

CLYDE GATEWAY URC

Consolidated Financial Statements

For the year ended 31 March 2013

Company registration number: SC335599

Charity number: SC039644

CLYDE GATEWAY URC

Consolidated Financial Statements <i>For the year ended 31 March 2013</i>

Officers and Advisers:

Directors

Anne Clyde
Neil MacDonald (Chairman)
Ian Manson (Chief Executive)
James McBride
Denis McKenna
Allan McQuade
George Redmond (Vice-Chairman)
George Ryan
Christopher Thompson (Vice-Chairman)
Graeme Thomson
Jim Watson

Secretary

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

Registered office

11 Bridgeton Cross
Glasgow
G40 1BN

Bankers

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

Auditor

Scott-Moncrieff
25 Bothwell Street
Glasgow
G2 6NL

CLYDE GATEWAY URC

Consolidated Financial Statements <i>For the year ended 31 March 2013</i>

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CLYDE GATEWAY URC

Directors' Report

For the year ended 31 March 2013

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

Principal activities and strategic goals

Clyde Gateway URC is a company limited by guarantee and has three members – Glasgow City Council, Scottish Enterprise and South Lanarkshire Council. The Office of the Scottish Charity Regulator awarded the company charitable status in June 2008.

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). This corporate vehicle would co-ordinate the re-development activities in the area and deliver key associated projects. Scottish Government funding was subsequently approved on the back of a detailed business plan submission. Scottish Enterprise also approved economic development funding subject to key dependencies being resolved. The two council partners will provide 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. A members' agreement which formalised the relationships and contributions between the three members and Clyde Gateway URC was signed in July 2010.

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

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

Board of directors and trustees

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:

Anne Clyde (appointed 27 August 2012)
Jill Farrell (resigned 18 June 2013)
Neil MacDonald (Chairman)
Ian Manson (Chief Executive)
James McBride
Denis McKenna (appointed 27 August 2012)
Allan McQuade (appointed 29 October 2012)
George Redmond (Vice-Chairman)

George Ryan
Graham Scott (resigned 4 May 2012)
Satnam Singh (resigned 27 March 2013)
Christopher Thompson (Vice-Chairman)
Graeme Thomson (appointed 29 April 2013)
Shelly Thomson (appointed 27 August 2012,
resigned 25 February 2013)
Jim Watson (appointed 18 June 2013)

CLYDE GATEWAY URC

Directors' Report

For the year ended 31 March 2013

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. The directors have previously attended a seminar on charity law and trustees' responsibilities conducted by the company's statutory auditors. A further seminar will be organised during 2013. Comprehensive induction sessions, covering the company's strategy, governance arrangements and key projects, will continue to be made available to any newly appointed directors.

Code of conduct

Clyde Gateway URC supports the highest standards of corporate governance and has in place codes of conduct both for directors and for staff. The company operates strict and comprehensive procedures to deal with potential conflicts of interest. These include holding, and updating annually, registers of interests covering not only directors but also all members of staff. The Register of Directors Interests 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 meetings. Details of directors' interests in contracts are given in note 19 to the accounts.

Review of the business and future developments

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

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

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

During the 2012/13 financial year significant progress continued to be made in terms of the site assembly and clearance programme. 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 also continued to work with a range of employability partners to create opportunities for local people. An early outcome has been helping local residents take advantage of emerging jobs many of which are a direct result of Clyde Gateway's community benefits clauses within its construction and other contracts.

CLYDE GATEWAY URC

Directors' Report

For the year ended 31 March 2013

Review of the business and future developments (continued)

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

National Business District, Shawfield

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

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

Rutherglen Low Carbon Zone

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

Dalmarnock Riverside

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

Dalmarnock Gasworks

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

Olympia Building, Bridgeton

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

CLYDE GATEWAY URC

Directors' Report

For the year ended 31 March 2013

Review of the business and future developments (continued)

Riverside East Office Development, Dalmarnock

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

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

Red Tree Business Suites, Bridgeton

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

Cuningar Loop

In partnership with the Forestry Commission Scotland, Clyde Gateway URC is creating a woodland park on half of a 30 hectare site in its ownership at the Cuningar Loop – so named because of it being located on a distinctive bend on the River Clyde. This jointly funded £5m project will develop a range of open managed spaces, picnic areas, trails and paths amongst 15,000 newly planted trees. The construction of a new footbridge over the river will link Cuningar to the Athletes' Village and the Clyde Walkway.

