

**CLYDE GATEWAY URC**

**Consolidated Financial Statements**

**For the year ended 31 March 2010**

**Company registration number: SC335599**

**Charity number: SC039644**

## CLYDE GATEWAY URC

<b>Consolidated Financial Statements</b> <i>For the year ended 31 March 2010</i>
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### **Officers and Advisers:**

#### Directors

Robert Crawford (Chairman)  
Jill Farrell  
Neil MacDonald  
Ian Manson (Chief Executive)  
James McBride  
Diane McLafferty  
Allan McQuade  
George Redmond  
Rosemary Robertson  
George Ryan  
Graham Scott  
Satnam Singh  
Christopher Thompson (Vice-Chairman)

#### Secretary

Burness LLP  
120 Bothwell Street  
Glasgow  
G2 7JL

#### Registered office

15 Bridgeton Cross  
Glasgow  
G40 1BN

#### Bankers

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

#### Auditors

Scott-Moncrieff  
25 Bothwell Street  
Glasgow  
G2 6NL

## CLYDE GATEWAY URC

<b>Consolidated Financial Statements</b> <i>For the year ended 31 March 2010</i>
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## CLYDE GATEWAY URC

### Directors' Report

*For the year ended 31 March 2010*

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

#### **Principal activities and strategic goals**

Clyde Gateway URC was incorporated in December 2007 and is a company limited by guarantee with three members - Glasgow City Council, Scottish Enterprise and South Lanarkshire Council. The Office of the Scottish Charity Regulator awarded Clyde Gateway URC charitable status in June 2008. A wholly-owned trading subsidiary limited by shares - Clyde Gateway Developments Limited – was also incorporated in December 2007.

Clyde Gateway's objective is to re-develop large sections of the East End of Glasgow extending into Shawfield and Rutherglen in South Lanarkshire. The vision is to create a dynamic and sought after city location, with a strong community, which will attract major investment and establish itself as one of the foremost places in the West of Scotland to live and work, supporting Glasgow's ambition to be a world class city-region.

In order to deliver this vision the key stakeholders - Glasgow City Council, Scottish Enterprise and South Lanarkshire Council - signed a partnership agreement in June 2006 which set out their intention to establish an urban regeneration company (URC) which would co-ordinate the re-development activities in the area and deliver key associated projects. Funding for this work is obtained from a number of sources including the Scottish Government and Scottish Enterprise. The two council partners are providing land holdings on a phased basis over the anticipated 20 year lifetime of the project. It is hoped that securing this level of public investment will pave the way to leverage significant levels of private sector development funding over the next two decades.

Clyde Gateway URC has three strategic goals which provide a more detailed framework for the company's regeneration activities. These 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.

Develop 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.

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

During the 2009/10 financial year significant progress was made in terms of the site assembly and clearance programme with 15.5 hectares of land and buildings being acquired for re-development. Every effort has been 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. Good 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.

The establishment of key transport hubs continued throughout the year with the physical improvements at Rutherglen railway station, including pedestrian-friendly access, lighting upgrades and the installation of public artworks, being completed by March. Agreement was also reached amongst the relevant stakeholders to jointly fund the major refurbishment of Dalmarnock railway station in time for the 2014 Commonwealth Games.

The public realm works at Tullis Street Memorial Gardens were opened in October with the renovation of Bridgeton Cross, including the A listed "Umbrella" shelter, on schedule for completion in early 2010/11.

## **CLYDE GATEWAY URC**

### **Directors' Report**

*For the year ended 31 March 2010*

#### **Review of the business and future developments (continued)**

Clyde Gateway, in conjunction with Glasgow East Regeneration Agency and Routes to Work South has developed an Employability Action Plan. An early outcome has been helping local residents take advantage of emerging job opportunities funded by Clyde Gateway through community benefits clauses within its construction and other contracts. During 2009/10 the capital works at Bridgeton Cross and Rutherglen Station created 8 posts using these community benefit clauses. Businesses were also directly assisted to recruit new staff, including apprentices, from local residents.

The following strategic projects, which will kick-start the physical, economic and social transformation of the Clyde Gateway area, were initiated by the URC's trading subsidiary, Clyde Gateway Developments Limited, during 2009/10.

