

CLYDE GATEWAY URC

Consolidated Financial Statements

For the year ended 31 March 2015

Company registration number: SC335599

Charity number: SC039644

CLYDE GATEWAY URC

Consolidated Financial Statements <i>For the year ended 31 March 2015</i>

Officers and Advisers:

Directors

Anne Clyde
Ian Manson (Chief Executive)
Frank McAveety
Denis McKenna
Allan McQuade
Stuart Patrick
George Redmond (Vice-Chair)
Rosemary Robertson
Thomas Rooney
Lord Smith of Kelvin (Chair)
Christopher Thompson (Vice-Chair)
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 2015</i>

Contents	Page
Directors' report	1
Strategic report	4
Independent auditor's report	9
Consolidated statement of financial activities (incorporating income and expenditure account)	11
Company statement of financial activities (incorporating income and expenditure account)	12
Consolidated balance sheet	13
Company balance sheet	14
Consolidated cash flow statement	15
Notes to the consolidated financial statements	16

CLYDE GATEWAY URC

Directors' Report For the year ended 31 March 2015

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

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 (resigned 2 April 2015)	Stuart Patrick
Anne Clyde	George Redmond (Vice-Chairman)
Neil MacDonald (Chairman) (resigned 23 February 2015)	Rosemary Robertson
Ian Manson (Chief Executive)	Thomas Rooney
Denis McKenna	Christopher Thompson (Vice-Chairman)
Allan McQuade	Jim Watson

Frank McAveety was appointed post year end on 2 April 2015. Robert Smith (Lord Smith of Kelvin) was appointed to the Board as chair on 27 April 2015.

CLYDE GATEWAY URC

Directors' Report

For the year ended 31 March 2015

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. 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 24 to the accounts.

Reserves policy

The level of available unrestricted reserves as shown in the Balance Sheet on page 13 is £12,278,450. The directors are of the opinion that the description of fund accounting as shown on page 16 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 three year period from 2015/16 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 22 June 2015. At that date, its members were David Bankier (director of Clyde Gateway Developments Limited), Anne Clyde, John Gallacher (Committee Chair and director of Clyde Gateway Developments Limited), Dennis McKenna and Jim Watson.

Statement of directors' responsibilities

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

Directors' Report
For the year ended 31 March 2015

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

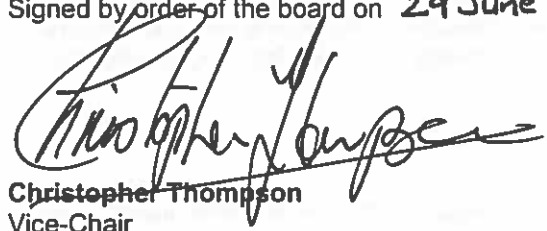
To the knowledge and belief of each of the persons who are directors at the time the report is approved:

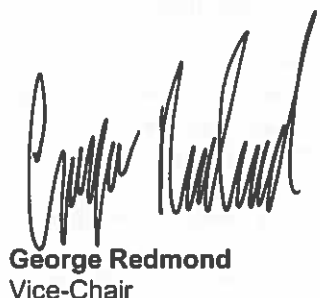
- a) so far as the directors are aware, there is no relevant information of which the company's auditor is unaware; and
- b) the directors have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant information and to establish that the company's 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 29 June 2015.


Christopher Thompson
Vice-Chair


George Redmond
Vice-Chair

Strategic Report

For the year ended 31 March 2015

Review of the business and future developments

Funding for Clyde Gateway's activities is obtained from a number of sources with the main contributors to date being the Scottish Government, European Structural Funds and the three members. Glasgow City Council and South Lanarkshire Council also provide land holdings on a phased basis over the anticipated 20 year lifespan of the Clyde Gateway project and are making significant investment directly themselves into the area.

The end of the 2013/14 financial year marked the transition from a predominately Scottish Government block grant funding model to an environment where funding for projects is made on an individual grant application bidding basis to the Regeneration Capital Grant Fund. To date Clyde Gateway has successfully bid for £7.1m from this fund for three projects - the construction of a first phase office at the Rutherglen Link, the refurbishment of the Glasgow Women's Library at Bridgeton and refurbishment/extension of a new community facility at Church House, Bridgeton in partnership with the Church of Scotland.

A detailed operating plan covering the three year period from 2015/16 until 2017/18 was approved by the company's board on 27 April 2015. This plan demonstrates that the company has sufficient resources from accumulated reserves, grant awards and anticipated development returns to allow the directors to have a reasonable expectation that Clyde Gateway 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 2014/15 financial year significant progress continued to be made in terms of the site assembly and clearance programme with 4.6 hectares of land and buildings being acquired for re-development. Every effort is made to ensure that existing businesses directly affected by this programme are provided with opportunities to re-locate their operations within Clyde Gateway's boundary. Further substantive progress was also made in taking forward the design, planning and consultation needed to tackle the long-standing infrastructure constraints, such as drainage and contamination, which inhibit key districts, particularly Dalmarnock and Shawfield, from attracting new jobs and investment.

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

The following strategic projects, which are taking forward the physical, economic and social transformation of the Clyde Gateway area, were progressed by Clyde Gateway during 2014/15:

National Business District, Shawfield

The delivery of the National Business District at Shawfield is central to achieving the ambitious target of 20,000 new jobs coming to the area over Clyde Gateway's anticipated twenty year lifespan. Since Clyde Gateway URC'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 2015

Review of the business and future developments (continued)

National Business District, Shawfield (continued)

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

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

Rutherglen Links Business Park and One Rutherglen Links Office Development

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

Riverside East Office Development, Dalmarnock

Riverside East directly faces, from across the River Clyde, the National Business District at Shawfield. The inward investment potential of this development plot for a major occupier was recognised in 2008. Works began on site in March 2014 to create approximately 11,000 square metres of Grade A energy efficient office space. In October 2014 the Scottish Police Authority approved the relocation of the Police Scotland staff located in Pitt Street, Glasgow to this new office. The building, now named Police Scotland Clyde Gateway, was completed and sold to the Scottish Police Authority in December 2014. Police Scotland is now occupying this office and the full redeployment of 1,100 uniformed and support staff to Clyde Gateway was completed by the end of March 2015.

