
CLYDE GATEWAY DEVELOPMENTS LIMITED

Financial Statements

For the year ended 31 March 2014

Company registration number: SC335662

CLYDE GATEWAY DEVELOPMENTS LIMITED

Financial Statements

For the year ended 31 March 2014

Officers and Advisers:

Directors

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

Secretary

Burness Paul 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
Statutory Auditor
25 Bothwell Street
Glasgow
G2 6NL

CLYDE GATEWAY DEVELOPMENTS LIMITED

Financial Statements

For the year ended 31 March 2014

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CLYDE GATEWAY DEVELOPMENTS LIMITED

Directors' Report

For the year ended 31 March 2014

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2014.

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, increasing 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, generating employment opportunities for local people.

Develop Community Capacity ensures 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
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 14 to the accounts.

Review of the business and future developments

Funding for Clyde Gateway Development 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 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 2014

Review of the business and future developments (continued)

The end of the 2013/14 financial year marks the transition from a predominately Scottish Government block grant funding model to an environment where funding for projects are made on an individual grant application bidding basis to the Regeneration Capital Grant Fund. Clyde Gateway successfully bid for £6.42m from this fund for two projects - the construction of a first phase office at the Rutherglen Low Carbon Zone and the refurbishment of the Glasgow Women's Library at Bridgeton. The Scottish Government also awarded additional funding of £4.49m to Clyde Gateway towards the year end for a range of committed projects.

A detailed operating plan covering four year period from 2014/15 until 2017/18 was approved by the company's board on 30th June 2014. This plan demonstrates that the company has sufficient resources from accumulated reserves, grant awards and anticipated development returns to allow the directors to have a reasonable expectation that Clyde Gateway URC can fund its existing regeneration commitments during this period. Accordingly, the financial statements have been prepared 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 European Structural Fund programmes, 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 Clyde Gateway area.

During the 2013/14 financial year significant progress continued to be made in terms of the site assembly and clearance programme with 13.0 hectares of land and buildings being acquired for re-development. Every effort is made to ensure that existing businesses directly affected by this programme are provided with opportunities to re-locate their operations within Clyde Gateway's boundary. Further substantive progress was also made in taking forward the design, planning and consultation needed to tackle the long-standing infrastructure constraints, such as drainage and contamination, which inhibit key districts, particularly Dalmarnock and Shawfield, from attracting new jobs and investment.

Clyde Gateway continued to work with a range of employability partners to create opportunities for local people including the jobs vacancies emerging as a direct result of Clyde Gateway's community benefits clauses within its construction and other contracts.

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 2013/14.

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 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 began during 2013/14 on the first phase of essential remediation works necessary to bring this heavily decontaminated land back into economic use. This project is being part financed by £6.0m from the European Regional Development Fund.

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. These works finished in March 2014.

CLYDE GATEWAY DEVELOPMENTS LIMITED

Directors' Report

For the year ended 31 March 2014

Review of the business and future developments (continued)

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 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 have taken place during 2013/14 with Phases 1 and 2 due for completion in June 2014. Clyde Gateway Developments Limited has been successful in attracting £2.5m of European Regional Development Funding for this project. Furthermore, Clyde Gateway Developments Limited made a successful bid of £5.78m to the Scottish Government's Regeneration Capital Grant Fund for a new 3,900 square metre four-storey advance office on this site. This construction work started during 2013/14 and is scheduled for completion in October 2014.

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.

Works began on site in March 2013 and are scheduled to be completed by November 2014. During this period Clyde Gateway Developments Limited has continued its efforts to secure a major single occupier for this prominent building. In October 2013 the Scottish Police Authority approved the relocation of the Police Scotland staff currently located in Pitt Street, Glasgow to Riverside East Office Development. This will bring 1,100 high quality jobs to Clyde Gateway.

Albus, Mile End

Works also commenced during the year on the Albus Building, a 1,914 square metre office building adjacent to the Eastgate Building on London Road at Mile End. The £4.7m building is scheduled for completion in October 2014.

Red Tree Business Suites, Bridgeton

The second of Clyde Gateway's 'Red Tree' branded business suites at Bridgeton was completed in February 2013. The £3.6m project 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. The first tenants took occupation in March 2013. The business suites have proved popular with the market and occupancy levels exceed the original expectations.

Glasgow Women's Library, Bridgeton

Clyde Gateway Developments Limited successfully bid for Scottish Government Regeneration Capital Grant Fund monies to fund the redevelopment of the former Bridgeton Library building to create a National Women's Library, accredited museum and archive facility. Additional funding to support this project has been awarded to Clyde Gateway from Scottish Futures Trust and Glasgow City Council. The redevelopments works costing £1m are funded via a combination of the above plus direct funding to Glasgow Women's Library.

