

CLYDE GATEWAY DEVELOPMENTS LIMITED

Financial Statements

For the year ended 31 March 2015

Company registration number: SC335662

CLYDE GATEWAY DEVELOPMENTS LIMITED

Financial Statements

For the year ended 31 March 2015

Officers and Advisers:

Directors

David Bankier
John Gallacher
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 2015

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CLYDE GATEWAY DEVELOPMENTS LIMITED

Directors' Report

For the year ended 31 March 2015

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2015.

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	Derek McCrindle
John Gallacher	Allan McQuade
Neil MacDonald (resigned 23 February 2015)	George Redmond
Ian Manson	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's activities is obtained from a number of sources with the main contributors to date being the Scottish Government, European Structural Funds and the three members. Glasgow City Council and South Lanarkshire Council also provide land holdings on a phased basis over the anticipated 20 year lifespan of the Clyde Gateway project and are making significant investment directly themselves into the area.

CLYDE GATEWAY DEVELOPMENTS LIMITED

Directors' Report

For the year ended 31 March 2015

Review of the business and future developments (continued)

The end of the 2013/14 financial year marked the transition from a predominately Scottish Government block grant funding model to an environment where funding for projects is made on an individual grant application bidding basis to the Regeneration Capital Grant Fund. To date Clyde Gateway Developments Limited has successfully bid for £6.42m from this fund for two projects - the construction of a first phase office at the Rutherglen Links and the refurbishment of the Glasgow Women's Library at Bridgeton.

A detailed operating plan covering the three year period from 2015/16 until 2017/18 was approved by the company's board on 27 April 2015. 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 Developments Limited 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 2014/15 financial year significant progress continued to be made in terms of the site assembly and clearance programme with 4.6 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 are taking forward the physical, economic and social transformation of the Clyde Gateway area, were progressed by Clyde Gateway during 2014/15:

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 Developments 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.

The infrastructure and remediation works on Phase 1 of the National Business District were completed in February 2015. A £5.6m package of works to divert and reline the burns and culverts and to create new culverts, required to support the development of the National Business District, commenced in July 2014 and were completed in June 2015. Marketing of the first phase Shawfield site was launched at the MIPIM UK property trade exhibition in October 2014, generating requests for further information and site visits from a number of interested parties.

The second phase of infrastructure and remediation works at Shawfield is now under way, with further significant investment planned, particularly on chromium decontamination, in order to release the land eventually for private sector development. Clyde Gateway will apply initially £2.6m of capital funding from South Lanarkshire Council against this project over the 2015/16 and 2016/17 financial years.

CLYDE GATEWAY DEVELOPMENTS LIMITED

Directors' Report

For the year ended 31 March 2015

Review of the business and future developments (continued)

Rutherglen Links Business Park and One Rutherglen Links Office Development

Works to bring the former Monogram factory at Farme Cross back into use were completed during the year. Now branded as Rutherglen Links, this area will be built out in stages with a proposed mix of offices and commercial space. A new 3,900 square metre four-storey advance office, One Rutherglen Links, was completed in January 2015. This construction work started during 2013/14 and attracted Scottish Government Regeneration Capital Grant Funding of £5.78m.

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. Works began on site in March 2014 to create approximately 11,000 square metres of Grade A energy efficient office space. In October 2014 the Scottish Police Authority approved the relocation of the Police Scotland staff located in Pitt Street, Glasgow to this new office. The building, now named Police Scotland Clyde Gateway, was completed and sold to the Scottish Police Authority in December 2014. Police Scotland is now occupying this office and the full redeployment of 1,100 uniformed and support staff to Clyde Gateway was completed by the end of March 2015.

Riverside Site, Dalmarnock

The Dalmarnock Riverside site, comprising 8.9 hectares, was disposed to Link Group Limited a registered social landlord in March 2015. The purchaser's six year work programme, which has a capital investment value of circa £65m with a development target of approximately 550 homes, has the first phase of development starting in 2016 with completion scheduled for 2020/21.