Riverside Site, Dalmarnock

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

Albus, Mile End

Works commenced during 2013/14 on the Albus Building, a 1,914 square metre office building adjacent to the Eastgate Building on London Road at Mile End. The £4.7m building was completed in October 2014 and welcomed its first tenant in April 2015.

Glasgow Women's Library, Bridgeton

Clyde Gateway successfully bid for Scottish Government Regeneration Capital Grant Fund monies to fund the redevelopment of the former Bridgeton Library building to create a National Women's Library, accredited museum and archive facility. Additional funding to support this project has been awarded to Clyde Gateway from Scottish Futures Trust and Glasgow City Council. The redevelopments works costing £1.2m are funded via a combination of the above plus direct funding to Glasgow Women's Library. Works commenced in November 2014 and are scheduled for completion in October 2015.

CLYDE GATEWAY URC

Strategic Report

For the year ended 31 March 2015

Review of the business and future developments (continued)

Key Routes and Spaces - Dalmarnock

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

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

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

Remediation and Infrastructure Works – Dalmarnock

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

Shawfield-Dalmarnock Smart Bridge

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 also to 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 2014. The SMART Bridge, which is being part funded by a European Regional Development Fund award of £1.9m, opened to the public July 2014 in time for the Commonwealth Games. The station is the main public transport hub for the local venues and legacy facilities associated with the 2014 Commonwealth Games and the new pedestrian bridge will significantly improve accessibility between Dalmarnock Station and the National Business District.

The Legacy Hub, Dalmarnock

During the year Clyde Gateway made a £1.2m 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. The Legacy Hub is scheduled to open in the summer of 2015.

Cuningar Forest Park

The Forestry Commission Scotland (FCS) has progressed well with the construction of the 15 hectare Forest Park at Cuningar Loop to which Clyde Gateway is making a £475k contribution. The boardwalk, paths, boulevard, wetland areas and cycle track, bouldering area and trim trail are all complete. The park is scheduled to be open to the public by December 2015.

Cuningar Footbridge

Works commenced in March 2015 on construction of a £2.7m footbridge over the Clyde between the Cuningar Forest Park and the Athletes' Village in Dalmarnock. The bridge is scheduled for completion in October 2015.

CLYDE GATEWAY URC

Strategic Report
For the year ended 31 March 2015

Review of the business and future developments (continued)

Sustainable Transport Project - Dedicated Bus Service

Clyde Gateway was successful in attracting £300k of Transport Scotland grant support for a dedicated community bus service to link up four railway stations and further improve access to locations across Clyde Gateway that are increasingly becoming home to new offices and commercial developments. The service, CG1, commenced in June 2015 and will be provided by Community Transport Glasgow and is overseen by Strathclyde Partnership for Transport on behalf of Clyde Gateway. The funding covers the acquisition of the bus and the service operation for a 4 year period. During the year works continued on upgrading of the kerbing and bus shelter infrastructure to support the dedicated bus route.

Aspire Church Building, Rutherglen

Clyde Gateway is working in partnership with the Healthy 'n' Happy community development trust to acquire and refurbish the Aspire Church Building in Rutherglen. The physical works on this £493k project started in January 2015 and are scheduled for completion in June 2015.

Church House, Bridgeton

Clyde Gateway successfully applied for £671k from the Scottish Government's Regeneration Capital Grant Fund for the relocation and refurbishment/extension of a new community facility in partnership with the Church of Scotland. Site works are anticipated to commence in August 2015.

Legacy Funding - Business, Employability and Community Projects

During the year Clyde Gateway secured £600k of Scottish Government 2014 Legacy Funding to support business, employability and community projects.

Impairment Review

The company reviews the value of assets acquired for regeneration purposes on an annual basis. Assets are held at cost until the intention for the asset is decided and the project has advanced sufficiently to allow a reliable valuation to be obtained. A comprehensive review of valuations was performed at the year end covering assets acquired for development, assets under construction and completed investment assets. An impairment provision of £7,482,681 has been recorded within the Clyde Gateway Developments Limited financial statements for the current year and further information is set out in the Clyde Gateway Developments Limited accounts. Year end valuations for the newly completed Rutherglen Links Office and Albus buildings were performed by a RICS independent valuer. The remaining properties were valued internally by suitably qualified Clyde Gateway staff and peer reviewed by a RICS independent valuer. This impairment provision reflects the cost of bringing long-standing vacant, derelict and contaminated land and buildings back into productive commercial use.

Stock and Work-in-progress

The cost of land and properties purchased with a view to resale in the short term is shown as stock and work-in-progress and is valued at the lower of cost and net realisable value. The valuation of the National Business District Phase 1 site at Shawfield was carried out by an external qualified RICS independent valuer, with the remaining valuations performed internally by suitably qualified Clyde Gateway staff and peer reviewed by a RICS independent valuer. At the year end stock was written down by £21,764,515 in Clyde Gateway Developments Limited.

Assets under construction with a view to resale are transferred from tangible fixed assets to work-in-progress when they are at least 80% completed at the year-end. No such assets reached this threshold of completion at 31 March 2015.

CLYDE GATEWAY URC

Strategic Report
For the year ended 31 March 2015

Review of the business and future developments (continued)

Property Disposals

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

Gift Aid

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

Pension Scheme

Clyde Gateway URC is a member of the Strathclyde Pension Fund. Although there were strong investment returns during 2014/15 on the company's share of the pension scheme assets these have been outweighed by falling real bond yields which have increased the defined benefit costs. The overall net effect is an actuarial loss of £1,067,000 for the year (2013/14 – loss of £174,000). At 31 March 2015 Clyde Gateway URC's pension scheme had a deficit of £1,044,000 (2013/14 – deficit of £7,000). The company has sufficient net assets to cover this amount. Were this position to change then, under the terms of its admission agreement with the Strathclyde Pension Fund, any unfunded liabilities are jointly and severally guaranteed to be covered by Glasgow City Council and South Lanarkshire Council.