#### Clyde Gateway East

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

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

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

#### Strathclyde Police HQ, Dalmarnock

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

#### Clyde Gateway Trade Park, Rutherglen

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

#### Phase 1 of East End Regeneration Route

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

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

## **CLYDE GATEWAY URC**

### **Directors' Report**

*For the year ended 31 March 2010*

#### **Financial results**

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

#### **Board of directors**

The directors of Clyde Gateway URC are its trustees for the purpose of charity law and throughout this report are collectively referred to as the directors. The directors who served the company during the year and since the year end date were as follows:

Elizabeth Connolly (resigned 29 March 2010)  
Robert Crawford (Chairman)  
Jill Farrell (appointed 14 April 2010)  
Neil MacDonald  
Ian Manson (Chief Executive)  
James McBride  
Diane McLafferty (appointed 26 October 2009)  
Allan McQuade  
George Redmond  
Rosemary Robertson  
George Ryan  
Graham Scott  
Satnam Singh  
Christopher Thompson (Vice-Chairman)

The company maintains trustees' indemnity insurance which provides cover against liabilities which the directors 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 charity trustees.

#### **Directors' appointment, induction and training**

The composition of the board together with the appointment, retirement and removal of directors is carried out as per articles 41 to 56 of the company's Articles of Association. In April 2010 the directors attended a seminar on charity law and trustees' responsibilities conducted by the company's statutory auditors. Further briefings will be provided during the 2010/11 financial year and comprehensive induction sessions, covering the company's strategy, governance arrangements and key projects, will continue to be made available to any newly appointed directors.

#### **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 meetings. Details of directors' interests in contracts are given in note 18 to the accounts.

#### **Risk management**

The directors of the company have assessed risk and where necessary put in place plans to manage and mitigate those risks to an acceptable level in its day to day operations. These procedures are periodically reviewed to ensure they continue to meet the needs of the company. A detailed risk register is maintained and reviewed on a regular basis by both the Audit & Evaluation Committee and then by the Board.

#### **Reserves policy**

The level of available unrestricted reserves as shown in the Balance Sheet on page 8 is £678,271. The directors are of the opinion that the description of fund accounting as shown on page 11 represents a prudent approach to risk and commitments made.

## CLYDE GATEWAY URC

### Directors' Report

For the year ended 31 March 2010

#### Payments to customers and suppliers

Clyde Gateway 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 Audit & Evaluation Committee and co-signed by its Chairman as well as the Chairman of Clyde Gateway URC. At the date of approval of the accounts the Audit & Evaluation Committee members were Jill Farrell, Neil MacDonald (Chairman), Rosemary Robertson, George Ryan and Graham Scott.

#### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Charity and company law requires the directors to prepare financial statements for each financial year. Under charity law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit 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 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 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 auditors


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

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

#### Auditors

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

Signed by order of the board on 12 July 2010



**Robert Crawford**  
Chairman

## CLYDE GATEWAY URC

### **Independent Auditors' Report** *For the year ended 31 March 2010*

This report is issued in respect of an audit carried out under sections 495 and 496 of the Companies Act 2006 and section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005.

We have audited the financial statements of Clyde Gateway URC for the year ended 31 March 2010 which comprise the Consolidated Statement of Financial Activities, Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Cash Flow Statement and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made exclusively to the members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006 and to the charity's directors, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's directors 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 charitable company and its members and directors as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The responsibilities of the directors (who are also the trustees of Clyde Gateway URC for the purposes of charity law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

We have been appointed auditors under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you under those Acts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the information given in the Directors' Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit or if certain disclosures of directors' remuneration specified by law are not made.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.



## CLYDE GATEWAY URC

<b>Independent Auditors' Report</b> <i>For the year ended 31 March 2010</i>
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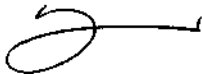
### **Basis of audit opinion (continued)**

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view of the state of the group and the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Directors' Report is consistent with the financial statements.



