

Principal  
- Assets signed

**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

**COMPANY REGISTRATION NUMBER: SC335662**

**CLYDE GATEWAY DEVELOPMENTS LIMITED  
OFFICERS AND ADVISERS**

---

Directors

David Bankier  
John Gallacher (Chairman)  
Greg Hepburn  
Stuart Heslop  
Ian Manson  
Derek McCrindle  
Allan McQuade  
Carol Nugent

Company Secretary

Michelle Barr

Registered office

The Olympia  
2-16 Orr Street  
Glasgow  
G40 2QH

Banker

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

Auditor

Azets Audit Services  
Statutory Auditor  
Chartered Accountants  
25 Bothwell Street  
Glasgow  
G2 6NL

**CLYDE GATEWAY DEVELOPMENTS LIMITED  
CONTENTS**

---

	Page
<b>Strategic Report</b>	1
<b>Directors' Report</b>	7
<b>Independent Auditor's Report</b>	9
<b>Statement of Comprehensive Income</b>	12
<b>Statement of Financial Position</b>	13
<b>Statement of Changes in Equity</b>	14
<b>Notes to the Financial Statements</b>	15

## CLYDE GATEWAY DEVELOPMENTS LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

---

The directors present the Strategic Report, the Directors' Report and the financial statements for the year ended 31 March 2020.

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

Clyde Gateway Developments Limited (CGDL) is a private company limited by shares with the shares being 100% owned by Clyde Gateway URC (CGURC). The company has the same objective as its parent charitable body which 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.

CGDL was established as the main delivery vehicle for commercial property projects within the Clyde Gateway operating area particularly the acquisition and subsequent development of land and buildings for these purposes. The three strategic objectives which provide a more detailed framework for CGDL's activities are:

Sustainable Place Transformation is focused on the overall infrastructure and environment of the area, increasing the attractiveness of Clyde Gateway as a place to live and work.

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

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

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

Funding for CGDL'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 of CGURC. Glasgow City Council (GCC) and South Lanarkshire Council (SLC) also provide land holdings on a phased basis over the anticipated 20 year lifespan of the project. This partnership support provides a platform to leverage significant levels of other public and private sector development funding into the area.

The Clyde Gateway URC group received £6.13m of core funding from the Scottish Government in 2019/20 and also applies on an individual project bidding basis to the Scottish Government's Regeneration Capital Grant Fund (RCGF). To date the group has drawn down £16.3m from this fund for eight projects.

Core funding of £5.5m has been awarded by the Scottish Government for 2020/21.

The assessment of confirmed grant awards, prudent forecasts of other anticipated income sources and available reserves demonstrates that the group has sufficient resources to allow the directors to have a reasonable expectation that existing regeneration commitments and planned projects can be funded for at least twelve months from the date of signing the financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

The Clyde Gateway URC group will continue to seek new funding sources to supplement the amounts available from the Scottish Government, its three members and accumulated reserves. The aim is to maximise the investment which the group makes into the communities it serves.

## **CLYDE GATEWAY DEVELOPMENTS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020**

---

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

During the 2019/20 financial year further substantive progress was made in taking forward the design, planning and consultation needed to tackle the long-standing infrastructure constraints, such as drainage and contamination, which inhibit key districts, particularly Dalmarnock and Shawfield, from attracting new jobs and investment.

The following strategic projects, which are taking forward the physical, economic and social transformation of the Clyde Gateway area, were progressed during 2019/20:

#### **National Business District, Shawfield Phases 1 and 2**

The successful remediation of heavily contaminated land 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.

Launched in October 2016 as a new national business district, Magenta Business Park has capacity for development of up to 111,483.6 sq m (1.2m sq ft) of offices and the creation of 12,000 jobs, once completed. Development partners, Highbridge Properties have been focusing on securing pre lets and Savills, CBRE and Ryden have been appointed as property agents with monthly meetings being held between Highbridge, CG and the agents to discuss, progress and identify both existing and future targets. In addition, efforts continue to explore forward funding for a 5,574.18 sq m (60,000 sq ft) scheme backed by a guarantee from Scottish Enterprise.

Separately, the Red Tree Magenta building at Shawfield Phase 1 was 100% let by May 2019 with 169 people working within the building.

The scale and complexity of the decontamination and infrastructure challenges at the Phase 2 Shawfield site are such that they are incapable of being addressed without continued significant levels of public sector support. Following agreement with the regulator, SLC, and their advisor Scottish Environmental Protection Agency, on the remediation strategy, works on land in CGDL's ownership in the Phase 2 site commenced in May 2019 and were completed in July 2020.