Impairment

The company reviews the value of assets acquired for regeneration purposes on an annual basis. Assets are held at cost until the intention for the asset is decided and the project has advanced sufficiently to allow a reliable valuation to be obtained. During the current financial year a number of key regeneration projects and in particular the National Business District at Shawfield, the Rutherglen Low Carbon Zone, the former power station site at Dalmarnock, the re-development of the former Olympia Theatre and the Red Tree Business Suites at Bridgeton reached a stage of completion where a reliable impairment review could be performed. An overall impairment and depreciation provision of £36,503,745 has been recorded within the financial statements and further information is set out in note 8 on page 20. This impairment provision reflects the cost of bringing vacant, contaminated and derelict land and buildings back into productive commercial use.

Stock and Work-in-progress

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

During the 2013/14 financial year Clyde Gateway URC will continue to focus its activities on physical regeneration as well as providing business development and skills and employability initiatives.

CLYDE GATEWAY URC

Directors' Report

For the year ended 31 March 2013

Financial results

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

Risk management

Clyde Gateway URC 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.

Reserves policy

The level of available unrestricted reserves as shown in the Balance Sheet on page 11 is £6,289,126. The directors are of the opinion that the description of fund accounting as shown on page 14 represents a prudent approach to risk and commitments made.

Payments to customers and suppliers

Clyde Gateway URC 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 at its meeting on 17 June 2013. At that date its members were Anne Clyde, Jill Farrell (Chair), John Gallacher, Neil MacDonald and George Ryan.

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 group and company and of the surplus or deficit of the group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group 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 the group and enable them to ensure that the financial statements comply 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. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CLYDE GATEWAY URC

Directors' Report
For the year ended 31 March 2013

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) 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 to make themselves aware of any relevant audit information and to establish that the 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.

Signed by order of the board on 24 June 2013



Neil MacDonald
Chairman

Independent Auditor's Report
For the year ended 31 March 2013

We have audited the financial statements of Clyde Gateway URC for the year ended 31 March 2013 which comprise the Consolidated Statement of Financial Activities, Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the group and parent company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 and to the company'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 (as amended). Our audit work has been undertaken so that we might state to the group and parent company's members and the company'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 group and parent company, the group and parent company's members and the company's directors 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 Statement of directors' responsibilities set out on page 5, the directors (who are also the trustees of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Independent Auditor's Report
For the year ended 31 March 2013

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2013 and of the group's and the parent company's incoming resources and application of resources, including the group's and the parent company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been 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 (as amended).

Opinion on other matter 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the group has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the consolidated 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.



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

Dated: 24 June 2013

CLYDE GATEWAY URC

Consolidated Statement of Financial Activities
(incorporating the Income and Expenditure Account)
For the year ended 31 March 2013

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2012/13 £	(As restated) Total Funds 2011/12 £
Incoming Resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	1,624,296	24,957,271	26,581,567	23,083,573
Activities for generating funds		2,845,157	-	2,845,157	785,787
Investment income	3	658,929	-	658,929	917,203
Other incoming resources		71,055	-	71,055	23,528
Total Incoming Resources		5,199,437	24,957,271	30,156,708	24,810,091
Resources Expended					
<i>Costs of generating funds</i>					
Costs of generating voluntary income	4	(1,326,712)	(2,666,613)	(3,993,325)	(3,469,095)
Fundraising trading: cost of sales		(2,193,808)	-	(2,193,808)	(1,042,440)
Support costs	5	(78,882)	(1,686,733)	(1,765,615)	(1,605,285)
Governance costs	6	(5,120)	(8,171)	(13,291)	(14,050)
Donations and sponsorships		(800)	(41,750)	(42,550)	(24,213)
Total Resources Expended		(3,605,322)	(4,403,267)	(8,008,589)	(6,155,083)
Net movement in funds (before other gains and losses)		1,594,115	20,554,004	22,148,119	18,655,008
Pension scheme transfer		7,000	(7,000)	-	-
Actuarial gains/(losses) on defined benefit pension scheme	17	180,000	-	180,000	(690,000)
Transfer to land and property reserve		18,461,317	(18,461,317)	-	-
Impairment of land and property		(40,401,022)	-	(40,401,022)	(9,063,305)
Net movement in funds		(20,158,590)	2,085,687	(18,072,903)	8,901,703
Funds brought forward		57,531,913	8,142,730	65,674,643	56,772,940
Funds carried forward		37,373,323	10,228,417	47,601,740	65,674,643