Relocation of Clyde Gateway URC

Clyde Gateway will be relocating its staff and operations to the Olympia Building at Bridgeton in August 2015. This will provide a modern office environment which will house all of Clyde Gateway's staff in one location. Missives have been concluded to sell the current premises at 11 Bridgeton Cross together with the adjacent offices on Dalmarnock Road and at Bridgeton Cross to a charity occupier relocating to the Clyde Gateway area.

Continued Focus

During the 2015/16 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 resulting in a strong platform from which to increase Clyde Gateway's impact across a range of social justice measures.

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 29 June 2015.


Christopher Thompson
Vice-Chair


George Redmond
Vice-Chair

CLYDE GATEWAY URC

Independent Auditor's Report to the Members of Clyde Gateway URC <i>For the year ended 31 March 2015</i>
--

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

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 2015 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 to the
Members of Clyde Gateway URC**
For the year ended 31 March 2015

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: 29/6/15

CLYDE GATEWAY URC

Consolidated Statement of Financial Activities
(Incorporating the Income and Expenditure Account)
For the year ended 31 March 2015

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2014/15 £	Total Funds 2013/14 £
Incoming Resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	25,691,904	25,691,904	48,064,579
Activities for generating funds	3	10,794,414	-	10,794,414	427,313
Investment income	4	614,452	-	614,452	486,287
Other incoming resources		118,282	117,259	235,541	99,643
Total Incoming Resources		11,527,148	25,809,163	37,336,311	49,077,822
Resources Expended					
<i>Costs of generating funds</i>					
Costs of generating voluntary income	5	(5,852,869)	(2,413,677)	(8,266,546)	(7,575,883)
Fundraising trading: cost of sales	6	(10,227,149)	-	(10,227,149)	(428,463)
Support costs	7	(107,195)	(1,970,880)	(2,078,075)	(1,950,065)
Governance costs	8	(5,340)	(9,720)	(15,060)	(14,770)
Donations and sponsorships		(917)	(38,405)	(39,322)	(85,089)
Total Resources Expended		(16,193,470)	(4,432,682)	(20,626,152)	(10,054,270)
Net movement in funds (before other gains and losses)		(4,666,322)	21,376,481	16,710,159	39,023,552
Pension scheme transfer		(41,000)	41,000	-	-
Actuarial losses on defined benefit pension scheme	20	(1,067,000)	-	(1,067,000)	(174,000)
Transfer to land and property reserve		33,433,741	(33,433,741)	-	-
Impairment and write down recognised		(29,247,196)	-	(29,247,196)	(29,464,904)
Revaluation written down		(55,000)	-	(55,000)	55,000
Net movement in funds		(1,642,777)	(12,016,260)	(13,659,037)	9,439,648
Funds brought forward		33,308,477	23,732,911	57,041,388	47,601,740
Funds carried forward		31,665,700	11,716,651	43,382,351	57,041,388

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 16 to 33 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 2015

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2014/15 £	Total Funds 2013/14 £
Incoming Resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	5,408,198	5,408,198	7,158,686
Investment income	4	9,427,805	-	9,427,805	1,828,303
Total Incoming Resources		<u>9,427,805</u>	<u>5,408,198</u>	<u>14,836,003</u>	<u>8,986,989</u>
Resources Expended					
<i>Costs of generating funds</i>					
Costs of generating voluntary income	5	(3,417,417)	(2,413,677)	(5,831,094)	(5,689,299)
Support costs		-	(1,970,880)	(1,970,880)	(1,916,491)
Governance costs		-	(9,720)	(9,720)	(9,550)
Donations and sponsorships		(917)	(38,405)	(39,322)	(85,089)
Total Resources Expended		<u>(3,418,334)</u>	<u>(4,432,682)</u>	<u>(7,851,016)</u>	<u>(7,700,429)</u>
Net movement in funds (before pension scheme)		6,009,471	975,516	6,984,987	1,286,560
Pension scheme transfer		(41,000)	41,000	-	-
Actuarial losses on defined benefit pension scheme	20	(1,067,000)	-	(1,067,000)	(174,000)
Net movement in funds (after pension scheme)		4,901,471	1,016,516	5,917,987	1,112,560
Funds brought forward		6,684,864	1,319,016	8,003,880	6,891,320
Funds carried forward		<u>11,586,335</u>	<u>2,335,532</u>	<u>13,921,867</u>	<u>8,003,880</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.

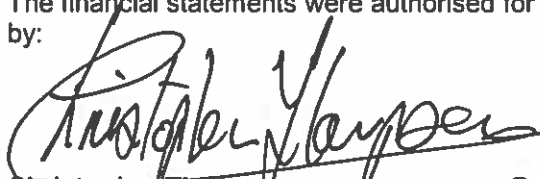
The notes on pages 16 to 33 form part of these financial statements.