To support the ongoing remediation strategy at Shawfield, premises at Southcroft Road were acquired. Limitations on available funding do not permit at this time the Phase 2 remediation strategy to address the highest areas of chromium contamination that is known to exist in this and other Phase 2 sites. Substantial further investment will therefore be required in order to release this land for future industrial development.

#### **Shawfield Development Link Road (SDLR)**

In view of various constraints on required land acquisitions and available funding the SDLR project has been paused and is not contained within the current funded Operating Plan. The Clyde Gateway Strategic Roads Assessment emphasises the importance of the SDLR in order to support the longer term development of Shawfield and beyond with much of the modelling based upon the inclusion of the SDLR. Further consideration will be given to the land acquisition strategy for the entire road length and the availability of funding.

## CLYDE GATEWAY DEVELOPMENTS LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

---

#### Review of the business and future development (continued)

##### Remediation and Infrastructure Works – Dalmarnock

Expenditure of £554k was made in Central Dalmarnock during the year. This work supports the development of the South Dalmarnock Integrated Urban Infrastructure Framework which provides a vision to unlock the development potential of the area and will provide platforms for a range of mixed uses, including residential and commercial development.

##### Purifier Studios - Dalmarnock

Work was completed in May 2019 on a first phase project costing £2.2m to restore and preserve the Purifier Shed and Meter House in Dalmarnock, pending longer term development proposals. Although not listed buildings, these are the only remaining traces of the historically important Dalmarnock Gas Works site and form two of only five historic buildings of heritable value within Central Dalmarnock.

In March 2020 CGDL drew down RCGF funding of £2m towards a £3.66m project to construct the first two of five studios. The RCGF bid was based on a total project cost of £3.66m to deliver the first two studios, creating 1,365sqm (14,690sqft) of net lettable office space and 114 jobs, across ground and mezzanine levels. Market intelligence and the securing of loan funding in March 2020 has resulted in acceleration of the project to include the necessary substructure and glass curtain walling. This will minimise disruption to prospective tenants in the first two units as the remaining units are built out and increase the likelihood of securing early occupation of the initial units. The revised budget for the expanded project is £6.47m. CGDL completed an agreement with Scottish Enterprise for a £2.618m working capital loan to support this project. A main contractor has been procured with works due to commence in September 2020.

Work is under way in 2020/21 to secure further funding to complete the remaining three units, with the completed building offering a total of 3,816sqm (41,074sqft) of business space and up to 300 jobs.

##### Clyde Gateway Integrated Energy Strategy

CGDL has continued to work in partnership with several organisations to address the “Climate Emergency” declared by the Scottish Government in May 2019.

- (i) **Sharc Energy Centre and District Heating, Dalmarnock**  
During 2018/19 CGDL issued a loan of £450k to Sharc Highlands Limited (SHL) to support a £4.6m project to extract heat from waste water. The project involved onward supply of low carbon heat to local businesses. Technical challenges led to significant cost increases and SHL entered administration from 15 October 2019 without completing the project. A prudent approach to recovery of the loan from CGDL was taken in March 2019 with a full provision against non-payment reflected in the financial statements. The terms of the development agreement between CGDL and SHL resulted in the partially complete building on the site becoming the property of CGDL on administration. Works are underway to prepare this site for eventual sale as a partially completed building.

**Review of the business and future development (continued)**

(ii) Community Energy Project (CEP), Dalmarnock

In November 2018 CGDL was awarded a grant of £2.1m from Scottish Power Energy Networks (SPEN) through its Green Economy Fund which would be applied against the capital costs of delivering a low carbon community energy project in Dalmarnock. This project is to support construction of a combined heat and power energy centre (CHP) and a district heating network in partnership with Scottish Water Horizons (SWH). The CEP project comprises an energy centre delivered by SWH which will generate the power required at its Dalmarnock Waste Water Treatment Works, with the heat by-product supplied as hot water through a Heat Supply Agreement (HSA) with CGDL for onward sale into the first phase of a large scale District Heating Network (DHN) that is being developed across the central Dalmarnock area. The DHN will provide future proofed affordable heating via hot water to homes and businesses including CGDL's Dalmarnock Purifier Studios

Total capital cost including SWH's investment is £6.2m, net of recoverable VAT, against which a grant of £2.1m has been secured from the Green Economy Fund established by SPEN to support initiatives that will benefit Scotland's communities and support the Scottish and UK Governments' energy ambitions. £1.2m of the grant will be paid via CGDL to SWH.