Key Routes and Spaces - Dalmarnock

The Key Routes and Spaces project seeks to deliver a series of high quality walking and cycling routes connecting Dalmarnock with the National Business District in Shawfield, Cuningar Loop Forest Park and the Emirates Arena and Commonwealth Games facilities, while supporting long term inward investment and raising the profile of these areas during the Commonwealth Games in July 2014.

CLYDE GATEWAY DEVELOPMENTS LIMITED

Directors' Report

For the year ended 31 March 2014

Review of the business and future developments (continued)

Key Routes and Spaces – Dalmarnock (continued)

During the year Glasgow City Council and Clyde Gateway agreed a jointly funded £2m package of works to upgrade these routes and spaces. These works commenced in 2013/14 and are due for completion for the Commonwealth Games. Additional funding of £746k was received from Scottish Government towards the end of the financial year to fund further enhancements to Dalmarnock Key Routes and Spaces. These works will be completed in 2014-15.

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. A comprehensive review of valuations was performed at the year end covering assets acquired for development, assets under construction and completed investment assets. An impairment provision of £24,075,464 has been recorded within the Clyde Gateway Developments Limited financial statements for the current year and further information is set out in the Clyde Gateway Developments Limited accounts. All year end valuations were performed by a RICS independent valuer. This impairment provision reflects the cost of bringing long-standing vacant, derelict and contaminated land and buildings back into productive commercial use. Upward revaluations totalling £468,714 have been netted off within the overall impairment provision.

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. Valuations were carried out by an external qualified RICS independent valuer. At the year end stock was written down by £5,389,440 in Clyde Gateway Developments Limited. This figure includes upwards revisions of £247,227 to stock items written down in previous years. There is also an increase on revaluation of £55,000 for an asset acquired and valued during 2012/13 at £20,000.

Assets under construction with a view to resale are transferred from tangible fixed assets to work-in-progress when they are at least 80% completed at the year-end. No such assets reached this threshold of completion at 31 March 2014.

Continued Focus

During the 2014/15 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.

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.

CLYDE GATEWAY DEVELOPMENTS LIMITED

Directors' Report

For the year ended 31 March 2014

Audit & Evaluation Committee

These accounts have been reviewed by the group Audit & Evaluation Committee at its meeting on 30 June 2014. At that date, its members were David Bankier (director of Clyde Gateway Developments Limited), Anne Clyde, John Gallacher (Committee Chair and director of Clyde Gateway Developments Limited), Dennis McKenna and Jim Watson.

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:

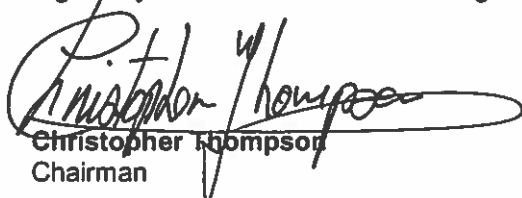
- a) so far as the directors are aware, there is no relevant information of which the company's auditor is unaware, and
- b) the directors have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant information and to establish that the company's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

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 25 August 2014


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 2014*

We have audited the financial statements of Clyde Gateway Developments Limited for the year ended 31 March 2014 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 5, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 2014 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
- the financial statements are not in agreement with the accounting records and returns; or

CLYDE GATEWAY DEVELOPMENTS LIMITED

Independent Auditor's Report to the Members of Clyde Gateway Developments Limited
For the year ended 31 March 2014

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

- 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; or
- the directors were not exempt from the requirement to prepare a strategic report.



Iain D Lee, Senior Statutory Auditor
For and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

Dated: 25 August 2014

CLYDE GATEWAY DEVELOPMENTS LIMITED**Profit and Loss Account**
For the year ended 31 March 2014

	Notes	2014 £	2013 £
Turnover		3,648,543	5,124,581
Cost of sales		<u>(2,315,047)</u>	<u>(3,520,520)</u>
Gross profit		1,333,496	1,604,061
Administrative expenses		<u>(1,334,700)</u>	<u>(84,002)</u>
Operating (loss)/profit	2	(1,204)	1,520,059
Interest received		55,815	42,912
Gift aid		<u>(483,074)</u>	<u>(3,689,620)</u>
Loss on ordinary activities before taxation		(428,463)	(2,126,649)
Tax on loss on ordinary activities		-	-
Loss for the financial year after taxation		<u><u>(428,463)</u></u>	<u><u>(2,126,649)</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 2014