**Iain D Lee, Senior Statutory Auditor**

For and behalf of Scott-Moncrieff, Statutory Auditor

Chartered Accountants

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

25 Bothwell Street

Glasgow

Date: 12 July 2010

CLYDE GATEWAY URC

**Consolidated Statement of Financial Activities**  
**(incorporating the Income and Expenditure Account)**  
*For the year ended 31 March 2010*

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds Year to 31 March 2010 £	Total Funds Period to 31 March 2009 £
<b>Incoming Resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	31,022,842	31,022,842	17,090,253
Investment income	3	69,389	-	69,389	123,812
Other incoming resources		12,348	4,355	16,703	-
<b>Total Incoming Resources</b>		<b>81,737</b>	<b>31,027,197</b>	<b>31,108,934</b>	<b>17,214,065</b>
<b>Resources Expended</b>					
<i>Costs of generating funds</i>					
Costs of generating voluntary income	4	-	(31,385,469)	(31,385,469)	(5,990,673)
Support costs	5	-	(1,839,647)	(1,839,647)	(983,695)
Governance costs	6	-	(12,250)	(12,250)	(9,585)
Donations and sponsorships		(4,272)	(10,567)	(14,839)	(23,006)
<b>Total Resources Expended</b>		<b>(4,272)</b>	<b>(33,247,933)</b>	<b>(33,252,205)</b>	<b>(7,006,959)</b>
<b>Net movement in funds (before other gains and losses)</b>		<b>77,465</b>	<b>(2,220,736)</b>	<b>(2,143,271)</b>	<b>10,207,106</b>
Pension scheme transfer		65,000	(65,000)	-	-
Loss on disposal of fixed assets		(195,361)	-	(195,361)	-
Actuarial (losses)/gains on defined benefit pension scheme	16	(649,000)	-	(649,000)	334,000
<b>Net movement in funds</b>		<b>(701,896)</b>	<b>(2,285,736)</b>	<b>(2,987,632)</b>	<b>10,541,106</b>
Funds brought forward		5,868,926	10,106,300	15,975,226	-
Additions to land and property reserve		27,719,053	-	27,719,053	5,434,120
<b>Funds carried forward</b>		<b>32,886,083</b>	<b>7,820,564</b>	<b>40,706,647</b>	<b>15,975,226</b>

The group has no recognised gains or losses other than the results for the two periods as set out above.

All of the activities of the group are classed as continuing.

The notes on pages 12 to 22 form part of these financial statements.

**CLYDE GATEWAY URC**

**Company Statement of Financial Activities  
(incorporating the Income and Expenditure Account)  
For the year ended 31 March 2010**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds Year to 31 March 2010 £	Total Funds Period to 31 March 2009 £
<b>Incoming Resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	5,403,348	5,403,348	1,973,305
Investment income		316	-	316	123,812
<b>Total Incoming Resources</b>		<u>316</u>	<u>5,403,348</u>	<u>5,403,664</u>	<u>2,097,117</u>
<b>Resources Expended</b>					
<i>Costs of generating funds</i>					
Costs of generating voluntary income	4	-	(3,482,365)	(3,482,365)	(556,553)
Support costs		-	(1,826,157)	(1,826,157)	(965,205)
Governance costs		-	(8,200)	(8,200)	(6,400)
Donations and sponsorships		(4,272)	(10,567)	(14,839)	(23,006)
<b>Total Resources Expended</b>		<u>(4,272)</u>	<u>(5,327,289)</u>	<u>(5,331,561)</u>	<u>(1,551,164)</u>
<b>Net movement in funds (before pension scheme)</b>		(3,956)	76,059	72,103	545,953
Pension scheme transfer		65,000	(65,000)	-	-
Actuarial (losses)/gains on defined benefit pension scheme	16	(649,000)	-	(649,000)	334,000
<b>Net movement in funds (after pension scheme)</b>		<u>(587,956)</u>	<u>11,059</u>	<u>(576,897)</u>	<u>879,953</u>
Funds brought forward		<u>434,806</u>	<u>445,147</u>	<u>879,953</u>	<u>-</u>
<b>Funds carried forward</b>		<u><u>(153,150)</u></u>	<u><u>456,206</u></u>	<u><u>303,056</u></u>	<u><u>879,953</u></u>

The company has no recognised gains or losses other than the results for each period as set out above.

All of the activities of the company are classed as continuing.

