

CLYDE GATEWAY URC

Consolidated Financial Statements

For the year ended 31 March 2014

Company registration number: SC335599

Charity number: SC039644

CLYDE GATEWAY URC

Consolidated Financial Statements
For the year ended 31 March 2014

Officers and Advisers:

Directors

Maureen Burke
Anne Clyde
Neil MacDonald (Chairman)
Ian Manson (Chief Executive)
Denis McKenna
Allan McQuade
Stuart Patrick
George Redmond (Vice-Chairman)
Rosemary Robertson
Thomas Rooney
Christopher Thompson (Vice-Chairman)
Jim Watson

Secretary

Burness Paull 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
Statutory Auditor
25 Bothwell Street
Glasgow
G2 6NL

CLYDE GATEWAY URC

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

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CLYDE GATEWAY URC

Directors' Report

For the year ended 31 March 2014

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

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 provide land holdings on a phased basis over the anticipated 20 year lifetime of the project, paving the way to leveraging significant levels of private sector development funding.

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, increasing the attractiveness of Clyde Gateway as a place to live and work.

Increased Economic Activity is targeted at attracting major employers into the area and working with existing businesses to maximise growth, generating employment opportunities for local people.

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

Board of directors 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:

Maureen Burke (appointed 12 November 2013)	George Redmond (Vice-Chairman)
Anne Clyde	Rosemary Robertson (appointed 24 February 2014)
Jill Farrell (resigned 18 June 2013)	Thomas Rooney (appointed 28 April 2014)
Neil MacDonald (Chairman)	George Ryan (until 14 October 2013)
Ian Manson (Chief Executive)	Christopher Thompson (Vice-Chairman)
James McBride (until 29 November 2013)	Graeme Thomson (appointed 29 April 2013, resigned 26 August 2013)
Denis McKenna	Jim Watson (appointed 18 June 2013)
Allan McQuade	
Stuart Patrick (appointed 28 October 2013)	

During the year George Ryan and James (Hamish) McBride, two of the founding directors, sadly passed away in October and November respectively. Both George and Hamish made significant and lasting contributions to the work of Clyde Gateway URC and the Board shares both families' feelings of loss.

CLYDE GATEWAY URC

Directors' Report

For the year ended 31 March 2014

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. Each year immediately prior to the approval of the Consolidated Financial Statements the directors are reminded of their responsibilities as charity trustees. In February 2014 the directors were also given written guidance as to the application of the URC's charitable objectives. Comprehensive induction sessions covering the company's strategy, charity law, trustees' responsibilities, governance arrangements and key projects, are provided to all newly appointed directors. 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.

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 20 to the accounts.

Reserves policy

The level of available unrestricted reserves as shown in the Balance Sheet on page 12 is £6,788,623. The directors are of the opinion that the description of fund accounting as shown on page 15 represents a prudent approach to risk and commitments made. Funding will be drawn from unrestricted reserves to complete committed works in the funded operating plan covering the four year period from 2014/15 to 2017/18. Clyde Gateway URC will continue to pay close attention to liquidity management and the company has operated to date without the need for an overdraft facility.

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

Statement of directors' responsibilities

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

Directors' Report

For the year ended 31 March 2014

Statement of directors' responsibilities (continued)

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 Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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.

Disclosure of information to the auditor


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

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

Auditor

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

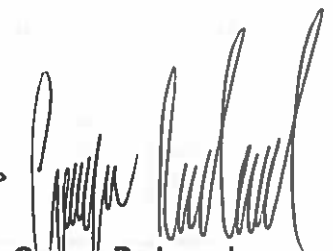
Signed by order of the board on 25 August 2014



Neil Macdonald
Chairman



Christopher Thompson
Vice-Chairman



George Redmond
Vice-Chairman

CLYDE GATEWAY URC

Strategic Report

For the year ended 31 March 2014

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 both provide significant land holdings on a phased basis over the anticipated 20 year lifespan of the Clyde Gateway project.

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

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

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

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

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

The following strategic projects, which will kick-start the physical, economic and social transformation of the Clyde Gateway area, were progressed by the URC and its trading subsidiary, Clyde Gateway Developments Limited, during 2013/14.

National Business District, Shawfield

The delivery of the National Business District at Shawfield is central to achieving the ambitious target of 20,000 new jobs coming to the area over Clyde Gateway's anticipated twenty year lifespan. Since Clyde Gateway Development Limited's inception the company, with the assistance of South Lanarkshire Council, has acquired land comprising the former Shawfield Industrial Estate on the banks of the River Clyde. Businesses formerly based on this site have been successfully relocated allowing Clyde Gateway Developments Limited to undertake an extensive demolition and clearance programme. Works began during 2013/14 on the first phase of essential remediation works necessary to bring this heavily decontaminated land back into economic use. This project is being part financed by £6.0m from the European Regional Development Fund.