	Notes	2014 £	2013 £
Loss for the financial year		(428,463)	(2,126,649)
Release from Land and property reserve to Profit and loss account		428,463	2,223,408
Movement in Land and property reserve		(4,463,343)	(24,163,113)
Movement in revaluation reserve		55,000	-
Total recognised gains and losses since the last annual Report		<u>(4,408,343)</u>	<u>(24,066,354)</u>

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

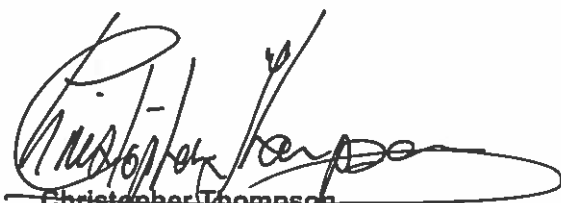
CLYDE GATEWAY DEVELOPMENTS LIMITED

Balance Sheet
As at 31 March 2014

	Notes	31 March 2014 £	31 March 2013 £
Fixed assets			
Tangible assets	3	16,309,855	25,964,212
Current assets			
Stock and Work-in-progress	4	10,216,999	4,970,985
Debtors	5	19,155,685	7,018,863
Cash in hand and in bank		9,493,485	7,024,605
		<u>38,866,169</u>	<u>19,014,453</u>
Creditors			
Amounts falling due within one year	6	(28,552,311)	(13,946,609)
Net current assets		<u>10,313,858</u>	<u>5,067,844</u>
Net assets		<u><u>26,623,713</u></u>	<u><u>31,032,056</u></u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	96,759	96,759
Land and property reserve	9	26,471,854	30,935,197
Revaluation reserve	10	55,000	-
Shareholders' funds		<u><u>26,623,713</u></u>	<u><u>31,032,056</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 25 August 2014 and signed on its behalf by:



Christopher Thompson
Chairman

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 2014

1. Accounting policies

Basis of accounting

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, a funded operating plan has been prepared covering the years 2014-15 to 2017-18. Given the strong cash position and net assets held by the company, the going concern assumption is deemed appropriate.

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).

Turnover

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

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.

CLYDE GATEWAY DEVELOPMENTS LIMITED

Notes to the Financial Statements

For the year ended 31 March 2014

1. Accounting policies (continued)

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.

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 (loss)/profit

	2014 £	2013 £
The operating (loss)/profit is stated after charging:		
Directors' remuneration	-	-
Auditor's remuneration		
- as auditor	5,220	5,120
- other services – accountancy	340	335
- other services – corporation tax	900	875
	<u> </u>	<u> </u>

In addition, a total of £15,800 (2012/13: £4,875) was invoiced in the year in respect of VAT advice provided by the auditor, with these costs having been capitalised by the company and subsequently impaired where appropriate.

CLYDE GATEWAY DEVELOPMENTS LIMITED

Notes to the Financial Statements
For the year ended 31 March 2014

3. Tangible fixed assets	Assets acquired for development £	Assets under construction £	Investment properties £	Total £
<u>Cost or valuation</u>				
At 1 April 2013	24,079,781	31,537,796	15,471,673	71,089,250
Additions during the year	3,325,056	21,128,263	126,981	24,580,300
Transfer to Assets under construction	(16,002,014)	16,002,014	-	-
Transfer to investment properties	-	(2,396,746)	2,396,746	-
Transfer to stock and Work-in- progress	(3,386,341)	(19,807,946)	-	(23,194,287)
At 31 March 2014	<u>8,016,482</u>	<u>46,463,381</u>	<u>17,995,400</u>	<u>72,475,263</u>
<u>Impairment and Depreciation</u>				
At 1 April 2013	14,151,971	20,118,842	10,854,225	45,125,038
Impairment provision for year	6,098,527	17,802,509	174,428	24,075,464
Transfer to Assets under Construction	(13,630,370)	13,630,370	-	-
Transfer to investment properties	-	(2,396,746)	2,396,746	-
Transfer to Stock and Work-in- Progress	(505,896)	(12,529,198)	-	(13,035,094)
	<u>6,114,232</u>	<u>36,625,777</u>	<u>13,425,399</u>	<u>56,165,408</u>
<u>Net book value</u>				
At 31 March 2014	<u>1,902,250</u>	<u>9,837,604</u>	<u>4,570,001</u>	<u>16,309,855</u>
At 31 March 2013	<u>9,927,810</u>	<u>11,418,954</u>	<u>4,617,448</u>	<u>25,964,212</u>
4. Stock and Work-in-Progress		<u>Stock</u> £	<u>Work-in- Progress</u> £	<u>Total</u> £
At 1 April 2013		4,970,985	-	4,970,985
Additions during the year		849,724	-	849,724
Transfer from tangible fixed assets - cost		23,194,287	-	23,194,287
Revaluation		55,000	-	55,000
Amounts written down		(5,389,440)	-	(5,389,440)
Transfer from tangible fixed assets - impairment		(13,035,094)	-	(13,035,094)
Disposal		(428,463)	-	(428,463)
At 31 March 2014		<u>10,216,999</u>	<u>-</u>	<u>10,216,999</u>