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

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

The notes on pages 14 to 28 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 2013

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2012/13 £	Total Funds 2011/12 £
Incoming Resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	4,381,366	4,381,366	3,469,483
Investment income		3,721,564	-	3,721,564	1,898,899
Total Incoming Resources		<u>3,721,564</u>	<u>4,381,366</u>	<u>8,102,930</u>	<u>5,368,382</u>
Resources Expended					
<i>Costs of generating funds</i>					
Costs of generating voluntary income	4	-	(2,666,613)	(2,666,613)	(1,816,177)
Support costs		-	(1,686,733)	(1,686,733)	(1,662,456)
Governance costs		-	(8,171)	(8,171)	(9,100)
Donations and sponsorships		(800)	(41,750)	(42,550)	(24,213)
Total Resources Expended		<u>(800)</u>	<u>(4,403,267)</u>	<u>(4,404,067)</u>	<u>(3,511,946)</u>
Net movement in funds (before pension scheme)		3,720,764	(21,901)	3,698,863	1,856,436
Pension scheme transfer		7,000	(7,000)	-	-
Actuarial gains/(losses) on defined benefit pension scheme	17	180,000	-	180,000	(690,000)
Net movement in funds (after pension scheme)		<u>3,907,764</u>	<u>(28,901)</u>	<u>3,878,863</u>	<u>1,166,436</u>
Funds brought forward		<u>2,433,603</u>	<u>578,854</u>	<u>3,012,457</u>	<u>1,846,021</u>
Funds carried forward		<u><u>6,341,367</u></u>	<u><u>549,953</u></u>	<u><u>6,891,320</u></u>	<u><u>3,012,457</u></u>

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

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

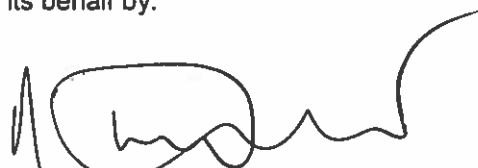
The notes on pages 14 to 28 form part of these financial statements.

CLYDE GATEWAY URC

Consolidated Balance Sheet
As at 31 March 2013

	Note	31 March 2013 £	31 March 2012 £
Fixed assets			
Tangible assets	8	26,153,906	50,810,490
Current assets			
Stock and Work-in-progress	10	4,970,985	4,489,426
Debtors	11	7,529,917	8,986,913
Cash at bank and in hand		9,857,919	2,005,839
		<u>22,358,821</u>	<u>15,482,178</u>
Creditors: amounts falling due within one year	12	(1,059,987)	(553,025)
Net current assets		<u>21,298,834</u>	<u>14,929,153</u>
Net assets (excluding pension asset/(liability))		47,452,740	65,739,643
Pension asset/(liability)	17	149,000	(65,000)
Net assets		<u>47,601,740</u>	<u>65,674,643</u>
Funds			
Restricted		10,228,417	8,142,730
Unrestricted		6,289,126	2,498,603
		<u>16,517,543</u>	<u>10,641,333</u>
Land and property reserve	14	30,935,197	55,098,310
Pension reserve	17	149,000	(65,000)
		<u>47,601,740</u>	<u>65,674,643</u>

The financial statements were authorised for issue by the board on 24 June 2013 and are signed on its behalf by:



Neil MacDonald
Chairman and Director

Company registration number: SC335599
Charity number: SC039644

The notes on pages 14 to 28 form part of these financial statements.