Albus, Mile End

Works commenced during 2013/14 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 was completed in October 2014 and welcomed its first tenant in April 2015.

Glasgow Women's Library, Bridgeton

Clyde Gateway 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 £1.2m are funded via a combination of the above plus direct funding to Glasgow Women's Library. Works commenced in November 2014 and are scheduled for completion in October 2015.

Key Routes and Spaces - Dalmarnock

The Key Routes and Spaces project delivered 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.

A further £1.1m project to enhance Carstairs Street will deliver a sustainable urban drainage swale reducing the flow of surface water to the combined sewerage system and establishing a safe and attractive pedestrian route that will directly connect via the SMART Bridge to the National Business District at Shawfield and to the refurbished Dalmarnock railway station. These works commenced in June 2015 and are scheduled for completion in November 2015.

During the year works commenced on the upgrading of Reid Street in Dalmarnock at a cost of £330k with final completion scheduled for August 2015.

CLYDE GATEWAY DEVELOPMENTS LIMITED

Directors' Report

For the year ended 31 March 2015

Review of the business and future developments (continued)

Remediation and Infrastructure Works – Dalmarnock

Clyde Gateway is applying £2.3m of Glasgow City Council Vacant and Derelict Land Fund to remediation and infrastructure works in Central Dalmarnock over the two years from 2014/15 to 2015/16.

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 £7,482,681 has been recorded within the Clyde Gateway Developments Limited financial statements for the current year. Year end valuations for the newly completed Rutherglen Links Office and Albus buildings were performed by a RICS independent valuer. The remaining properties were valued internally by suitably qualified Clyde Gateway staff and peer reviewed 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.

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. The valuation of the National Business District Phase 1 site at Shawfield was carried out by an external qualified RICS independent valuer, with the remaining valuations performed internally by suitably qualified Clyde Gateway staff and peer reviewed by a RICS independent valuer. At the year end stock was written down by £21,764,515 in Clyde Gateway Developments Limited.

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 2015.

Property Disposals

Clyde Gateway Developments Ltd generated proceeds from land and property disposals of £10.8m in 2014/15. These funds will be applied against planned future regeneration activities and a programme of further disposals is also in place.

Gift Aid

Clyde Gateway Developments Limited will make a gift aid payment of £7,787,841 to Clyde Gateway URC by 31 December 2015.

Continued Focus

During the 2015/16 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 providing a strong platform from which to increase the company's impact across a range of social justice measures.

Financial results

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

CLYDE GATEWAY DEVELOPMENTS LIMITED

Directors' Report

For the year ended 31 March 2015

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.

Audit & Evaluation Committee

These accounts have been reviewed by the group Audit & Evaluation Committee at its meeting on 22 June 2015. 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.


CLYDE GATEWAY DEVELOPMENTS LIMITED

Directors' Report

For the year ended 31 March 2015

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 **29th June 2015.**



Christopher Thompson
Chair

Independent Auditor's Report to the Members of Clyde Gateway Developments Limited
For the year ended 31 March 2015

We have audited the financial statements of Clyde Gateway Developments Limited for the year ended 31 March 2015 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/auditscopeukprivate.

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 2015 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 2015

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; 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 29/6/15

CLYDE GATEWAY DEVELOPMENTS LIMITED**Profit and Loss Account**
For the year ended 31 March 2015

	Notes	2015 £	2014 £
Turnover		11,820,182	3,648,543
Cost of sales		(12,662,601)	(2,315,047)
Gross (loss)/profit		(842,419)	1,333,496
Administrative expenses		(1,665,775)	(1,334,700)
Operating loss	2	(2,508,194)	(1,204)
Interest received		57,957	55,815
Gift aid		(7,787,841)	(483,074)
Loss on ordinary activities before taxation		(10,238,078)	(428,463)
Tax on loss on ordinary activities		-	-
Loss for the financial year after taxation		(10,238,078)	(428,463)