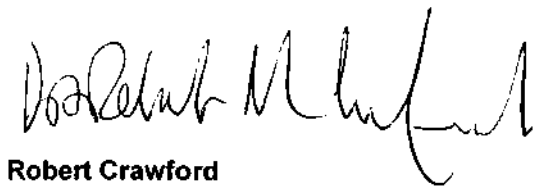
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**CLYDE GATEWAY URC**

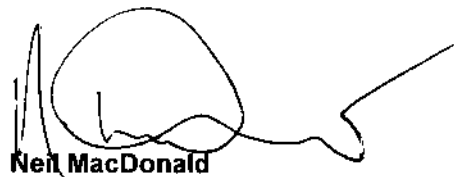
**Consolidated Balance Sheet**  
As at 31 March 2010

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	8	31,967,789	5,714,044
<b>Current assets</b>			
Stock		733,524	-
Debtors	10	6,718,344	6,581,267
Cash at bank and in hand		4,023,032	3,804,998
		<u>11,474,900</u>	<u>10,386,265</u>
<b>Creditors: amounts falling due within one year</b>	11	(2,486,042)	(459,083)
<b>Net current assets</b>		<u>8,988,858</u>	<u>9,927,182</u>
<b>Net assets (excluding pension (liability)/asset)</b>		<u>40,956,647</u>	<u>15,641,226</u>
Pension (liability)/asset	16	(250,000)	334,000
<b>Net assets</b>		<u><u>40,706,647</u></u>	<u><u>15,975,226</u></u>
<b>Funds</b>			
Restricted		7,820,564	10,106,300
Unrestricted		678,271	100,806
		<u>8,498,835</u>	<u>10,207,106</u>
Land and property reserve	13	32,457,812	5,434,120
Pension reserve	16	(250,000)	334,000
		<u><u>40,706,647</u></u>	<u><u>15,975,226</u></u>

The financial statements were authorised for issue by the board on 12 July 2010 and are signed on their behalf by:



**Robert Crawford**  
Chairman and Director



**Neil MacDonald**  
Director

**Company registration number: SC335599**  
**Charity number: SC039644**


The notes on pages 12 to 22 form part of these financial statements.


**CLYDE GATEWAY URC**

**Company Balance Sheet**  
As at 31 March 2010

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	8	243,501	279,924
<b>Investments</b>			
	9	100	100
<b>Current assets</b>			
Debtors	10	352,079	146,950
Cash at bank and in hand		1,260,109	403,485
		<u>1,612,188</u>	<u>550,435</u>
<b>Creditors: amounts falling due within one year</b>	11	(1,302,733)	(284,506)
<b>Net current assets</b>		<u>309,455</u>	<u>265,929</u>
<b>Net assets (excluding pension (liability)/asset)</b>		<u>553,056</u>	<u>545,953</u>
Pension (liability)/asset	16	(250,000)	334,000
<b>Net assets</b>		<u><u>303,056</u></u>	<u><u>879,953</u></u>
<b>Funds</b>			
Restricted		456,206	445,147
Unrestricted		96,850	100,806
		<u>553,056</u>	<u>545,953</u>
Pension reserve	16	(250,000)	334,000
		<u><u>303,056</u></u>	<u><u>879,953</u></u>

The financial statements were authorised for issue by the Board on 12 July 2010 and are signed on their behalf by:

  
**Robert Crawford**  
Chairman and Director

  
**Neil MacDonald**  
Director

**Company registration number: SC335599**  
**Charity number: SC039644**

The notes on pages 12 to 22 form part of these financial statements.

**CLYDE GATEWAY URC**

**Consolidated Cash Flow Statement**  
*For the year ended 31 March 2010*

	<b>Notes</b>	<b>2010 £</b>	<b>2009 £</b>
Net cash inflow from operating activities	20	26,701,074	9,408,254
<b>Returns on investments and servicing of finance</b>			
Interest receivable		2,489	123,812
<b>Capital expenditure and financial investment</b>			
Payment for tangible fixed assets		(26,985,529)	(5,727,068)
Proceeds of disposal of tangible fixed assets		500,000	-
<b>Increase in cash</b>	21	<u>218,034</u>	<u>3,804,998</u>

The notes on pages 12 to 22 form part of these financial statements.