CLYDE GATEWAY URC

Strategic Report

For the year ended 31 March 2014

National Business District, Shawfield (continued)

During 2013/14 construction work started on 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, is within a short walking distance of the re-constructed Dalmarnock Railway Station which re-opened to the public in May 2013. The SMART Bridge, which is being part funded by a European Regional Development Fund award of £1.9m, will be open to the public in the summer of 2014. The station is the main public transport hub for the local venues and facilities associated with the 2014 Commonwealth Games and the new pedestrian bridge will significantly improve accessibility between Dalmarnock Station and the National Business District.

Dalmarnock Gasworks

The remains of the former gasworks in Dalmarnock, originally built in 1843 and closed in 1956, are spread over a 3.6 hectare area. Clyde Gateway Developments Limited acquired ownership of these sites in 2010 and following public consultation engaged specialist contractors during 2012/13 to perform essential remediation works. These works finished in March 2014.

Rutherglen Low Carbon Zone

Works began during the year to bring the site of the former Monogram factory at Farme Cross back into use. Currently branded the Rutherglen Low Carbon Zone this area will be built out in stages with a proposed mix of offices and commercial space. Site remediation and infrastructure works have taken place during 2013/14 with Phases 1 and 2 due for completion in June 2014. Clyde Gateway Developments Limited has been successful in attracting £2.5m of European Regional Development Funding for this project. Furthermore, Clyde Gateway Developments Limited made a successful bid of £5.78m to the Scottish Government's Regeneration Capital Grant Fund for a new 3,900 square metre four-storey advance office on this site. This construction work started during 2013/14 and is scheduled for completion in October 2014.

Riverside East Office Development, Dalmarnock

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

Works began on site in March 2013 and are scheduled to be completed by November 2014. During this period Clyde Gateway Developments Limited has continued its efforts to secure a major single occupier for this prominent building. In October 2013 the Scottish Police Authority approved the relocation of the Police Scotland staff currently located in Pitt Street, Glasgow to Riverside East Office Development. This will bring 1,000 high quality jobs to Clyde Gateway.

Albus, Mile End

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

Red Tree Business Suites, Bridgeton

The second of Clyde Gateway's 'Red Tree' branded business suites at Bridgeton was completed in February 2013. The £3.6m project to convert a range of former derelict shops and commercial properties into office space was also part financed by a grant of £1.14m from the European Regional Development Fund. This development consists of 28 business suites suitable for small and medium sized enterprises. The first tenants took occupation in March 2013. The business suites have proved popular with the market and occupancy levels exceed the original expectations.

CLYDE GATEWAY URC

Strategic Report

For the year ended 31 March 2014

Glasgow Women's Library, Bridgeton

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

Key Routes and Spaces – Dalmarnock and Rutherglen

The Key Routes and Spaces project seeks to deliver a series of high quality walking and cycling routes connecting Dalmarnock with the National Business District in Shawfield, Cuningar Loop Forest Park and the Emirates Arena and Commonwealth Games facilities, while supporting long term inward investment and raising the profile of these areas during the Commonwealth Games in July 2014. During the year Glasgow City Council and Clyde Gateway agreed a jointly funded £2m package of works to upgrade these routes. These works commenced in 2013/14 and are due for completion for the Commonwealth Games. Additional funding of £1.62m was received from Scottish Government towards the end of the financial year to fund further enhancements to Dalmarnock Key Routes and Spaces. These works will be completed in 2014-15.

The Legacy Hub, Dalmarnock

During the year Clyde Gateway approved a £1.23m grant contribution towards the estimated £3.6m cost of creating a new community centre in Dalmarnock. Known as the 'Legacy Hub' this community-owned asset will provide new social, recreational and educational facilities both for the existing residents and the community who will make their homes in the Athletes Village following the 2014 Commonwealth Games.

Impairment Review

The company reviews the value of assets acquired for regeneration purposes on an annual basis. Assets are held at cost until the intention for the asset is decided and the project has advanced sufficiently to allow a reliable valuation to be obtained. A comprehensive review of valuations was performed at the year end covering assets acquired for development, assets under construction and completed investment assets. An impairment provision of £24,075,464 has been recorded within the Clyde Gateway Developments Limited financial statements for the current year and further information is set out in the Clyde Gateway Developments Limited accounts. All year end valuations were performed by a RICS independent valuer. This impairment provision reflects the cost of bringing long-standing vacant, derelict and contaminated land and buildings back into productive commercial use. Upward revaluations totalling £468,714 have been netted off within the overall impairment provision.