CLYDE GATEWAY DEVELOPMENTS LIMITED

Statement of Total Recognised Gains and Losses <i>For the year ended 31 March 2015</i>
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	Notes	2015 £	2014 £
Loss for the financial year		(10,238,078)	(428,463)
Release from Land and property reserve to Profit and loss account		10,227,149	428,463
Movement in Land and property reserve		(6,040,604)	(4,463,343)
Movement in revaluation reserve		(55,000)	55,000
Total recognised gains and losses since the last annual report		<u>(6,106,533)</u>	<u>(4,408,343)</u>

The notes on pages 12 to 18 form part of these financial statements

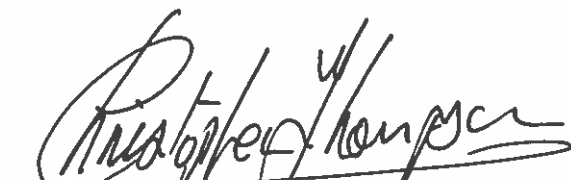
CLYDE GATEWAY DEVELOPMENTS LIMITED

Balance Sheet
As at 31 March 2015

	Notes	31 March 2015 £	31 March 2014 £
Fixed assets			
Tangible assets	3	9,538,750	16,309,855
Current assets			
Stock and work-in-progress	4	10,892,500	10,216,999
Debtors	5	2,230,341	19,155,685
Cash in hand and in bank		19,553,889	9,493,485
		<u>32,676,730</u>	<u>38,866,169</u>
Creditors			
Amounts falling due within one year	6	(21,698,300)	(28,552,311)
Net current assets		<u>10,978,430</u>	<u>10,313,858</u>
Net assets		<u>20,517,180</u>	<u>26,623,713</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	85,830	96,759
Land and property reserve	9	20,431,250	26,471,854
Revaluation reserve	10	-	55,000
Shareholders' funds		<u>20,517,180</u>	<u>26,623,713</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 29th June 2015 and signed on its behalf by:


Christopher Thompson
Chair

Company number: SC335662

The notes on pages 12 to 18 form part of these financial statements

Notes to the Financial Statements
For the year ended 31 March 2015

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 2015-16 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 most recent valuation having taken place as at 31 March 2014.

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 2015

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 the fair value 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

	2015 £	2014 £
The operating loss is stated after charging:		
Directors' remuneration	-	-
Auditor's remuneration		
- as auditor	5,340	5,220
- other services – accountancy	350	340
- other services – corporation tax	910	900
	<u> </u>	<u> </u>

In addition, a total of £16,700 (2013/14: £15,800) 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 2015

3. Tangible fixed assets	Assets acquired for development £	Assets under construction £	Investment properties £	Total £
<u>Cost or valuation</u>				
At 1 April 2014	8,016,482	46,463,381	17,995,400	72,475,263
Additions during the year	2,424,021	30,758,179	44,137	33,226,337
Transfer to investment properties	(359,171)	(10,406,564)	10,765,735	-
Transfer to stock and work-in- progress	(121,834)	(66,387,525)	(3,243,183)	(69,752,542)
Transfer to assets acquired for development	450,258	-	(450,258)	-
Revaluation written down	(55,000)	-	-	(55,000)
At 31 March 2015	<u>10,354,756</u>	<u>427,471</u>	<u>25,111,831</u>	<u>35,894,058</u>
<u>Impairment and Depreciation</u>				
At 1 April 2014	6,114,232	36,625,777	13,425,399	56,165,408
Impairment provision for year	2,069,409	324,587	5,088,685	7,482,681
Transfer to investment properties	(15,705)	-	15,705	-
Transfer to stock and work-in- progress	239,000	(36,522,893)	(1,008,888)	(37,292,781)
Transfer to assets acquired for development	94,070	-	(94,070)	-
At 31 March 2015	<u>8,501,006</u>	<u>427,471</u>	<u>17,426,831</u>	<u>26,355,308</u>
<u>Net book value</u>				
At 31 March 2015	<u>1,853,750</u>	<u>-</u>	<u>7,685,000</u>	<u>9,538,750</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>