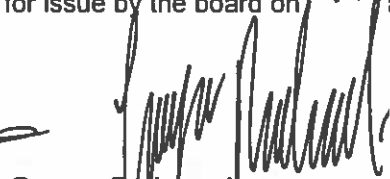
CLYDE GATEWAY URC

Consolidated Balance Sheet
As at 31 March 2015

	Note	31 March 2015 £	31 March 2014 £
Fixed assets			
Tangible assets	10	9,565,691	16,386,141
Current assets			
Stock and work-in-progress	12	11,146,965	10,216,999
Debtors	13	4,618,748	22,374,937
Cash at bank and in hand		22,865,237	15,783,770
		<u>38,630,950</u>	<u>48,375,706</u>
Creditors: amounts falling due within one year	14	(3,770,290)	(7,713,459)
Net current assets		<u>34,860,660</u>	<u>40,662,247</u>
Net assets (excluding pension liability)		44,426,351	57,048,388
Pension scheme liability	20	(1,044,000)	(7,000)
Net assets		<u>43,382,351</u>	<u>57,041,388</u>
Funds			
Unrestricted	16	12,278,450	6,788,623
Land and property reserve	17	20,431,250	26,471,854
Pension scheme reserve	20	(1,044,000)	(7,000)
Revaluation reserve	21	-	55,000
Total unrestricted		<u>31,665,700</u>	<u>33,308,477</u>
Restricted		<u>11,716,651</u>	<u>23,732,911</u>
	22	<u>43,382,351</u>	<u>57,041,388</u>

The financial statements were authorised for issue by the board on 29/6/15 and are signed on its behalf by:


Christopher Thompson
Vice-Chair


George Redmond
Vice-Chair

Company registration number: SC335599
Charity number: SC039644

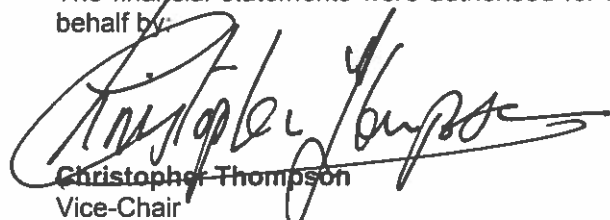
The notes on pages 16 to 33 form part of these financial statements.

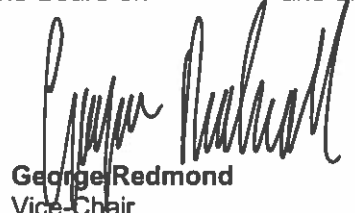
CLYDE GATEWAY URC

Company Balance Sheet
As at 31 March 2015

	Note	31 March 2015 £	31 March 2014 £
Fixed assets			
Tangible assets	10	26,941	76,286
Investments	11	100	100
Current assets			
Stock	12	254,465	-
Debtors	13	12,300,746	4,330,467
Cash at bank and in hand		3,311,348	6,290,285
		<u>15,866,559</u>	<u>10,620,752</u>
Creditors: amounts falling due within one year	14	(927,733)	(2,686,258)
Net current assets		<u>14,938,826</u>	<u>7,934,494</u>
Net assets (excluding pension liability)		<u>14,965,867</u>	<u>8,010,880</u>
Pension scheme liability	20	(1,044,000)	(7,000)
Net assets		<u>13,921,867</u>	<u>8,003,880</u>
Funds			
Unrestricted charitable funds	16	12,630,335	6,691,864
Pension scheme reserve	20	(1,044,000)	(7,000)
Total unrestricted		<u>11,586,335</u>	<u>6,684,864</u>
Restricted		<u>2,335,532</u>	<u>1,319,016</u>
	22	<u>13,921,867</u>	<u>8,003,880</u>

The financial statements were authorised for issue by the Board on 29/06/15 and are signed on its behalf by:


Christopher Thompson
Vice-Chair


George Redmond
Vice-Chair

Company registration number: SC335599
Charity number: SC039644

The notes on pages 16 to 33 form part of these financial statements.

CLYDE GATEWAY URC

Consolidated Cash Flow Statement
For the year ended 31 March 2015

	Notes	2014/15 £	2013/14 £
Net cash inflow from operating activities	25	40,508,896	30,324,258
Returns on investments and servicing of finance			
Interest receivable		73,681	73,138
Capital expenditure and financial investment			
Payment for tangible fixed assets		(33,501,110)	(24,581,545)
Proceeds from sale of tangible fixed assets		-	110,000
Increase in cash	26	<u>7,081,467</u>	<u>5,925,851</u>

The notes on pages 16 to 33 form part of these financial statements.

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

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 2015.

Going concern

As referred to in the Strategic Report, a funded operating plan has been prepared covering the years 2015-16 to 2017-18. Given the strong cash position and net assets held by the company, the going concern assumption is deemed appropriate.

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.

Donated assets are valued either by an employee or external valuer qualified by the Royal Institution of Chartered Surveyors to undertake accredited valuations and the assets are brought into the accounts as income at this valuation.

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.

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

1. Accounting Policies (continued)

Fixed assets (continued)

Assets acquired for development includes the cost of all land, buildings, demolition costs, disturbance costs and professional fees incurred on projects where infrastructure or construction works have yet to start. When work starts on site then the costs associated with the relevant projects are transferred into assets under construction.

Assets under construction include all expenditure including infrastructure and building costs for development projects that have started on site. On practical completion of each project the corresponding costs are transferred either to investment properties, for those assets being held for long-term income receipts and capital gain, or to stock and to work-in-progress, for those assets which are intended to be sold within the next financial year.

Investment properties are completed developments held for long term income receipts and capital gain. Investment properties are valued annually either by an employee or external valuer qualified by the Royal Institution of Chartered Surveyors to undertake accredited valuations. Every 5 years all investment properties are subject to an external valuation with the most recent valuation having taken place as at 31 March 2014.

Increases in asset values on revaluation are reflected within the cost or valuation section of the tangible fixed asset note. Decreases in asset values on revaluation are reflected within the cost or valuation section of the tangible fixed assets note up to the extent of any previous revaluation increases of that asset. Thereafter, any further decreases in asset values on revaluation are reflected as an impairment provision through the depreciation and impairment section of the tangible fixed assets note.

Assets are held at cost until the intention for the asset is decided and the project has advanced sufficiently to allow a reliable valuation to be obtained. Impairment reviews are performed on an annual basis with independent valuation advice sought where appropriate. Any impairment is recognised as a charge against the land and property reserve.

Expenditure on any development schemes that are subsequently aborted is written off to the 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.

CLYDE GATEWAY URC

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

1. Accounting Policies (continued)

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.