Stock and Work-in-progress

The cost of land and properties purchased with a view to resale in the short term is shown as stock and work-in-progress and is valued at the lower of cost and net realisable value. Valuations were carried out by an external qualified RICS independent valuer. At the year end stock was written down by £5,389,440 in Clyde Gateway Developments Limited. This figure includes upwards revisions of £247,227 to stock items written down in previous years. There is also an increase on revaluation of £55,000 for an asset acquired and valued during 2012/13 at £20,000.

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

CLYDE GATEWAY URC

Strategic Report

For the year ended 31 March 2014

Continued Focus

During the 2014/15 financial year Clyde Gateway URC will continue to focus its activities on physical regeneration, identifying and securing commercial development opportunities as well as providing business development and skills and employability initiatives.

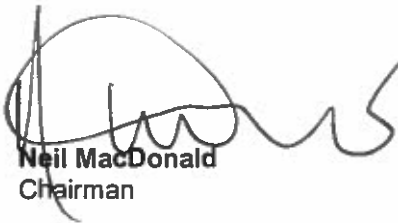
Financial results

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

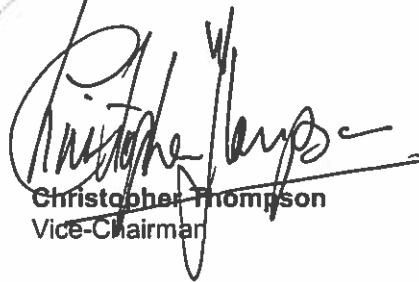
Risk management

Clyde Gateway 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.

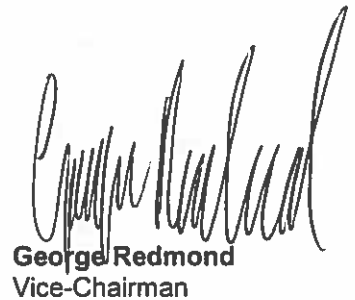
Signed by order of the board on 25 August 2014



Neil MacDonal
Chairman



Christopher Thompson
Vice-Chairman



George Redmond
Vice-Chairman

CLYDE GATEWAY URC

Independent Auditor's Report *For the year ended 31 March 2014*

We have audited the financial statements of Clyde Gateway URC for the year ended 31 March 2014 which comprise the Consolidated and Company Statements of Financial Activities, Consolidated and Company Balance Sheets, 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 Chapter 3 of Part 16 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 pages 2 and 3, 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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2014 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).

CLYDE GATEWAY URC

Independent Auditor's Report
For the year ended 31 March 2014


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the Strategic 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: 25 August 2014

CLYDE GATEWAY URC

**Consolidated Statement of Financial Activities
(incorporating the Income and Expenditure Account)
For the year ended 31 March 2014**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2013/14 £	Total Funds 2012/13 £
Incoming Resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	2,740,438	45,324,141	48,064,579	26,581,567
Activities for generating funds		427,313	-	427,313	2,845,157
Investment income	3	486,287	-	486,287	658,929
Other incoming resources		99,643	-	99,643	71,055
Total Incoming Resources		3,753,681	45,324,141	49,077,822	30,156,708
Resources Expended					
<i>Costs of generating funds</i>					
Costs of generating voluntary income	4	(1,886,584)	(5,689,299)	(7,575,883)	(3,993,325)
Fundraising trading: cost of sales		(428,463)	-	(428,463)	(2,193,808)
Support costs	5	(33,574)	(1,916,491)	(1,950,065)	(1,765,615)
Governance costs	6	(5,220)	(9,550)	(14,770)	(13,291)
Donations and sponsorships		(900)	(84,189)	(85,089)	(42,550)
Total Resources Expended		(2,354,741)	(7,699,529)	(10,054,270)	(8,008,589)
Net movement in funds (before other gains and losses)		1,398,940	37,624,612	39,023,552	22,148,119
Pension scheme transfer		(14,000)	14,000	-	-
Actuarial (losses)/gains on defined benefit pension scheme	17	(174,000)	-	(174,000)	180,000
Transfer to land and property reserve		25,430,024	(25,430,024)	-	-
Impairment and write down recognised		(29,464,904)	-	(29,464,904)	(40,401,022)
Revaluation of stock and work-in-progress		55,000	-	55,000	-
Other transfers between funds		(1,295,906)	1,295,906	-	-
Net movement in funds		(4,064,846)	13,504,494	9,439,648	(18,072,903)
Funds brought forward		37,373,323	10,228,417	47,601,740	65,674,643
Funds carried forward		33,308,477	23,732,911	57,041,388	47,601,740