CLYDE GATEWAY URC

Company Balance Sheet
As at 31 March 2013

	Note	31 March 2013 £	31 March 2012 £
Fixed assets			
Tangible assets	8	189,694	201,606
Investments	9	100	100
Current assets			
Debtors	11	4,122,994	2,849,052
Cash at bank and in hand		2,833,314	160,638
		<u>6,956,308</u>	<u>3,009,690</u>
Creditors: amounts falling due within one year	12	(403,782)	(133,939)
Net current assets		6,552,526	2,875,751
Net assets (excluding pension asset/(liability))		<u>6,742,320</u>	<u>3,077,457</u>
Pension asset/(liability)	17	149,000	(65,000)
Net assets		<u><u>6,891,320</u></u>	<u><u>3,012,457</u></u>
Funds			
Restricted		549,953	578,854
Unrestricted		6,192,367	2,498,603
		<u>6,742,320</u>	<u>3,077,457</u>
Pension reserve	17	149,000	(65,000)
		<u><u>6,891,320</u></u>	<u><u>3,012,457</u></u>

The financial statements were authorised for issue by the Board on 24 June 2013 and are signed on its behalf by:



Neil MacDonald
Chairman and Director

Company registration number: SC335599
Charity number: SC039644

The notes on pages 14 to 28 form part of these financial statements.

CLYDE GATEWAY URC**Consolidated Cash Flow Statement**
For the year ended 31 March 2013

	Notes	2012/13 £	2011/12 £
Net cash inflow from operating activities	20	25,952,233	15,179,898
Returns on investments and servicing of finance			
Interest receivable		47,856	8,496
Capital expenditure and financial investment			
Payment for tangible fixed assets		(18,148,009)	(18,008,635)
Increase/(decrease) in cash	21	<u>7,852,080</u>	<u>(2,820,241)</u>

The notes on pages 14 to 28 form part of these financial statements.

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

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 2013.

Going concern

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

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.

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 with.

Resources expended

All expenditure is accounted for on an accruals basis and is classified under appropriate headings within the Statement of Financial Activities. Expenditure includes VAT which cannot be recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating voluntary income comprise those administration costs incurred in performing services that entitles the charity to grants or other voluntary income.
- Support costs comprise those costs incurred in the delivery of activities directed at the achievement of the aims and objectives of the charity. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

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, below which figure assets are written off to the statement of financial activities in the year of purchase.

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.

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

1. Accounting Policies (continued)

Fixed assets (continued)

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 Statement of Financial Activities in the year in which it is recognised that the scheme will not be designed to practical completion.

Depreciation

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

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

Taxation

Clyde Gateway URC is a charity and is recognised as such by HM Revenue and Customs for taxation purposes. As a result there is no liability to taxation on any of the company's income.

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. The movement in the pension asset or liability in the year is reflected in the Statement of Financial Activities.

CLYDE GATEWAY URC

Notes to the Consolidated Financial Statements <i>For the year ended 31 March 2013</i>
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1. Accounting Policies (continued)

Land and property reserve

The land and property reserve represents costs of assets acquired with grant funding. The reserve will be released to unrestricted funds in the event of any of the assets being sold. The 2011/12 comparative consolidated Statement of Financial Activities has been restated to show the transactions on the land and property reserve as part of the net movement in funds.

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. Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012/13 £	Total Funds 2011/12 £
Grants Receivable - Company				
Scottish Government	-	3,901,500	3,901,500	2,647,279
South Lanarkshire Council	-	333,355	333,355	-
Forestry Commission	-	146,511	146,511	-
Scottish Enterprise	-	-	-	740,000
Glasgow City Heritage Trust	-	-	-	50,000
Glasgow City Council	-	-	-	32,204
	-	4,381,366	4,381,366	3,469,483
Grants Receivable - Group				
Scottish Government	1,624,296	19,599,715	21,224,011	13,057,364
Glasgow City Council	-	3,045,000	3,045,000	1,703,000
South Lanarkshire Council	-	1,327,733	1,327,733	515,688
Sportscotland	-	250,000	250,000	-
Heritage Lottery Fund	-	209,933	209,933	228,976
European Regional Development Fund	-	174,853	174,853	671,341
EB Scotland Ltd	-	158,526	158,526	-
Forestry Commission	-	146,511	146,511	-
Miscellaneous income	-	45,000	45,000	-
Scottish Enterprise	-	-	-	6,800,000
NHS Lanarkshire	-	-	-	50,000
Garfield Westfield Trust	-	-	-	30,000
Sir Hugh Fraser Foundation	-	-	-	20,000
Glasgow City Heritage Trust	-	-	-	7,204
	1,624,296	24,957,271	26,581,567	23,083,573