Land and property reserve

The land and property reserve represents the fair value of assets acquired with grant funding. The reserve will be released to 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 2014/15 £	Total Funds 2013/14 £
Grants Receivable - Company				
Scottish Government	-	3,774,543	3,774,543	5,570,574
South Lanarkshire Council	-	100,000	100,000	543,255
European Regional Development Fund	-	841,840	841,840	1,044,857
Glasgow City Council	-	466,373	466,373	-
Transport Scotland	-	215,442	215,442	-
Skills Development Scotland	-	10,000	10,000	-
	-	5,408,198	5,408,198	7,158,686

Voluntary income includes £170,000 (2013/14: £nil) of property gifted by Glasgow City Council.

Grants Receivable – Group				
Scottish Government	-	14,820,655	14,820,655	38,059,132
European Regional Development Fund	-	6,095,380	6,095,380	5,021,803
Glasgow City Council	-	1,754,310	1,754,310	2,760,099
South Lanarkshire Council	-	2,531,000	2,531,000	1,684,561
Heritage Lottery Fund	-	69,024	69,024	269,984
Transport Scotland	-	215,442	215,442	-
Scottish Futures Trust	-	196,093	196,093	-
Skills Development Scotland	-	10,000	10,000	-
Historic Scotland	-	-	-	269,000
	-	25,691,904	25,691,904	48,064,579

CLYDE GATEWAY URC

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

2. Voluntary income (continued)	Total Funds 2014/15 £	Total Funds 2013/14 £
Clyde Gateway URC voluntary income	5,408,198	7,158,686
Clyde Gateway Developments Limited grant funding income	320,456	2,740,438
Movement in Clyde Gateway Developments Limited deferred income	(13,470,491)	12,735,431
Clyde Gateway Developments Limited land and property funding	33,433,741	25,430,024
	<u>25,691,904</u>	<u>48,064,579</u>

Voluntary income received in the year includes £719,177 (2013/14: £858,500), which represents the deemed market value of assets received from Glasgow City Council (£699,177) and South Lanarkshire Council (£20,000).

3. Activities for generating funds - group	Unrestricted Funds £	Restricted Funds £	Total Funds 2014/15 £	Total Funds 2013/14 £
Income from sale of land and properties	10,794,414	-	10,794,414	427,313

4. Investment income	Unrestricted Funds £	Restricted Funds £	Total Funds 2014/15 £	Total Funds 2013/14 £
Group				
Bank interest receivable	73,681	-	73,681	73,138
Rental income	469,771	-	469,771	381,149
Other income – Pension scheme ⁽¹⁾	71,000	-	71,000	32,000
	<u>614,452</u>	<u>-</u>	<u>614,452</u>	<u>486,287</u>

Company	Unrestricted Funds £	Restricted Funds £	Total Funds 2014/15 £	Total Funds 2013/14 £
Bank interest receivable	15,724	-	15,724	17,323
Gift Aid	7,787,841	-	7,787,841	483,074
Other income – Pension scheme ⁽¹⁾	71,000	-	71,000	32,000
Management charge	1,553,240	-	1,553,240	1,295,906
	<u>9,427,805</u>	<u>-</u>	<u>9,427,805</u>	<u>1,828,303</u>

⁽¹⁾ Other income – Pension scheme

Expected return on employer assets	254,000	-	254,000	192,000
Interest cost on liabilities	(183,000)	-	(183,000)	(160,000)
	<u>71,000</u>	<u>-</u>	<u>71,000</u>	<u>32,000</u>

CLYDE GATEWAY URC

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

5. Costs of Generating Voluntary Income	Unrestricted Funds £	Restricted Funds £	Total Funds 2014/15 £	Total Funds 2013/14 £
Grant contributions:				
- Sustainable place transformation	2,948,203	2,124,668	5,072,871	4,894,557
- Increasing economic activity	276,396	-	276,396	158,343
- Developing community capacity	150,955	213,733	364,688	542,977
Strategic planning feasibility studies	36,063	-	36,063	9,037
Valuation fees	-	235	235	3,210
Legal fees	4,672	1,822	6,494	24,425
Corporate marketing and advertising	1,128	73,219	74,347	56,750
Total - company	3,417,417	2,413,677	5,831,094	5,689,299
Grant contributions to third parties	900,511	-	900,511	566,445
Development costs	547,684	-	547,684	365,895
Property costs	986,972	-	986,972	902,736
Arts and Heritage activities	285	-	285	51,508
Total - group	5,852,869	2,413,677	8,266,546	7,575,883
6. Fundraising trading: cost of sales - group				
Cost of land and properties sold in the year	10,227,149	-	10,227,149	428,463
7. Support costs - group				
Payroll costs	-	1,609,930	1,609,930	1,543,395
Inward seconded staff costs	-	30,864	30,864	62,726
Staff training and development	-	10,526	10,526	11,148
Recruitment	-	-	-	17,415
Legal and professional fees	7,189	27,029	34,218	117,830
IT costs	-	11,087	11,087	16,862
Office costs	-	51,324	51,324	42,610
Depreciation	-	26,309	26,309	22,726
Irrecoverable VAT	45,055	139,344	184,399	90,793
Administrative expenses	54,951	13,984	68,935	41,555
Insurance	-	7,139	7,139	1,078
Loss/(gain) on fixed asset disposal	-	43,344	43,344	(18,073)
	107,195	1,970,880	2,078,075	1,950,065

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014/15 £	Total Funds 2013/14 £
8. Governance Costs - group				
Audit Fees	5,340	9,720	15,060	14,770

Operating results are stated after charging:-

Auditor's remuneration				
- as auditors			15,060	14,770
- accountancy			1,130	1,105
- corporation tax			910	900

In addition, a total of £16,700 (2013/14: £15,800) was invoiced in the year in respect of VAT advice provided by the auditor, with these costs having been capitalised by the group and subsequently impaired where appropriate.