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 15 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 2014

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2013/14 £	Total Funds 2012/13 £
Incoming Resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	7,158,686	7,158,686	4,381,366
Investment income		532,397	1,295,906	1,828,303	3,721,564
Total Incoming Resources		<u>532,397</u>	<u>8,454,592</u>	<u>8,986,989</u>	<u>8,102,930</u>
Resources Expended					
<i>Costs of generating funds</i>					
Costs of generating voluntary income	4	-	(5,689,299)	(5,689,299)	(2,666,613)
Support costs		-	(1,916,491)	(1,916,491)	(1,686,733)
Governance costs		-	(9,550)	(9,550)	(8,171)
Donations and sponsorships		(900)	(84,189)	(85,089)	(42,550)
Total Resources Expended		<u>(900)</u>	<u>(7,699,529)</u>	<u>(7,700,429)</u>	<u>(4,404,067)</u>
Net movement in funds (before pension scheme)		531,497	755,063	1,286,560	3,698,863
Pension scheme transfer		(14,000)	14,000	-	-
Actuarial (losses)/gains on defined benefit pension scheme	17	(174,000)	-	(174,000)	180,000
Net movement in funds (after pension scheme)		<u>343,497</u>	<u>769,063</u>	<u>1,112,560</u>	<u>3,878,863</u>
Funds brought forward		<u>6,341,367</u>	<u>549,953</u>	<u>6,891,320</u>	<u>3,012,457</u>
Funds carried forward		<u><u>6,684,864</u></u>	<u><u>1,319,016</u></u>	<u><u>8,003,880</u></u>	<u><u>6,891,320</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 15 to 28 form part of these financial statements.

CLYDE GATEWAY URC

Consolidated Balance Sheet As at 31 March 2014

	Note	31 March 2014 £	31 March 2013 £
Fixed assets			
Tangible assets	8	16,386,141	26,153,906
Current assets			
Stock and Work-in-progress	10	10,216,999	4,970,985
Debtors	11	22,374,937	7,529,917
Cash at bank and in hand		15,783,770	9,857,919
		<u>48,375,706</u>	<u>22,358,821</u>
Creditors: amounts falling due within one year	12	(7,713,459)	(1,059,987)
Net current assets		<u>40,662,247</u>	<u>21,298,834</u>
Net assets (excluding pension (liability)/asset)		<u>57,048,388</u>	<u>47,452,740</u>
Pension (liability)/asset	17	(7,000)	149,000
Net assets		<u><u>57,041,388</u></u>	<u><u>47,601,740</u></u>
Funds			
Restricted		23,732,911	10,228,417
Unrestricted		6,788,623	6,289,126
		<u>30,521,534</u>	<u>16,517,543</u>
Land and property reserve	14	26,471,854	30,935,197
Pension reserve	17	(7,000)	149,000
Revaluation reserve	18	55,000	-
		<u><u>57,041,388</u></u>	<u><u>47,601,740</u></u>

The financial statements were authorised for issue by the board on 25 August 2014 and are signed on its behalf by:



Neil MacDonald
Chairman and Director

Company registration number: SC335599
Charity number: SC039644

The notes on pages 15 to 28 form part of these financial statements.

CLYDE GATEWAY URC

Company Balance Sheet
As at 31 March 2014

	Note	31 March 2014 £	31 March 2013 £
Fixed assets			
Tangible assets	8	76,286	189,694
Investments	9	100	100
Current assets			
Debtors	11	4,330,467	4,122,994
Cash at bank and in hand		6,290,285	2,833,314
		<u>10,620,752</u>	<u>6,956,308</u>
Creditors: amounts falling due within one year	12	(2,686,258)	(403,782)
Net current assets		<u>7,934,494</u>	<u>6,552,526</u>
Net assets (excluding pension (liability)/asset)		<u>8,010,880</u>	<u>6,742,320</u>
Pension (liability)/asset	17	(7,000)	149,000
Net assets		<u><u>8,003,880</u></u>	<u><u>6,891,320</u></u>
Funds			
Restricted		1,319,016	549,953
Unrestricted		6,691,864	6,192,367
		<u>8,010,880</u>	<u>6,742,320</u>
Pension reserve	17	(7,000)	149,000
		<u><u>8,003,880</u></u>	<u><u>6,891,320</u></u>

The financial statements were authorised for issue by the Board on 25 August 2014 and are signed on its behalf by:



Neil MacDonald
Chairman and Director

Company registration number: SC335599
Charity number: SC039644

The notes on pages 15 to 28 form part of these financial statements.