Developments for sale 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 2014

5. Debtors		2014	2013
		£	£
Trade debtors		226,593	20,439
Scottish Government		17,618,301	4,157,954
South Lanarkshire Council		14,053	150,053
Prepayments		41,588	44,032
VAT		941,750	641,859
Accrued income		206,150	1,897,276
Other debtors		107,250	107,250
		<u>19,155,685</u>	<u>7,018,863</u>
6. Creditors: amounts falling due within one year		2014	2013
		£	£
Trade creditors		4,405,961	379,555
South Lanarkshire Council		-	142,792
Glasgow City Council		6,790	-
Accruals		572,972	113,150
Deferred income		22,413,895	9,678,464
Deposits and rent received in advance		41,478	20,708
Amounts owed to parent company		1,111,215	3,611,940
		<u>28,552,311</u>	<u>13,946,609</u>
7. Called up share capital		2014	2013
		£	£
Authorised, allotted, issued and fully paid:			
<u>Number</u>	<u>Class</u>	<u>Nominal value</u>	
100	Ordinary shares	£1	
		<u>100</u>	<u>100</u>
8. Profit and loss account			£
At 1 April 2013			96,759
Loss for the year			(428,463)
Transfer from land and property reserve			428,463
At 31 March 2014			<u>96,759</u>

CLYDE GATEWAY DEVELOPMENTS LIMITED

Notes to the Financial Statements

For the year ended 31 March 2014

9. Land and property reserve	£
At 1 April 2013	30,935,197
Additions to fixed assets in year	24,580,300
Additions to stock and work-in-progress in year	849,724
Impairment – Fixed assets	(24,075,464)
Write down of stock and work-in-progress to net realisable value	(5,389,440)
Transfer to profit and loss account	(428,463)
	<hr/>
At 31 March 2014	26,471,854
	<hr/> <hr/>
Analysed as:	
Tangible fixed assets	16,309,855
Stock and Work-in-progress (excluding revaluation of £55,000)	10,161,999
	<hr/>
	26,471,854
	<hr/> <hr/>

Land and property reserve additions in the year includes £858,500 which represents the deemed market value of assets received from Glasgow City Council at no cost.

10. Revaluation reserve	£
At 1 April 2013	-
Increase on revaluation in year	55,000
	<hr/>
At 31 March 2014	55,000
	<hr/> <hr/>

11. Ultimate Holding Company

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

12. Commitments	2014	2013
	£	£
<u>Capital</u>		
Capital expenditure authorised by the directors and contracted for amounted to	26,418,413	25,376,725
	<hr/>	<hr/>
Capital expenditure authorised by the directors but not contracted for amounted to	10,475,522	8,366,667
	<hr/>	<hr/>

CLYDE GATEWAY DEVELOPMENTS LIMITED

Notes to the Financial Statements For the year ended 31 March 2014

13. 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.

14. 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 declared their interest and took no part in the corresponding decision to proceed with the transaction.

Director – John Gallacher

Cost

- | | |
|---|--------|
| 1. In March 2011, after an open and competitive tendering process, the company entered into a contract with Cruden Building & Renewals Limited for the sum of £2.724m to convert the upper floor premises at 21-51 Dalmarnock Road, Bridgeton into serviced business suites. This business centre is branded as Red Tree Bridgeton and work began on site at the start of the 2011/12 financial year. The works were completed in March 2013. The final account of £3.322m was agreed with the contractor during the year. The results of Cruden Building & Renewals Limited are consolidated into those of their ultimate parent company Cruden Holdings Limited. John Gallacher is a director and employee of Cruden Estates Limited whose results are also consolidated into those of their ultimate parent company Cruden Holdings Limited. | £8,027 |
|---|--------|

CLYDE GATEWAY DEVELOPMENTS LIMITED

Notes to the Financial Statements <i>For the year ended 31 March 2014</i>

14. Directors' interests in contracts (continued)

<u>Director – John Gallacher</u>	<u>Cost</u>
2. In March 2014 the company paid a grant contribution to City Legacy Limited towards the Commonwealth Village Information Centre. 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.	£24,959

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	Councillor
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

15. 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.