9. Payroll Costs

The aggregate payroll costs were:-	Staff costs £	Inward Seconded staff £	2014/15 £	2013/14 £
Wages and salaries	1,223,766	24,042	1,247,808	1,240,887
Social security costs	114,665	2,182	116,847	119,056
Pension costs	271,499	4,640	276,139	246,178
	<u>1,609,930</u>	<u>30,864</u>	<u>1,640,794</u>	<u>1,606,121</u>

The pension costs for 2014/15 include an adjustment of £41,000 (2013/14: £14,000) in respect of FRS 17 valuation.

Full time equivalent number of employees	<u>25</u>	<u>1</u>	<u>26</u>	<u>26.5</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.

	2014/15 £	2013/14 £
Salary	127,047	124,090
Pension costs	24,520	23,949
	<u>151,567</u>	<u>148,039</u>

CLYDE GATEWAY URC

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

9. Payroll Costs (cont'd)

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

	2014/15 No.	2013/14 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>4</u>

Pension contributions totalling £48,645 (2013/14: £56,938) were made in the year ended 31 March 2015 in respect of employees earning in excess of £60,000 during the year.

No expenses were paid to directors during the year (2013/14: £nil).

10. Fixed Assets – Group

	Assets acquired for development £	Assets under construction £	Investment properties £	Company assets £	Total £
Cost or valuation					
At 1 April 2014	8,016,482	46,463,381	17,995,400	225,575	72,700,838
Additions during the year	2,424,021	30,758,179	44,137	274,773	33,501,110
Transfer to assets acquired for development	450,258	-	(450,258)	-	-
Transfer to investment properties	(359,171)	(10,406,564)	10,765,735	-	-
Transfer to stock and work-in-progress	(121,834)	(66,387,525)	(3,243,183)	(259,354)	(70,011,896)
Disposals	-	-	-	(120,364)	(120,364)
Revaluation written down	(55,000)	-	-	-	(55,000)
At 31 March 2015	<u>10,354,756</u>	<u>427,471</u>	<u>25,111,831</u>	<u>120,630</u>	<u>36,014,688</u>
Impairment and Depreciation					
At 1 April 2014	6,114,232	36,625,777	13,425,399	149,289	56,314,697
Impairment and depreciation provision for the year	2,069,409	324,587	5,088,685	26,309	7,508,990
Transfer to assets acquired for development	94,070	-	(94,070)	-	-
Transfer to investment properties	(15,705)	-	15,705	-	-
Transfer to stock and work-in-progress	239,000	(36,522,893)	(1,008,888)	(4,889)	(37,297,670)
Eliminated on disposal	-	-	-	(77,020)	(77,020)
At 31 March 2015	<u>8,501,006</u>	<u>427,471</u>	<u>17,426,831</u>	<u>93,689</u>	<u>26,448,997</u>
Net book value					
At 31 March 2015	<u>1,853,750</u>	<u>-</u>	<u>7,685,000</u>	<u>26,941</u>	<u>9,565,691</u>
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>

CLYDE GATEWAY URC

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

10. Fixed Assets - Company	Freehold Property £	Leasehold Improvements £	Plant & Equipment £	Furniture & Fittings £	Total £
Cost					
At 1 April 2014	-	115,056	98,523	11,996	225,575
Additions	259,354	-	15,419	-	274,773
Disposals	-	(115,056)	(5,308)	-	(120,364)
Transfer to stock and WIP	(259,354)	-	-	-	(259,354)
At 31 March 2015	-	-	108,634	11,996	120,630
Depreciation					
At 1 April 2014	-	63,616	79,670	6,003	149,289
Charge in year	4,889	11,504	7,581	2,335	26,309
Eliminated on disposal	-	(75,120)	(1,900)	-	(77,020)
Transfer to stock and WIP	(4,889)	-	-	-	(4,889)
As at 31 March 2015	-	-	85,351	8,338	93,689
Net Book Value as at 31 March 2015	-	-	23,283	3,658	26,941
Net Book Value as at 31 March 2014	-	51,440	18,853	5,993	76,286

Freehold property additions in the year include the £170,000 valuation of assets gifted by Glasgow City Council. Leasehold improvements on these properties are incorporated in this valuation and so leasehold improvements are shown as disposals in the year.

11. 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 £20,517,180 (2014: £26,623,713).

12. Stock and work-in-progress

	Group Stock £	Company Stock £
At 1 April 2014	10,216,999	-
Additions during the year	207,404	-
Transfer from tangible fixed assets - cost	70,011,896	259,354
Transfer from tangible fixed assets - impairment/depreciation	(37,297,670)	(4,889)
Disposals	(10,227,149)	-
Amounts written down	(21,764,515)	-
At 31 March 2015	11,146,965	254,465

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 2015

13. Debtors	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Scottish Government	2,027,956	19,787,972	1,809,962	2,169,671
South Lanarkshire Council	211,000	157,308	-	143,255
Transport Scotland	215,442	-	215,442	-
Glasgow City Council	283,260	-	-	-
Other debtors	50,000	107,250	-	-
VAT	-	942,098	-	348
Prepayments	273,156	60,936	220,423	19,348
Accrued income	1,358,054	1,092,780	142,580	886,630
Amounts owed by subsidiary	-	-	9,912,339	1,111,215
Trade debtors	199,880	226,593	-	-
	<u>4,618,748</u>	<u>22,374,937</u>	<u>12,300,746</u>	<u>4,330,467</u>

Amounts owed by subsidiary includes gift aid receivable of £7,787,841 which the directors of the subsidiary company intend to pay to Clyde Gateway URC by 31 December 2015.