CLYDE GATEWAY URC

Consolidated Cash Flow Statement <i>For the year ended 31 March 2014</i>
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	Notes	2013/14 £	2012/13 £
Net cash inflow from operating activities	21	30,324,258	25,952,233
Returns on investments and servicing of finance			
Interest receivable		73,138	47,856
Capital expenditure and financial investment			
Payment for tangible fixed assets		(24,581,545)	(18,148,009)
Proceeds from sale of tangible fixed assets		110,000	-
Increase in cash	22	<u>5,925,851</u>	<u>7,852,080</u>

The notes on pages 15 to 28 form part of these financial statements.

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

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 2014.

Going concern

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

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 2014

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
For the year ended 31 March 2014

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.

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 2013/14 £	Total Funds 2012/13 £
Grants Receivable - Company				
Scottish Government	-	5,570,574	5,570,574	3,901,500
South Lanarkshire Council	-	543,255	543,255	333,355
ERDF	-	1,044,857	1,044,857	-
Forestry Commission	-	-	-	146,511
	-	7,158,686	7,158,686	4,381,366
Grants Receivable – Group				
Scottish Government	2,740,438	35,318,694	38,059,132	21,224,011
ERDF	-	5,021,803	5,021,803	174,853
Glasgow City Council	-	2,760,099	2,760,099	3,045,000
South Lanarkshire Council	-	1,684,561	1,684,561	1,327,733
Heritage Lottery Fund	-	269,984	269,984	209,933
Historic Scotland	-	269,000	269,000	-
Sportscotland	-	-	-	250,000
EB Scotland Ltd	-	-	-	158,526
Forestry Commission	-	-	-	146,511
Miscellaneous income	-	-	-	45,000
	2,740,438	45,324,141	48,064,579	26,581,567

CLYDE GATEWAY URC

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

2. Voluntary income (continued)

	Total Funds 2013/14 £	Total Funds 2012/13 £
Clyde Gateway URC voluntary income	7,158,686	4,381,366
Clyde Gateway Developments Limited grant funding income	2,740,438	1,624,296
Movement in Clyde Gateway Developments Limited deferred income	12,735,431	2,114,588
Clyde Gateway Developments Limited land and property funding	25,430,024	18,461,317
	<u>48,064,579</u>	<u>26,581,567</u>

Voluntary income received in the year from Glasgow City Council includes £858,500 (2012/13: £40,000), which represents the value of land and property gifted to the group during the year.

3. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013/14 £	Total Funds 2012/13 £
Bank interest receivable	73,138	-	73,138	47,856
Rental income	381,149	-	381,149	584,073
Other income – Pension scheme ⁽¹⁾	32,000	-	32,000	27,000
	<u>486,287</u>	<u>-</u>	<u>486,287</u>	<u>658,929</u>

⁽¹⁾ Other income – Pension scheme

Expected return on employer assets	192,000	-	192,000	176,000
Interest cost on liabilities	(160,000)	-	(160,000)	(149,000)
	<u>32,000</u>	<u>-</u>	<u>32,000</u>	<u>27,000</u>

4. Costs of Generating Voluntary Income Company

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013/14 £	Total Funds 2012/13 £
Grant contributions:				
- Sustainable place transformation	-	4,894,557	4,894,557	1,829,822
- Increasing economic activity	-	158,343	158,343	302,222
- Developing community capacity	-	542,977	542,977	392,841
Strategic planning feasibility studies	-	9,037	9,037	36,672
Valuation fees	-	3,210	3,210	3,540
Legal fees	-	24,425	24,425	22,028
Corporate marketing and advertising	-	56,750	56,750	79,488
	<u>-</u>	<u>5,689,299</u>	<u>5,689,299</u>	<u>2,666,613</u>

CLYDE GATEWAY URC

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

4. Costs of Generating Voluntary Income (continued)

Group	Unrestricted Funds £	Restricted Funds £	Total Funds 2013/14 £	Total Funds 2012/13 £
Company totals	-	5,689,299	5,689,299	2,666,613
Grant contributions to third parties	566,445	-	566,445	743,247
Development costs	365,895	-	365,895	85,814
Property costs	902,736	-	902,736	497,651
Arts and Heritage activities	51,508	-	51,508	497,651
	<u>1,886,584</u>	<u>5,689,299</u>	<u>7,575,883</u>	<u>3,993,325</u>