## CLYDE GATEWAY URC

### Notes to the Consolidated Financial Statements

For the year ended 31 March 2010

#### 1. Accounting policies

##### Basis of presentation and consolidation

The consolidated financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) and the Companies Act 2006. The consolidated financial statements incorporate the accounts of Clyde Gateway URC and its subsidiary undertaking, Clyde Gateway Developments Ltd, made up to 31 March 2010.

##### Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

##### Resources expended

All expenditure is accounted for on an accruals basis and is classified under appropriate headings within the Statement of Financial Activities.

##### Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

##### Fixed assets

Fixed assets are initially recorded at cost. A de-minimis level of £1,000 has been set at which below this figure assets are written off to the income and expenditure account in the year of purchase.

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

##### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Investment Properties	No depreciation charged
Assets acquired for development	No depreciation charged
Freehold Property	2% straight line
Leasehold Improvements	10% straight line
Plant & Equipment	25% to 33 <sup>1</sup> / <sub>3</sub> % straight line
Furniture and Fittings	25% straight line

##### Grants

Revenue grants are credited to the income and expenditure account and the Statement of Financial Activities in the year that conditions for receipt have been complied met.

## CLYDE GATEWAY URC

<b>Notes to the Consolidated Financial Statements</b> <i>For the year ended 31 March 2010</i>
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### 1. Accounting Policies (continued)

#### Taxation

The charity is a company limited by guarantee and has charitable status under the provisions of section 505 of the Income and Corporation Taxes Act 1988.

#### Pension costs

The company operates a defined benefit pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the Statement of Financial Activities.

#### Land and property reserve

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

#### Investment properties

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

#### Stock

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

### 2. Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
<b>Grants Receivable - Company</b>				
Scottish Government	-	4,616,697	4,616,697	1,897,204
Scottish Enterprise	-	740,000	740,000	-
Glasgow City Council	-	5,000	5,000	35,828
South Lanarkshire Council	-	-	-	40,273
Glasgow City Heritage Trust	-	41,651	41,651	-
	-	5,403,348	5,403,348	1,973,305
<b>Grants Receivable - Group</b>				
Scottish Government	-	26,176,279	26,176,279	13,666,548
Scottish Enterprise	-	4,799,912	4,799,912	3,347,604
Glasgow City Council	-	5,000	5,000	35,828
South Lanarkshire Council	-	-	-	40,273
Glasgow City Heritage Trust	-	41,651	41,651	-
	-	31,022,842	31,022,842	17,090,253



**CLYDE GATEWAY URC**

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

**2. Voluntary Income (continued)**

	2010 £	2009 £
<b>Total voluntary income for the group is analysed as:</b>		
Clyde Gateway URC voluntary income	5,403,348	1,973,305
Clyde Gateway Developments Limited grant funding income	197,236	21,675
Movement in Clyde Gateway URC deferred income	24,866	-
Movement in Clyde Gateway Developments Limited deferred income	(2,321,661)	9,661,153
Clyde Gateway Developments Limited land and property funding	27,719,053	5,434,120
	<u>31,022,842</u>	<u>17,090,253</u>

**3. Investment income**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Bank interest receivable	2,489	-	2,489	123,812
Rental income	66,900	-	66,900	-
	<u>69,389</u>	<u>-</u>	<u>69,389</u>	<u>123,812</u>

**4. Costs of Generating Voluntary Income**

**Company**

Public Infrastructure works	-	2,678,087	2,678,087	140,854
Community benefits	-	244,284	244,284	33,184
Grant contributions to third parties	-	311,206	311,206	-
Strategic business planning	-	126,636	126,636	273,723
Valuation fees	-	1,108	1,108	4,740
Legal fees	-	9,195	9,195	2,700
Planning Application	-	-	-	580
Marketing and Advertising	-	111,849	111,849	100,772
	<u>-</u>	<u>3,482,365</u>	<u>3,482,365</u>	<u>556,553</u>

**Group**

Acquisition and development of land and property	-	27,719,053	27,719,053	5,434,120
Grant contributions to third parties	-	100,000	100,000	-
Development costs	-	61,278	61,278	-
Property costs	-	22,773	22,773	-
	<u>-</u>	<u>31,385,469</u>	<u>31,385,469</u>	<u>5,990,673</u>