14. Creditors: Amounts falling due within one year	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade creditors	1,991,188	4,654,110	186,615	248,149
Glasgow City Council	234,579	2,076,197	218,251	2,069,407
South Lanarkshire Council	371,281	115,953	254,281	115,953
Scottish Enterprise	11,700	20,354	11,700	20,354
Accruals	418,877	620,013	256,886	47,041
VAT	704,931	-	-	-
Deferred creditor	-	185,354	-	185,354
Deposits and rent received in advance	37,734	41,478	-	-
	<u>3,770,290</u>	<u>7,713,459</u>	<u>927,733</u>	<u>2,686,258</u>

15. Commitments	2015 £	2014 £
Capital expenditure authorised by the directors and contracted for amounted to	<u>2,398,039</u>	<u>26,418,413</u>
Capital expenditure authorised by the directors but not contacted for amounted to	<u>356,428</u>	<u>9,832,419</u>
Other expenditure authorised by the directors and contacted for amounted to	<u>3,335,201</u>	<u>5,234,736</u>
Other expenditure authorised by the directors but not contacted for amounted to	<u>360,640</u>	<u>3,963,843</u>

CLYDE GATEWAY URC

Notes to the Consolidated Financial Statements <i>For the year ended 31 March 2015</i>
--

16. Unrestricted reserve	Group £	Company £
At 1 April 2014	6,788,623	6,691,864
Activities for generating funds	10,794,414	-
Investment income - bank interest receivable	73,681	15,724
- rental income	469,771	-
- gift aid	-	7,787,841
- management charge	-	1,553,240
Other incoming resources	118,282	-
Resources expended	(16,193,470)	(3,418,334)
Transfer from land and property reserve	10,227,149	-
	<u>12,278,450</u>	<u>12,630,335</u>
17. Land and property reserve		£
At 1 April 2014		26,471,854
Additions to tangible fixed assets in year		33,226,337
Additions to stock and work-in-progress in year		207,404
Impairment – Tangible fixed assets		(7,482,681)
Write down of stock and work-in-progress to net realisable value		(21,764,515)
Transfer to unrestricted funds		(10,227,149)
At 31 March 2015		<u>20,431,250</u>
Analysed as:		
Tangible fixed assets		9,538,750
Stock and work-in-progress		10,892,500
		<u>20,431,250</u>

18. Controlling Party

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

19. 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.

CLYDE GATEWAY URC

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

20. Pension Commitments

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 Glasgow City Council's Actuary, Hymans Robertson, in their FRS 17 calculations are as follows:

Assumptions as at	31 March 2015	31 March 2014
Pension increases	2.5%	2.8%
Salary increases	4.0%	4.0%*
Expected return on assets	3.3%	6.0%
Discount rate	3.3%	4.3%
Mortality tables	Fund's VitaCurves with improvements in line with the CMI 2012 model assuming current rates of improvements have peaked and will converge to a long term rate of 1.5% p.a. for males and 1.25% p.a. for females	Fund's VitaCurves based on year of birth, medium cohort lagged for 10 years and minimum improvements from 2011 of 1.0% p.a. for males and 0.75% p.a. for females

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

The expected rates of return are set equal to the discount rate.

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

The mortality assumptions adopted imply the following life expectancies from age 65:

	2014/15	2013/14
Male currently aged 45	24.8 years	23.3 years
Male currently aged 65	22.1 years	21.0 years
Female currently aged 45	26.2 years	25.3 years
Female currently aged 65	23.6 years	23.4 years

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

20. Pension Commitments (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.

	Long term rate of return expected at 31/03/15	Value at 31/03/15 £'000	% of Scheme assets	Expected return £'000 per annum
Equities	3.3%	3,809	75.0%	126
Bonds	3.3%	660	13.0%	22
Property	3.3%	559	11.0%	18
Cash	3.3%	51	1.0%	2
Fair value of scheme assets		<u>5,079</u>	<u>100%</u>	<u>168</u>

	Long term rate of return expected at 31/03/14	Value at 31/03/14 £'000	% of Scheme assets	Expected return £'000 per annum
Equities	6.6%	3,112	76.0%	205
Bonds	3.7%	491	12.0%	18
Property	4.8%	287	7.0%	14
Cash	3.7%	205	5.0%	8
Fair value of scheme assets		<u>4,095</u>	<u>100%</u>	<u>245</u>

The above asset values as at 31 March 2015 are at bid value.

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

	31 March 2015 £'000	31 March 2014 £'000
Estimated Employer Assets (A)	<u>5,079</u>	<u>4,095</u>
Present Value of Scheme Liabilities	(6,084)	(4,066)
Present Value of Unfunded Liabilities	<u>(39)</u>	<u>(36)</u>
Total Value of Liabilities (B)	<u>(6,123)</u>	<u>(4,102)</u>
Net Pension Liability (A) – (B)	<u>(1,044)</u>	<u>(7)</u>

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.

CLYDE GATEWAY URC

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

20. Pension Commitments (continued)

Changes in the fair value of scheme assets are as follows:

	2014/15 £'000	2013/14 £'000
Opening fair value of scheme assets	4,095	3,555
Expected return	254	192
Contributions by members	97	93
Contributions by employer	231	226
Contributions in respect of unfunded benefits	2	1
Actuarial gains	439	57
Unfunded benefits paid	(2)	(1)
Benefits paid	(37)	(28)
	<u>5,079</u>	<u>4,095</u>
Closing fair value of scheme assets	<u>5,079</u>	<u>4,095</u>

Changes in the present value of the scheme liabilities are as follows:

Opening defined benefit liability	4,102	3,406
Current service cost	274	241
Interest cost	183	160
Contributions by members	97	93
Actuarial losses	1,506	231
Unfunded benefits paid	(2)	(1)
Benefits paid	(37)	(28)
	<u>6,123</u>	<u>4,102</u>
Closing defined benefit liability	<u>6,123</u>	<u>4,102</u>
Actual return on scheme assets	<u>554</u>	<u>249</u>

History of experience gains/(losses)

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Scheme assets	5,079	4,095	3,555	2,965	3,230
Defined benefit liability	(6,123)	(4,102)	(3,406)	(3,030)	(2,702)
(Deficit)/surplus in scheme	(1,044)	(7)	149	(65)	528
Experience adjustments on scheme assets	439	57	273	(742)	20
Experience adjustments on scheme liabilities	(162)	(36)	-	152	-

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

20. Pension Commitments (continued)

The following are recognised in the Statement of Financial Activities:

	2014/15 £'000	2013/14 £'000
Analysis of amount charged to operating profit:		
Service cost	274	241
Past service cost	-	-
Curtailment and Settlements	-	-
Decrease in irrecoverable surplus	-	-
	<u>274</u>	<u>241</u>
Total operating charge (A)	<u>274</u>	<u>241</u>
Amount Credited to Other Finance Income:		
Expected Return on Employer Assets	254	192
Interest on Pension Scheme Liabilities	(183)	(160)
	<u>71</u>	<u>32</u>
Net Return (B)	<u>71</u>	<u>32</u>
Net Revenue Account Cost (A)-(B)	<u>203</u>	<u>209</u>

The employer contributions for the year to 31 March 2016 will be approximately £207,000.