5. Support Costs

Payroll costs	-	1,543,395	1,543,395	1,224,338
Inward seconded staff costs	-	62,726	62,726	105,356
Staff training and development	-	11,148	11,148	8,954
Recruitment	-	17,415	17,415	15,108
Legal and professional fees	5,500	112,330	117,830	144,451
IT costs	-	16,862	16,862	11,859
Office costs	-	42,610	42,610	60,890
Depreciation	-	22,726	22,726	25,668
Irrecoverable VAT	4,415	86,378	90,793	115,847
Administrative expenses	23,659	17,896	41,555	44,664
Insurance	-	1,078	1,078	3,480
Trade subscriptions	-	-	-	5,000
Gain on fixed asset disposal	-	(18,073)	(18,073)	-
	<u>33,574</u>	<u>1,916,491</u>	<u>1,950,065</u>	<u>1,765,615</u>

6. Governance Costs

Audit and Accountancy Fees	<u>5,220</u>	<u>9,550</u>	<u>14,770</u>	<u>13,291</u>
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Operating results are stated after charging:-

Auditor's remuneration				
- as auditors			14,770	13,291
- accountancy			1,105	1,085
- corporation tax			900	875
			<u>900</u>	<u>875</u>

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

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

7. Payroll Costs

The aggregate payroll costs were:-	Staff costs £	Inward Seconded staff £	2013/14 £	2012/13 £
Wages and salaries	1,191,614	49,273	1,240,887	1,040,824
Social security costs	114,617	4,439	119,056	99,632
Pension costs	237,164	9,014	246,178	189,238
	<u>1,543,395</u>	<u>62,726</u>	<u>1,606,121</u>	<u>1,329,694</u>

The pension costs for 2013/14 include an adjustment of £14,000 (2012/13: credit adjustment of £7,000) in respect of FRS 17 valuation.

Full time equivalent number of employees	24.5	2	26.5	21.5
	<u>24.5</u>	<u>2</u>	<u>26.5</u>	<u>21.5</u>

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.

	2013/14 £	2012/13 £
Salary	124,090	122,663
Pension costs	23,949	23,674
	<u>148,039</u>	<u>146,337</u>

A further 4 employees earned in excess of £60,000 during the year. The emoluments of these employees are analysed as follows:

	No	No
£60,001 - £70,000	2	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	1
	<u>2</u>	<u>1</u>

Pension contributions totalling £56,938 (2012/13: £50,012) were made in the year ended 31 March 2014 in respect of these four employees.

No expenses were paid to directors during the year (2012/13: £nil).

CLYDE GATEWAY URC

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

8. Fixed Assets – Group	Assets acquired for development £	Assets under construction £	Investment properties £	Company assets £	Total £
Cost or valuation					
At 1 April 2013	24,079,781	31,537,796	15,471,673	326,145	71,415,395
Additions during the year	3,325,056	21,128,263	126,981	1,245	24,581,545
Transfer to assets under construction	(16,002,014)	16,002,014	-	-	-
Transfer to investment properties	-	(2,396,746)	2,396,746	-	-
Transfer to stock and work-in-progress	(3,386,341)	(19,807,946)	-	-	(23,194,287)
Disposals	-	-	-	(101,815)	(101,815)
At 31 March 2014	<u>8,016,482</u>	<u>46,463,381</u>	<u>17,995,400</u>	<u>225,575</u>	<u>72,700,838</u>
Impairment and Depreciation					
At 1 April 2013	14,151,971	20,118,842	10,854,225	136,451	45,261,489
Impairment and depreciation provision for the year	6,098,527	17,802,509	174,428	22,726	24,098,190
Transfer to assets under construction	(13,630,370)	13,630,370	-	-	-
Transfer to investment properties	-	(2,396,746)	2,396,746	-	-
Transfer to stock and work-in-progress	(505,896)	(12,529,198)	-	-	(13,035,094)
Eliminated on disposal	-	-	-	(9,888)	(9,888)
At 31 March 2014	<u>6,114,232</u>	<u>36,625,777</u>	<u>13,425,399</u>	<u>149,289</u>	<u>56,314,697</u>
Net book value					
At 31 March 2014	<u>1,902,250</u>	<u>9,837,604</u>	<u>4,570,001</u>	<u>76,286</u>	<u>16,386,141</u>
At 31 March 2013	<u>9,927,810</u>	<u>11,418,954</u>	<u>4,617,448</u>	<u>189,694</u>	<u>26,153,906</u>