CLYDE GATEWAY URC

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

2. Voluntary income (continued)

	Total Funds 2012/13 £	Total Funds 2011/12 £
Clyde Gateway URC voluntary income	4,381,366	3,469,483
Clyde Gateway Developments Limited grant funding income	1,624,296	1,667,652
Movement in Clyde Gateway URC deferred income	-	(68,356)
Movement in Clyde Gateway Developments Limited deferred income	2,114,588	(1,503,205)
Clyde Gateway Developments Limited land and property funding	18,461,317	19,517,999
	<u>26,581,567</u>	<u>23,083,573</u>

Voluntary income received in the year from Glasgow City Council includes £40,000 (2011/12: £1,198,500), which represents the value of land and property gifted to the group during the year.

3. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012/13 £	Total Funds 2011/12 £
Bank interest receivable	47,856	-	47,856	8,496
Rental income	584,073	-	584,073	832,707
Other income – Pension scheme ⁽¹⁾	27,000	-	27,000	76,000
	<u>658,929</u>	<u>-</u>	<u>658,929</u>	<u>917,203</u>

⁽¹⁾ **Other income – Pension scheme**

Expected return on employer assets	176,000	-	176,000	231,000
Interest cost on liabilities	(149,000)	-	(149,000)	(155,000)
	<u>27,000</u>	<u>-</u>	<u>27,000</u>	<u>76,000</u>

4. Costs of Generating Voluntary Income

Company

Public Infrastructure works	-	844,630	844,630	112,685
Business growth and employability	-	302,222	302,222	213,630
Developing community capacity	-	392,841	392,841	173,771
Other grant contributions to third parties	-	985,192	985,192	1,182,558
Strategic planning feasibility studies	-	36,672	36,672	31,475
Valuation fees	-	3,540	3,540	641
Legal fees	-	22,028	22,028	13,636
Marketing and advertising	-	79,488	79,488	87,781
	<u>-</u>	<u>2,666,613</u>	<u>2,666,613</u>	<u>1,816,177</u>

CLYDE GATEWAY URC

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

4. Costs of Generating Voluntary Income (continued)

Group	Unrestricted Funds £	Restricted Funds £	Total Funds 2012/13 £	Total Funds 2011/12 £
Company totals	-	2,666,613	2,666,613	1,816,177
Grant contributions to third parties	743,247	-	743,247	660,471
Development costs	85,814	-	85,814	666,898
Property costs	497,651	-	497,651	325,549
	<u>1,326,712</u>	<u>2,666,613</u>	<u>3,993,325</u>	<u>3,469,095</u>

5. Support Costs

Salaries	-	1,224,338	1,224,338	1,132,849
Inward seconded staff costs	-	105,356	105,356	256,094
Staff training and development	-	8,954	8,954	601
Recruitment	-	15,108	15,108	-
Legal and professional fees	16,567	127,884	144,451	113,158
IT costs	-	11,859	11,859	2,642
Office costs	1,082	59,808	60,890	51,389
Depreciation	-	25,668	25,668	30,150
Irrecoverable VAT	26,739	89,108	115,847	52,958
Administrative expenses	34,494	10,170	44,664	(43,862)
Insurance	-	3,480	3,480	4,306
Trade subscriptions	-	5,000	5,000	5,000
	<u>78,882</u>	<u>1,686,733</u>	<u>1,765,615</u>	<u>1,605,285</u>

6. Governance Costs

Audit and Accountancy Fees	<u>5,120</u>	<u>8,171</u>	<u>13,291</u>	<u>14,050</u>
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Operating results are stated after charging:-

Auditor's remuneration				
- as auditors			13,291	14,050
- accountancy			750	725
- corporation tax			335	325
- VAT advice			-	2,600
- Payroll taxes advice			-	1,000
			<u>14,376</u>	<u>18,700</u>

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

CLYDE GATEWAY URC

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

7. Payroll costs

The aggregate payroll costs were:-	Staff costs £	Inward Seconded staff £	2012/13 £	2011/12 £
Wages and salaries	957,399	83,425	1,040,824	1,094,334
Social security costs	92,642	6,990	99,632	104,900
Pension costs	174,297	14,941	189,238	189,709
	<u>1,224,338</u>	<u>105,356</u>	<u>1,329,694</u>	<u>1,388,943</u>

The pension costs for 2012/13 include a credit adjustment of £7,000 (2011/12: £21,000) in respect of FRS 17 valuation.