**CLYDE GATEWAY URC**

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

**5. Support Costs**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Salaries	-	976,060	976,060	292,216
Inward seconded staff costs	-	249,641	249,641	308,898
Staff training and development	-	5,468	5,468	1,343
Legal and professional fees	-	85,064	85,064	20,381
Recruitment costs	-	10,597	10,597	84,327
IT costs	-	44,888	44,888	50,742
Office costs	-	87,591	87,591	88,142
Depreciation	-	36,423	36,423	13,024
Irrecoverable VAT	-	293,876	293,876	92,036
Administrative expenses	-	24,123	24,123	14,073
Project costs	-	-	-	9,360
Insurance	-	20,916	20,916	9,153
Trade subscriptions	-	5,000	5,000	-
	-	1,839,647	1,839,647	983,695

**6. Governance Costs**

Audit and Accountancy Fees	-	12,250	12,250	9,585
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Operating results are stated after charging:-

Auditor's remuneration

- as auditors			12,250	9,585
- other services			1,000	1,000

**CLYDE GATEWAY URC**

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

**7. The aggregate payroll costs were:-**

	Staff costs £	Inward Seconded staff £	2010 £	2009 £
Wages and salaries	816,955	197,884	1,014,839	474,990
Social security costs	77,842	16,673	94,515	43,902
Other pension costs	81,263	35,084	116,347	82,222
	<u>976,060</u>	<u>249,641</u>	<u>1,225,701</u>	<u>601,114</u>
Full time equivalent number of employees	<u>14.5</u>	<u>5</u>	<u>19.5</u>	<u>9</u>

Directors' remuneration in the year comprised a salary of £121,894 and employer's pension costs of £21,039 (total £142,933). This amount was paid in respect of Ian Manson's service as Chief Executive and not in relation to his role as a director of the company.

A further 3 employees earned in excess of £60,000 during the year. The emoluments of these employees are analysed as follows:

	No.
£70,001 - £80,000	2
£110,001 - £120,000	<u>1</u>

Expenses totalling £2,632 (2009: £1,050) were reimbursed in the year in respect of three directors.

**8. Fixed Assets**

	Investment Properties £	Assets acquired for development £	Freehold Property £	Leasehold Improve- ments £	Plant & Equipment £	Furniture & Fittings £	Total £
<b>Cost or valuation</b>							
At 1 April 2009	-	5,434,120	101,815	115,056	73,418	2,659	5,727,068
Additions	3,494,445	23,491,084	-	-	-	-	26,985,529
Disposals	(695,361)	-	-	-	-	-	(695,361)
At 31 March 2010	<u>2,799,084</u>	<u>28,925,204</u>	<u>101,815</u>	<u>115,056</u>	<u>73,418</u>	<u>2,659</u>	<u>32,017,236</u>
<b>Depreciation</b>							
At 1 April 2009	-	-	1,744	6,086	4,907	287	13,024
Charge in year	-	-	2,036	11,506	22,217	664	36,423
Disposals	-	-	-	-	-	-	-
At 31 March 2010	<u>-</u>	<u>-</u>	<u>3,780</u>	<u>17,592</u>	<u>27,124</u>	<u>951</u>	<u>49,447</u>
<b>Net Book Value</b>							
At 31 March 2010	<u>2,799,084</u>	<u>28,925,204</u>	<u>98,035</u>	<u>97,464</u>	<u>46,294</u>	<u>1,708</u>	<u>31,967,789</u>
At 31 March 2009	<u>-</u>	<u>5,434,120</u>	<u>100,071</u>	<u>108,970</u>	<u>68,511</u>	<u>2,372</u>	<u>5,714,044</u>

All asset categories except for assets acquired for development and investment properties relate to the company.

## CLYDE GATEWAY URC

<b>Notes to the Consolidated Financial Statements</b> <i>For the year ended 31 March 2010</i>
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### 9. Investments

The company formed Clyde Gateway Developments Limited on 27 December 2007 and subscribed £100 share capital. This company is used for property development. At the balance sheet date the company had net assets of £33,039,333 (2009: £5,434,220).