CLYDE GATEWAY URC

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

8. Fixed Assets - Company	Freehold Property £	Leasehold Improvements £	Plant & Equipment £	Furniture & Fittings £	Total £
Cost					
At 1 April 2013	101,815	115,056	97,278	11,996	326,145
Additions	-	-	1,245	-	1,245
Disposals	(101,815)	-	-	-	(101,815)
At 31 March 2014	-	115,056	98,523	11,996	225,575
Depreciation					
At 1 April 2013	9,888	52,110	70,784	3,669	136,451
Charge in year	-	11,506	8,886	2,334	22,726
Eliminated on disposal	(9,888)	-	-	-	(9,888)
As at 31 March 2014	-	63,616	79,670	6,003	149,289
Net Book Value as at 31 March 2014	-	51,440	18,853	5,993	76,286
Net Book Value as at 31 March 2013	91,927	62,946	26,494	8,327	189,694

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 £26,623,713 (2013: £31,032,056).

10. Stock and Work-in-Progress

	Stock £	Work-in-Progress £	Total £
At 1 April 2013	4,970,985	-	4,970,985
Additions during the year	849,724	-	849,724
Transfer from tangible fixed assets - cost	23,194,287	-	23,194,287
Revaluation	55,000	-	55,000
Amounts written down	(5,389,440)	-	(5,389,440)
Transfer from tangible fixed assets - impairment	(13,035,094)	-	(13,035,094)
Disposals	(428,463)	-	(428,463)
At 31 March 2014	10,216,999	-	10,216,999

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 2014

11. Debtors	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Scottish Government	19,787,972	4,346,980	2,169,671	189,026
South Lanarkshire Council	157,308	226,389	143,255	76,336
Glasgow City Council	-	10,000	-	10,000
Other debtors	107,250	107,250	-	-
VAT	942,098	642,713	348	854
Prepayments	60,936	47,008	19,348	2,976
Accrued income	1,092,780	2,129,138	886,630	231,862
Amounts owed by subsidiary	-	-	1,111,215	3,611,940
Trade debtors	226,593	20,439	-	-
	<u>22,374,937</u>	<u>7,529,917</u>	<u>4,330,467</u>	<u>4,122,994</u>

Amounts owed by subsidiary includes gift aid receivable of £483,074 which the directors of the subsidiary company intend to pay to Clyde Gateway URC by 31 December 2014.

12. Creditors: Amounts falling due within one year	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Trade creditors	4,654,110	448,075	248,149	68,520
Glasgow City Council	2,076,197	58,743	2,069,407	58,743
South Lanarkshire Council	115,953	309,185	115,953	166,393
Scottish Enterprise	20,354	8,657	20,354	8,657
Accruals	620,013	214,619	47,041	101,469
Deferred creditor	185,354	-	185,354	-
Deposits and rent received in advance	41,478	20,708	-	-
	<u>7,713,459</u>	<u>1,059,987</u>	<u>2,686,258</u>	<u>403,782</u>

13. Commitments	2014 £	2013 £
<u>Capital</u>		
Capital expenditure authorised by the directors and contracted for amounted to	<u>31,653,149</u>	<u>28,320,991</u>
Capital expenditure authorised by the directors but not contacted for amounted to	<u>13,796,262</u>	<u>10,036,439</u>

CLYDE GATEWAY URC

Notes to the Consolidated Financial Statements <i>For the year ended 31 March 2014</i>
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14. Land and property reserve	£
At 1 April 2013	30,935,197
Additions to tangible fixed assets in year	24,580,300
Additions to stock and work-in-progress in year	849,724
Impairment – Tangible fixed assets	(24,075,464)
Write down of stock and work-in-progress to net realisable value	(5,389,440)
Transfer to unrestricted funds	(428,463)
	<hr/>
At 31 March 2014	26,471,854
	<hr/> <hr/>
Analysed as:	
Assets acquired for development	1,902,250
Assets under construction	9,837,604
Investment properties	4,570,001
Stock and Work-in-progress (excluding revaluation of £55,000)	10,161,999
	<hr/>
	26,471,854
	<hr/> <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 2014	31 March 2013
Pension increases	2.8%	2.8%
Salary increases	4.0%*	4.0%*
Expected return on assets	6.0%	5.2%
Discount rate	4.3%	4.5%

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

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

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 % per annum	Fund Value At 2014 £'000	Expected Return £'000 per annum
Equities	6.6%	3,112	205
Bonds	3.7%	491	18
Property	4.8%	287	14
Cash	3.7%	205	8
Total	5.98	4,095	245

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

	31 March 2014 £'000	31 March 2013 £'000
Estimated Employer Assets (A)	4,095	3,555
Present Value of Scheme Liabilities	(4,066)	(3,406)
Present Value of Unfunded Liabilities	(36)	-
Total Value of Liabilities (B)	(4,102)	(3,406)
Net Pension (Liability)/Asset (A) – (B)	(7)	149

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.