Full time equivalent number of employees	<u>19</u>	<u>2.5</u>	<u>21.5</u>	<u>21</u>
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The only director entitled to remuneration during the year was Mr Ian Manson and this was paid in respect of his service as Chief Executive and not in relation to his role as a director of the company.

	2012/13 £	2011/12 £
Salary	122,663	122,663
Pension costs	23,674	23,570
	<u>146,337</u>	<u>146,233</u>

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

	2012/13	2011/12
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1
£110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

Pension contributions totalling £50,012 (2011/12: £52,154) were made in the year ended 31 March 2013 in respect of these three employees.

No expenses were paid to directors during the year (2011/12: £384 paid in respect of two directors).

CLYDE GATEWAY URC

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

8. Fixed Assets – Group	Assets acquired for development £	Assets under construction £	Investment properties £	Company assets £	Total £
Cost or valuation					
At 1 April 2012	20,812,875	25,856,075	3,939,934	312,389	50,921,273
Reclassification of provision for diminution in value (as previously reported)	-	7,223,147	1,423,814	-	8,646,961
At 1 April 2012 (after reclassification)	20,812,875	33,079,222	5,363,748	312,389	59,568,234
Additions during the year	3,405,116	14,628,551	100,586	13,756	18,148,009
Reclassification of assets acquired for development	1,721,550	(1,721,550)	-	-	-
Transfer to assets under construction	(505,450)	505,450	-	-	-
Transfer to investment properties	-	(10,007,339)	10,007,339	-	-
Transfer to stock and work-in-progress	(1,324,710)	(4,946,538)	-	-	(6,271,248)
Disposals	(29,600)	-	-	-	(29,600)
At 31 March 2013	24,079,781	31,537,796	15,471,673	326,145	71,415,395
Impairment and Depreciation					
At 1 April 2012	-	-	-	110,783	110,783
Impairment provision brought forward at 1 April 2012 (as previously reported)	-	7,223,147	1,423,814	-	8,646,961
Impairment and depreciation provision for the year	14,151,971	12,895,695	9,430,411	25,668	36,503,745
At 31 March 2013	14,151,971	20,118,842	10,854,225	136,451	45,261,489
Net book value					
At 31 March 2013	9,927,810	11,418,954	4,617,448	189,694	26,153,906
At 31 March 2012	20,812,875	25,856,075	3,939,934	201,606	50,810,490

CLYDE GATEWAY URC

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

8. Fixed Assets - Company	Freehold Property £	Leasehold Improvements £	Plant & Equipment £	Furniture & Fittings £	Total £
Cost					
At 1 April 2012	101,815	115,056	83,522	11,996	312,389
Additions	-	-	13,756	-	13,756
At 31 March 2013	<u>101,815</u>	<u>115,056</u>	<u>97,278</u>	<u>11,996</u>	<u>326,145</u>
Depreciation					
At 1 April 2012	7,852	40,604	59,542	2,785	110,783
Charge in year	2,036	11,506	11,242	884	25,668
At 31 March 2013	<u>9,888</u>	<u>52,110</u>	<u>70,784</u>	<u>3,669</u>	<u>136,451</u>
Net book value					
At 31 March 2013	<u>91,927</u>	<u>62,946</u>	<u>26,494</u>	<u>8,327</u>	<u>189,694</u>
At 31 March 2012	<u>93,963</u>	<u>74,452</u>	<u>23,980</u>	<u>9,211</u>	<u>201,606</u>

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 £31,032,056 (2012: £55,098,410).

10. Stock and Work-in-Progress

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

Stock and Work-in-progress are valued at the lower of cost and net realisable value. Developments are transferred into Work-in-progress once 80% complete and where there is an expectation of selling the site within 12 months.