	2014/15 £'000	2013/14 £'000
Actual return less expected return on pension scheme assets	439	57
Experience gains and losses arising on the scheme liabilities	(162)	(36)
Changes in financial and demographic assumptions underlying the present value of scheme liabilities	(1,344)	(195)
	<u>(1,067)</u>	<u>(174)</u>
Actuarial loss	<u>(1,067)</u>	<u>(174)</u>

The cumulative amount of actuarial losses taken to the statement of total recognised gains and losses since the deficit was incorporated into the financial statements is £1.653m.

Movement in (deficit)/surplus during the year	2014/15 £'000	2013/14 £'000
Opening (deficit)/surplus	(7)	149
Current service cost	(274)	(241)
Employer contributions	231	226
Contributions in respect of unfunded benefits	2	1
Other income	-	-
Other outgoings (e.g. expenses, etc)	-	-
Past service costs	-	-
Impact of settlements and curtailments	-	-
Net return on assets	71	32
Actuarial losses	(1,067)	(174)
	<u>(1,044)</u>	<u>(7)</u>
Deficit at end of year	<u>(1,044)</u>	<u>(7)</u>

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

20. Pension Commitments (continued)

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Changes in assumptions at 31 March 2015:	Approx. % increase to employer liability	Approx. monetary amount £'000
0.5% decrease in real discount rates	13%	807
1 year increase in member life expectancy	3%	184
0.5% increase in the salary increase rate	6%	386
0.5% increase in the pension increase rate	6%	393

21. Revaluation reserve

	£
At 1 April 2014	55,000
Revaluation written down	(55,000)
At 31 March 2015	-

22. Analysis of net assets between funds

	Unrestricted funds £	Land and property reserve £	Pension scheme reserve £	Restricted funds £	Total funds £
Group					
Tangible fixed assets	26,941	9,538,750	-	-	9,565,691
Current assets	13,466,366	10,892,500	-	14,272,084	38,630,950
Current liabilities	(1,214,857)	-	-	(2,555,433)	(3,770,290)
Pension scheme liability	-	-	(1,044,000)	-	(1,044,000)
At 31 March 2015	<u>12,278,450</u>	<u>20,431,250</u>	<u>(1,044,000)</u>	<u>11,716,651</u>	<u>43,382,351</u>
Company					
Tangible fixed assets	26,941	-	-	-	26,941
Investments	100	-	-	-	100
Current assets	12,704,488	-	-	3,162,071	15,866,559
Current liabilities	(101,194)	-	-	(826,539)	(927,733)
Pension scheme liability	-	-	(1,044,000)	-	(1,044,000)
At 31 March 2015	<u>12,630,335</u>	<u>-</u>	<u>(1,044,000)</u>	<u>2,335,532</u>	<u>13,921,867</u>

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

23. 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 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.

24. 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. 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 director concerned declared their interest and took no part in the corresponding Board decision to proceed with the transaction.

<u>Director</u>	<u>Project description</u>	<u>Cost</u>
George Redmond	In May 2014 Clyde Gateway URC acquired the premises at 9 Bridgeton Cross from the Bridgeton, Calton and Dalmarnock Credit Union. The price paid reflects the independent market valuation. George Redmond is an employee of Bridgeton, Calton and Dalmarnock Credit Union.	£85,000

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

24. Directors' interests in contracts (cont'd)

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	Board Member
	City Building (Glasgow) LLP	Chair
	Strathclyde Partnership for Transport	Board Member
	The People's Development Trust	Employee
Denis McKenna	South Lanarkshire Council	Councillor
	Strathclyde Partnership for Transport	Vice-Chair
Allan McQuade	Scottish Enterprise	Employee
George Redmond	Glasgow City Council	Councillor
	Bridgeton, Calton and Dalmarnock Credit Union	Employee
Christopher Thompson	South Lanarkshire Council	Councillor
	Lanarkshire Business Gateway Steering Group	Chair
	Glasgow & Clyde Valley Cabinet (City Deal)	Substitute Member
	Strathclyde Partnership for Transport	Board Member
	Supplier Development Programme	Chair
Jim Watson	Scottish Enterprise	Employee
Stuart Patrick	Glasgow Chamber of Commerce	Chief Executive

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

	2015 £	2014 £
Net incoming resources per Statement of Financial Activities	16,710,159	39,023,552
Interest receivable	(73,681)	(73,138)
Loss/(gain) on fixed asset disposals	43,344	(18,073)
Movement in pension reserve	1,037,000	156,000
Actuarial (losses)/gains on defined benefit pension scheme	(1,067,000)	(174,000)
Depreciation charge	26,309	22,726
Additions to stock and work-in-progress	(207,404)	(849,724)
Release from land and property reserve to profit and loss account	10,227,149	428,463
Decrease/(increase) in debtors	17,756,189	(14,845,020)
(Decrease)/increase in creditors	(3,943,169)	6,653,472
Net cash inflow from operating activities	<u>40,508,896</u>	<u>30,324,258</u>

CLYDE GATEWAY URC

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

26. Analysis of Changes in Net Cash Resources

	As at 1 April 2014 £	Cash flow £	As at 31 March 2015 £
Cash at bank and in hand	<u>15,783,770</u>	<u>7,081,467</u>	<u>22,865,237</u>