	2013/14 £'000	2012/13 £'000
Analysis of amount charged to operating profit:		
Service cost	241	174
Past service cost	-	-
Curtailement and Settlements	-	-
Decrease in irrecoverable surplus	-	-
Total operating charge (A)	241	174
Amount Credited to Other Finance Income:		
Expected Return on Employer Assets	192	176
Interest on Pension Scheme Liabilities	(160)	(149)
Net Return (B)	32	27
Net Revenue Account Cost (A)-(B)	209	147

CLYDE GATEWAY URC

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

17. Pension Scheme (continued)

	2013/14 £'000	2012/13 £'000
Actual return less expected return on pension scheme assets	57	273
Experience gains and losses arising on the scheme liabilities	-	-
Changes in financial assumptions underlying the present value of scheme liabilities	(231)	(93)
Actuarial (loss)/gain	(174)	180
Movement in surplus/(deficit) during the year		
Opening surplus/(deficit)	149	(65)
Current service cost	(241)	(174)
Employer contributions	226	181
Contributions in respect of unfunded benefits	1	-
Other income	-	-
Other outgoings (e.g. expenses, etc)	-	-
Past service costs	-	-
Impact of settlements and curtailments	-	-
Net return on assets	32	27
Actuarial (losses)/gains	(174)	180
(Deficit)/surplus at end of year	(7)	149
History of experience gains and losses		
	2013/14 £'000	2012/13 £'000
Difference between expected and actual return on assets	57	273
Value of assets	4,095	3,555
Percentage of assets	1.4%	7.7%
Experience losses on liabilities	-	-
Total Present Value of liabilities	(4,102)	(3,406)
Percentage of Present Value of liabilities	(0.0%)	(0.0%)
Actuarial (losses)/gains recognised in SOFA	(174)	180
Total Present Value of Liabilities	(4,102)	(3,406)
Percentage of the present value of liabilities	4.2%	(5.3%)

18. Revaluation reserve

	£
At 1 April 2013	-
Increase on revaluation in year	55,000
At 31 March 2014	55,000

CLYDE GATEWAY URC

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

19. 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.

20. 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 businesses 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. All such contracts are negotiated at arms' length and are subject to the company's normal tendering procedures where appropriate. Any directors concerned are required to declare an interest and to take no part in the Board decision to proceed with the transaction. There were no such transactions during the year.

The company 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</u>	<u>Position held</u>
Maureen Burke	Cordia (Services) LLP Glasgow East Arts Company Limited	Board Member Director
Jill Farrell	Scottish Enterprise	Employee
Ian Manson	The People's Development Trust (resigned 15 May 2013)	Director
Denis McKenna	South Lanarkshire Council Strathclyde Partnership for Transport	Councillor Vice-Chair
Allan McQuade	Scottish Enterprise	Employee

CLYDE GATEWAY URC

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

20. Directors' interests in contracts (continued)

<u>Director</u>	<u>Public Body</u>	<u>Position held</u>
George Redmond	Glasgow City Council The People's Development Trust (resigned 15 May 2013)	Councillor Director
George Ryan	Glasgow City Council	Councillor
Christopher Thompson	South Lanarkshire Council Lanarkshire Business Gateway Steering Group Scottish Enterprise – West Regional Advisory Board Strathclyde Partnership for Transport Supplier Development Programme	Councillor Chair Board Member Board Member Chair
Jim Watson	Scottish Enterprise	Employee

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

	2014 £	2013 £
Net incoming resources per Statement of Financial Activities	39,023,552	22,148,119
Interest receivable	(73,138)	(47,856)
Gain on fixed asset disposals	(18,073)	-
Movement in pension reserve	156,000	(214,000)
Actuarial (losses)/gains on defined benefit pension scheme	(174,000)	180,000
Depreciation charge	22,726	25,668
Additions to stock and work-in-progress	(849,724)	(327,064)
Release from land and property reserve to profit and loss account	428,463	2,223,408
(Increase)/decrease in debtors	(14,845,020)	1,456,996
Increase in creditors	6,653,472	506,962
Net cash inflow from operating activities	<u>30,324,258</u>	<u>25,952,233</u>

22. Analysis of Changes in Net Cash Resources

	As at 1 April 2013 £	Cash flow £	As at 31 March 2014 £
Cash at bank and in hand	<u>9,857,919</u>	<u>5,925,851</u>	<u>15,783,770</u>