CLYDE GATEWAY URC

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

11. Debtors	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Scottish Government	4,346,980	3,764,512	189,026	927,374
Other debtors	107,250	7,479	-	7,479
VAT	642,713	1,328,417	854	11,232
Prepayments	47,008	31,168	2,976	1,363
Accrued income	2,129,138	12,274	231,862	12,274
Trade debtors	20,439	63,821	-	-
Glasgow City Council	10,000	3,000,000	10,000	-
Scottish Enterprise	-	572,844	-	3,338
South Lanarkshire Council	226,389	206,398	76,336	-
Amounts owed by subsidiary	-	-	3,611,940	1,885,992
	<u>7,529,917</u>	<u>8,986,913</u>	<u>4,122,994</u>	<u>2,849,052</u>

Amounts owed by subsidiary includes gift aid receivable of £3,602,589 which the directors of the subsidiary company intend to pay to Clyde Gateway URC by 31 December 2013.

12. Creditors: Amounts falling due within one year	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Trade creditors	448,075	291,494	68,520	46,105
Accruals	214,619	152,882	101,469	12,274
Glasgow City Council	58,743	15,409	58,743	15,409
South Lanarkshire Council	309,185	76,533	166,393	50,401
Scottish Enterprise	8,657	9,750	8,657	9,750
Deposits and rent received in advance	20,708	6,957	-	-
	<u>1,059,987</u>	<u>553,025</u>	<u>403,782</u>	<u>133,939</u>

13. Commitments	2013 £	2012 £
<u>Capital</u>		
Capital expenditure authorised by the directors and contracted for amounted to	<u>28,320,991</u>	<u>16,462,697</u>
Capital expenditure authorised by the directors but not contacted for amounted to	<u>10,036,439</u>	<u>4,456,801</u>

CLYDE GATEWAY URC

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

14. Land and property reserve	£
At 1 April 2012	55,098,310
Additions to tangible fixed assets in year	18,134,253
Additions to stock and work-in-progress in year	327,064
Impairment – Tangible fixed assets	(36,478,077)
Write down of stock and work-in-progress to net realisable value	(3,922,945)
Transfer to unrestricted funds	(2,223,408)
	<hr/>
At 31 March 2013	30,935,197
	<hr/>
Analysed as:	
Assets acquired for development	9,927,810
Assets under construction	11,418,954
Investment properties	4,617,448
Stock and Work-in-progress	4,970,985
	<hr/>
	30,935,197
	<hr/>

15. Controlling Party

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

16. 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.

17. 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:

Assumptions as at	31 March 2013	31 March 2012
Price increases	2.8%	2.5%
Salary increases	4.0%	4.8%
Expected return on assets	5.2%	5.8%
Discount rate	4.5%	4.8%

Salary increases are assumed to be 1% pa until 31 March 2015 reverting to the long term assumption shown thereafter.

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

17. Pension Scheme (continued)

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	Fund Value	Expected Return
	% per annum	At 2013	£'000 per annum
		£'000	
Equities	5.7%	2,701	154
Bonds	3.4%	498	17
Property	3.9%	249	10
Cash	3.0%	107	3
Total	5.18	3,555	184

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

	31 March 2013	31 March 2012
	£'000	£'000
Estimated Employer Assets (A)	3,555	2,965
Present Value of Scheme Liabilities	(3,406)	(3,030)
Present Value of Unfunded Liabilities	-	-
Total Value of Liabilities (B)	(3,406)	(3,030)
Net Pension Asset/(Liability) (A) – (B)	149	(65)

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	174	152
Past service cost	-	-
Curtailement and Settlements	-	-
Decrease in irrecoverable surplus	-	-
Total operating charge (A)	174	152
Amount Credited to Other Finance Income:		
Expected Return on Employer Assets	176	231
Interest on Pension Scheme Liabilities	(149)	(155)
Net Return (B)	27	76
Net Revenue Account Cost (A)-(B)	147	76