10. Debtors	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Scottish Government	620,509	6,099,243	108,153	-
Other debtors	526,366	200,000	24,866	-
VAT	2,111,352	261,775	153,717	128,040
Prepayments	50,004	20,249	36,908	18,910
Accrued income	28,435	-	28,435	-
Trade debtors	379,550	-	-	-
Glasgow City Council	3,002,128	-	-	-
	<u>6,718,344</u>	<u>6,581,267</u>	<u>352,079</u>	<u>146,950</u>

### 11. Creditors: Amounts falling due within one year

Trade creditors	1,504,587	247,227	807,289	173,991
Accruals	295,150	211,856	53,949	92,427
Amounts owed to subsidiary	-	-	157,579	18,088
Glasgow City Council	374,591	-	105,357	-
South Lanarkshire Council	311,714	-	153,693	-
Deferred income	-	-	24,866	-
	<u>2,486,042</u>	<u>459,083</u>	<u>1,302,733</u>	<u>284,506</u>

### 12. Commitments

#### Capital

	2010 £	2009 £
Capital expenditure authorised by the directors and contracted for amounted to	<u>7,957,330</u>	<u>9,188,504</u>
Capital expenditure authorised by the directors but not contracted for amounted to	<u>11,824,672</u>	<u>nil</u>

## CLYDE GATEWAY URC

<b>Notes to the Consolidated Financial Statements</b> <i>For the year ended 31 March 2010</i>
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<b>13. Land and property reserve</b>	<b>£</b>
At 1 April 2009	5,434,120
Additions to land and property reserve in year	27,719,053
Transfer to unrestricted funds	(695,361)
	<hr/>
At 31 March 2010	32,457,812
	<hr/> <hr/>
Analysed as:	
Assets acquired for development	28,925,204
Investment properties	2,799,084
Stock	733,524
	<hr/>
	32,457,812
	<hr/> <hr/>

### 14. Controlling Party

The company is not under the control of any outside parties.

### 15. Members' Interests and Legal Status

The company is limited by guarantee and therefore does not have a share capital. The liability of the members is limited to £1.

### 16. Pension Scheme

The charity participates in the Strathclyde Pension Fund which is a statutory multi-employer defined benefit scheme. It is administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998, as amended.

The main financial assumptions used by the Council's Actuary, Hymans Robertson, in their FRS 17 calculations are as follows:

	March 2010	March 2009
<b>Assumptions as at</b>		
Price increases	3.8%	3.1%
Salary increases	5.3%	4.6%
Expected return on assets	7.2%	6.5%
Discount rate	5.5%	6.9%

The following details relate to the charity and show the fair value of the assets, analysed over the main asset classes, together with the expected returns for each asset class.

Assets (Employer)	Long Term Return % per annum	Fund Value At 2010 £'000	Expected Return £'000 per annum
Equities	7.8	2,128	166
Bonds	5.0	359	18
Property	5.8	193	11
Cash	4.8	83	4
<b>Total</b>	<b>7.2</b>	<b>2,763</b>	<b>199</b>

**CLYDE GATEWAY URC**

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

**16. Pension Scheme (continued)**

The table below compares the present value of the scheme liabilities, based on the Actuary's assumptions, with the estimated employer assets.

	<b>Year ended 31 March 2010 £'000</b>	<b>Period ended 31 March 2009 £'000</b>
Estimated Employer Assets (A)	2,763	1,827
Present Value of Scheme Liabilities	(3,013)	(1,493)
Present Value of Unfunded Liabilities	-	-
Total Value of Liabilities (B)	(3,013)	(1,493)
<b>Net Pension (Liability)/Asset (A) – (B)</b>	<b>(250)</b>	<b>334</b>

The scheme's assets and liabilities totals make allowance for the transfer in of past service for 5 members of staff with previous LGPS membership with the Strathclyde Pension Fund.