4. Stock and work-in-progress

	Stock £
At 1 April 2014	10,216,999
Additions during the year	207,404
Transfer from tangible fixed assets - cost	69,752,542
Transfer from tangible fixed assets - impairment	(37,292,781)
Disposal	(10,227,149)
Amounts written down	(21,764,515)
At 31 March 2015	<u>10,892,500</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 2015

5. Debtors		2015	2014
		£	£
Trade debtors		199,880	226,593
Scottish Government		217,994	17,618,301
South Lanarkshire Council		211,000	14,053
Glasgow City Council		283,260	-
Prepayments		52,733	41,588
VAT		-	941,750
Accrued income		1,215,474	206,150
Other debtors		50,000	107,250
		<u>2,230,341</u>	<u>19,155,685</u>
6. Creditors: amounts falling due within one year		2015	2014
		£	£
Trade creditors		1,804,573	4,405,961
South Lanarkshire Council		117,000	-
Glasgow City Council		16,328	6,790
Accruals		161,991	572,972
Deferred income		8,943,404	22,413,895
Deposits and rent received in advance		37,734	41,478
VAT		704,931	-
Amounts owed to parent company		9,912,339	1,111,215
		<u>21,698,300</u>	<u>28,552,311</u>
7. Called up share capital		2015	2014
		£	£
Authorised, allotted, issued and fully paid:			
<u>Number</u>	<u>Class</u>	<u>Nominal value</u>	
100	Ordinary shares	£1	
			100
			<u>100</u>
8. Profit and loss account			£
At 1 April 2014			96,759
Loss for the year			(10,238,078)
Transfer from land and property reserve			10,227,149
			<u>85,830</u>
At 31 March 2015			<u>85,830</u>

CLYDE GATEWAY DEVELOPMENTS LIMITED

Notes to the Financial Statements
For the year ended 31 March 2015

9. Land and property reserve	£
At 1 April 2014	26,471,854
Additions to fixed assets in year	33,226,337
Additions to stock and work-in-progress in year	207,404
Impairment – fixed assets	(7,482,681)
Write down of stock and work-in-progress to net realisable value	(21,764,515)
Transfer to profit and loss account	(10,227,149)
	<u>20,431,250</u>
At 31 March 2015	<u>20,431,250</u>
Analysed as:	
Tangible fixed assets	9,538,750
Stock and work-in-progress	10,892,500
	<u>20,431,250</u>

Land and property reserve additions in the year includes £549,177 which represents the deemed market value of assets received from Glasgow City Council (£529,177) and South Lanarkshire Council (£20,000) at no cost.

10. Revaluation reserve	£
At 1 April 2014	55,000
Revaluation written down	(55,000)
	<u>-</u>
At 31 March 2015	<u>-</u>

11. Ultimate Holding Company

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

12. Commitments	2015	2014
	£	£
Capital expenditure authorised by the directors and contracted for amounted to	<u>2,398,039</u>	<u>26,418,413</u>
Capital expenditure authorised by the directors but not contracted for amounted to	<u>356,428</u>	<u>9,832,419</u>
Other expenditure authorised by the directors and contracted for amounted to	<u>383,641</u>	<u>-</u>
Other expenditure authorised by the directors but not contracted for amounted to	<u>-</u>	<u>643,103</u>

<p>Notes to the Financial Statements For the year ended 31 March 2015</p>
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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 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. All such contracts are negotiated at arms' length and are subject to the company's normal tendering procedures where appropriate. Any directors concerned are required to declare an interest and to take no part in the Board decision to proceed with the transaction. There were no such transactions during the year.

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	Councillor
	Lanarkshire Business Gateway Steering Group	Chair
	Glasgow & Clyde Valley Cabinet (City Deal)	Substitute Member
	Strathclyde Partnership for Transport	Board Member
	Supplier Development Programme	Chair

CLYDE GATEWAY DEVELOPMENTS LIMITED

Notes to the Financial Statements
For the year ended 31 March 2015

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.

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