CLYDE GATEWAY URC

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

17. Pension Scheme (continued)

	2012/13 £'000	2011/12 £'000
Actual return less expected return on pension scheme assets	273	(742)
Experience gains and losses arising on the scheme liabilities	-	-
Experience gains and losses arising on the scheme assets net of actual less expected return on pension scheme assets	-	-
Changes in financial assumptions underlying the present value of scheme liabilities	(93)	52
Actuarial gain/(loss)	180	(690)
 Movement in surplus/(deficit) during the year		
Opening (deficit)/surplus	(65)	528
Current service cost	(174)	(152)
Employer contributions	181	173
Other income	-	-
Other outgoings (e.g. expenses, etc)	-	-
Past service costs	-	-
Impact of settlements and curtailments	-	-
Net return on assets	27	76
Actuarial gains/(losses)	180	(690)
Surplus/(deficit) at end of year	149	(65)
 History of experience gains and losses		
Difference between expected and actual return on assets	273	(742)
Value of assets	3,555	2,965
Percentage of assets	7.7%	(25%)
Experience losses on liabilities	-	-
Total Present Value of liabilities	(3,406)	(3,030)
Percentage of Present Value of liabilities	(0.0%)	(0.0%)
Actuarial gains/(losses) recognised in SOFA	180	(690)
Total Present Value of Liabilities	(3,406)	(3,030)
Percentage of the present value of liabilities	(5.3%)	23%

CLYDE GATEWAY URC

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

18. 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.

The group 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 group 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 group 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 group 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 group would seek to recover funds through the contractor warranties in place for these de-contamination and remediation works.

19. 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, 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 directors concerned took no part in the corresponding decision to proceed with the transaction.

<u>Director</u>	<u>Project description</u>	<u>Cost</u>
Ian Manson George Redmond	The People's Development Trust, Dalmarnock. During 2012/13 Clyde Gateway URC contributed £20,000 towards the running costs of The People's Development Trust and funded £9,240 of consultancy costs.	£29,240
James McBride	Healthy n Happy Community Development Trust. Contribution to core costs.	£6,982
George Ryan	The Wise Group. Employability support services.	£53,493

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

19. Directors' interests in contracts (contd)

The company also works in partnership with a number of public bodies, charities 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/Charity</u>	<u>Position held</u>
Jill Farrell	Scottish Enterprise	Employee
Ian Manson	The People's Development Trust	Director
James McBride	Healthy n Happy Community Development Trust	Director
Denis McKenna	South Lanarkshire Council Strathclyde Partnership for Transport	Councillor Vice-Chair
Allan McQuade	Scottish Enterprise	Employee
George Redmond	Glasgow City Council Culture and Sport Glasgow (resigned during the year) Strathclyde Partnership for Transport The People's Development Trust	Councillor Director Chairman Director
George Ryan	Glasgow City Council	Councillor
Graham Scott	South Lanarkshire 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
Jim Watson	Scottish Enterprise	Employee

During the year, Graham Scott resigned as a director of the charitable company. After the year-end Jill Farrell resigned as a director and Jim Watson was appointed as a director.

20. Reconciliation of Net Incoming Resources to Net Cash Inflow from Operations

	2013 £	2012 £
Net incoming resources per Statement of Financial Activities	22,148,119	18,655,008
Interest receivable	(47,856)	(8,496)
Loss on fixed asset disposals	-	4,620
Movement in pension reserve	(214,000)	593,000
Actuarial gains/(losses) on defined benefit pension scheme	180,000	(690,000)
Depreciation charge	25,668	30,150
Additions to stock and work-in-progress	(327,064)	(1,539,445)
Release from land and property reserve to profit and loss account	2,223,408	1,042,440
Decrease/(increase) in debtors	1,456,996	(2,419,891)
Increase/(decrease) in creditors	506,962	(487,488)
Net cash inflow from operating activities	<u>25,952,233</u>	<u>15,179,898</u>

CLYDE GATEWAY URC

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

21. Analysis of Changes in Net Cash Resources

	As at 1 April 2012 £	Cash flow £	As at 31 March 2013 £
Cash at bank and in hand	<u>2,005,839</u>	<u>7,852,080</u>	<u>9,857,919</u>

22. Prior year restatement

The 2011/12 comparative consolidated Statement of Financial Activities has been restated to show the transactions on the land and property reserve as part of the net movement in funds.