Analysis of amount charged to operating profit:

Service cost	73	39
Past service cost	21	-
Curtailment and Settlements	-	-
Decrease in irrecoverable surplus	-	-
Total operating charge (A)	94	39
Amount Credited to Other Finance Income:		
Expected Return on Employer Assets	126	48
Interest on Pension Scheme Liabilities	(109)	(41)
Net Return (B)	17	7
Net Revenue Account Cost (A)-(B)	77	32

CLYDE GATEWAY URC

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

**16. Pension Scheme (continued)**

	Year ended 31 March 2010 £'000	Period ended 31 March 2009 £'000
Actual return less expected return on pension scheme assets	598	(96)
Experience gains and losses arising on the scheme liabilities	-	(894)
Experience gains and losses arising on the scheme assets net of actual less expected return on pension scheme assets	(1)	1,137
Changes in financial assumptions underlying the present value of scheme liabilities	(1,246)	113
<b>Actuarial (loss)/gain in pension plan</b>	<b>(649)</b>	<b>260</b>
Increase in irrecoverable surplus from membership fall and other factors	-	-
<b>Actuarial (loss)/gain</b>	<b>(649)</b>	<b>260</b>
 Movement in (deficit)/surplus during the year		
Opening surplus	334	70
Current service cost	(73)	(39)
Employer contributions	142	38
Other income	-	-
Other outgoings (e.g. expenses, etc)	-	(2)
Past service costs	(21)	-
Impact of settlements and curtailments	-	-
Net return on assets	17	7
Actuarial (losses)/gains	(649)	260
<b>(Deficit)/surplus at end of year</b>	<b>(250)</b>	<b>334</b>
 History of experience gains and losses		
Difference between expected and actual return on assets	598	(96)
Value of assets	2,763	1,827
Percentage of assets	21.6%	(5.3%)
Experience losses on liabilities	-	(894)
Total Present Value of liabilities	(3,013)	(1,493)
Percentage of Present Value of liabilities	(0.0%)	(59.9%)
Actuarial gains/losses recognised in SOFA	(649)	260
Total Present Value of Liabilities	(3,013)	(1,493)
Percentage of the present value of liabilities	21.5%	(17.4%)

<p><b>Notes to the Consolidated Financial Statements</b>  <i>For the year ended 31 March 2010</i></p>
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**17. Contingent liabilities**

On some occasions Clyde Gateway Developments Limited 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 group 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.

**18. 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 URC may have an interest. Such transactions may take the form of participation in projects or programmes supported by Clyde Gateway URC or may relate to the supply of goods or services to Clyde Gateway URC.

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

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

<u>Director</u>	<u>Public Body</u>	<u>Position held</u>
Elizabeth Connolly (resigned 29 March 2010)	Scottish Enterprise Strathclyde Partnership for Transport	Employee Board Member
Allan McQuade	Scottish Enterprise	Employee
George Redmond	Glasgow City Council Glasgow East Regeneration Agency	Councillor Director
Rosemary Robertson	Bridgeton Community Learning Campus Limited	Director
George Ryan	Glasgow City Council	Councillor
Graham Scott	South Lanarkshire Council	Councillor
Christopher Thompson	South Lanarkshire Council Strathclyde Partnership for Transport	Councillor Board Member



## CLYDE GATEWAY URC

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

#### 19. Related party transactions

During the year, a total of £1,046 (2009: £1,167) of expenditure was incurred in respect of third parties related to company directors.

#### 20. Reconciliation of Net (Outgoing)/Incoming Resources to Net Cash Inflow from Operations

	2010 £	2009 £
Net (outgoing)/incoming resources per Statement of Financial Activities	(2,143,271)	10,207,106
Interest receivable	(2,489)	(123,812)
Additions to land and property reserve	27,719,053	5,434,120
Movement in pension reserve	584,000	(334,000)
Actuarial (losses)/gains on defined benefit pension scheme	(649,000)	334,000
Depreciation charge	36,423	13,024
Increase in stock	(733,524)	-
Increase in debtors	(137,077)	(6,581,267)
Increase in creditors	2,026,959	459,083
Net cash inflow from operating activities	<u>26,701,074</u>	<u>9,408,254</u>

#### 21. Analysis of Changes in Net Cash Resources

	As at 1 April 2009 £	Cash flow £	As at 31 March 2010 £
Cash at bank and in hand	<u>3,804,998</u>	<u>218,034</u>	<u>4,023,032</u>

