
Deposits and rent received in advance		20,708	6,957
Amounts owed to parent company		3,611,940	1,885,992
		<hr/>	<hr/>
		13,946,609	9,868,954
		<hr/> <hr/>	<hr/> <hr/>
 7. Called up share capital		 2013	 2012
		£	£
Authorised, allotted, issued and fully paid:			
<u>Number</u>	<u>Class</u>	<u>Nominal value</u>	
100	Ordinary shares	£1	
			100
			<hr/>
			<hr/>
 8. Profit and loss account			£
At 1 April 2012			-
Loss for the year			(2,126,649)
Transfer from land and property reserve			2,223,408
			<hr/>
At 31 March 2013			96,759
			<hr/> <hr/>

CLYDE GATEWAY DEVELOPMENTS LIMITED

Notes to the Financial Statements
For the year ended 31 March 2013

9. Land and property reserve	£
At 1 April 2012	55,098,310
Additions to tangible fixed assets in year	18,134,253
Additions to stock and work-in-progress in year	327,064
Impairment – Tangible fixed assets	(36,478,077)
Write down of stock and work-in-progress to net realisable value	(3,922,945)
Transfer to profit and loss account	(2,223,408)
	<hr/>
At 31 March 2013	30,935,197
	<hr/> <hr/>
Analysed as:	
Tangible fixed assets	25,964,212
Stock and Work-in-progress	4,970,985
	<hr/>
	30,935,197
	<hr/> <hr/>

Land and property reserve additions in the year includes £40,000 which represents the value of assets received from Glasgow City Council at no cost.

10. Ultimate Holding Company

Clyde Gateway URC is the holding company and holds 100% of the share capital.

11. Commitments	2013	2012
	£	£
<u>Capital</u>		
Capital expenditure authorised by the directors and contracted for amounted to	25,376,725	14,663,797
	<hr/>	<hr/>
Capital expenditure authorised by the directors but not contracted for amounted to	8,366,667	3,343,420
	<hr/>	<hr/>

CLYDE GATEWAY DEVELOPMENTS LIMITED

Notes to the Financial Statements For the year ended 31 March 2013

12. Contingent liabilities

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 in certain circumstances.

The company has granted a standard security to the vendor of ground at Poplin Street, in respect of an overage payment which may crystallise within a defined timespan under certain circumstances.

The company has granted a standard security to the vendor of ground on the north west side of Swanston Street, Glasgow and north east side of French Street, Glasgow, in respect of an overage payment which may crystallise within a defined timespan under certain circumstances.

The company has granted a standard security in respect of obligations arising from grant income received towards the development of the Olympia Theatre, 2/16 Orr Street, Glasgow.

The company has granted an environmental indemnity of up to £250,000 to South Lanarkshire Council in respect of de-contamination and remediation works being performed on land formerly in the ownership of the local authority at Shawfield. There are restricted circumstances in which any liability under this environmental indemnity would crystallise. In the event of a liability being incurred the company would seek to recover funds through the contractor warranties in place for these de-contamination and remediation works.

13. Directors' interests in contracts

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.

During the financial year, Clyde Gateway Developments Limited, in the normal course of business, entered into the following transactions with companies in which directors have an interest. All such contracts were negotiated at arms' length and were subject to the company's normal tendering procedures where appropriate. The director concerned took no part in the corresponding Board decision to proceed with the transaction.

<u>Director</u>	<u>Project description</u>	<u>Cost</u>
John Gallacher	In March 2013 the company awarded a grant contribution to City Legacy Limited to facilitate the future delivery of the Cuningar Footbridge. John Gallacher is a director of City Legacy Limited. John Gallacher is also a director of Cruden Estates Limited which owns 25% of City Legacy Limited.	£92,910

CLYDE GATEWAY DEVELOPMENTS LIMITED

Notes to the Financial Statements For the year ended 31 March 2013

13. Directors' interests in contracts (continued)

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 Culture and Sport Glasgow (resigned during the year) Strathclyde Partnership for Transport	Councillor Director Chairman
Christopher Thompson	South Lanarkshire Council Lanarkshire Business Gateway Steering Group Scottish Enterprise – West Regional Advisory Board Strathclyde Partnership for Transport Supplier Development Programme	Councillor Chair Board Member Board Member Chair

14. 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.