(iii) D2 Grids, Shawfield (Phase 1)

CGDL is participating in a European Regional Development Fund (ERDF) funded European INTERREG North West Europe (NWE) programme with European partners including the Mijnwater project based in Heerlen, Netherlands and other partners in Germany, France and Belgium to include a pilot proposal for Shawfield via a low temperature circuit referred to as an 'ambient loop' which can supply low grade energy. The project would integrate with other energy projects at Dalmarnock and utilise the SMART Bridge to deliver the low temperature ambient loop to serve the Magenta office park. Feasibility studies have continued on this project during 2019/20. Delivery of this project is subject to availability of funding and completion of due diligence.

(iv) UK Geoenery Observatories Project

In 2018 CGDL entered into leases with the British Geological Survey (BGS) on sites in Dalmarnock and Cuningar. BGS commenced drilling of test boreholes as part of a £9m investment from the Natural Environments Research Council's UK Geoenery Observatories project. The boreholes will be monitored by BGS over a 20 year period as part of a study of the mined subsurface below the Clyde Gateway area and the potential around low temperature geothermal energy and heat storage.

Rutherglen Links Office Pavilions

An award of £2m from the Scottish Government's Regeneration Capital Grant Fund was granted in 2018/19 for a £4.4m project to construct two office pavilions totalling 1,393 square metres on the adjacent vacant land. The spaces are aimed at small to medium sized enterprises and will complete RLBP.

A loan agreement was concluded in March 2019 with Scottish Enterprise to partly fund this project. Construction of the office pavilions commenced in May 2019 with completion originally scheduled for March 2020. Work was paused on this development on 24 March due to COVID-19, recommenced in June and is estimated to complete In November 2020.

## CLYDE GATEWAY DEVELOPMENTS LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

---

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

##### Landressy Street Civic Hub – Bridgeton

Construction works commenced on site in October 2019 on a 600 square metre office building for a civic occupier with the building originally due for completion by June 2020. The £2.1m building will form part of a new civic quarter at the heart of Bridgeton focused around the Glasgow Women's Library and The Olympia building. Construction works were paused on 24 March due to COVID-19, recommencing in June 2020. The revised completion date is December 2020.

##### Clyde Gateway East Business Park

Plot 4 was sold during 2019/20 to a private sector developer – leveraging in £5m to develop a hub facility for a major logistics occupier providing an initial 100 jobs on completion. The manufacturing and engineering hub at Unit 201 was let during the year.

#### **Financial review**

##### Assets acquired for development

There were no land asset transfers during the year land assets by GCC to Clyde Gateway Developments Limited (2018/19: £350k).

##### Impairment review

The value of land and buildings held for regeneration purposes are reviewed annually either by an employee or external valuer registered by the Royal Institution of Chartered Surveyors to undertake accredited valuations. Assets are held at cost until their intention of use 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 and assets under construction. A total impairment provision of £10,261,912 has been recorded within these financial statements for 2019/20. This impairment provision reflects the cost of bringing long-standing vacant, derelict and contaminated land and buildings back into productive commercial use.

##### Investment properties

Investment properties, incorporating the new Red Tree Magenta building, were revalued at the year end resulting in a net gain of £1,291,845 (2018/19: £2,191,148).

##### Stock

The cost of land and properties purchased with a view to resale is shown as stock and is valued at the lower of cost and net realisable value. All such valuations were performed by Royal Institution of Chartered Surveyors valuation registered staff, resulting in a previous impairment charge of £148,811 being reversed and a further impairment provision of £192,263 being recognised.

##### Property disposals from stock

Proceeds generated from land and property disposals totalled £920,000 in 2019/20 (2018/19: £150,780) and will be applied against planned future regeneration activities. A programme of further disposals is in place.



## CLYDE GATEWAY DEVELOPMENTS LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

---

#### Financial review (continued)

##### Corporation tax and gift aid

Under FRS102 Charities Statement of Recommended Practice (second edition 2019), a company is required to have sufficient distributable reserves at the point in time when it actually makes the Gift Aid payment. As at 31 March 2020 CGDL has distributable reserves of £597,669 which is insufficient to mitigate in full the Corporation Tax liability on its taxable profits of £660,925 through a Gift Aid payment to its parent charity. It is proposed to review the proposed Gift Aid around the half year point in 2020/21 and to maximise the Gift Aid to CGDL's taxable profits of £660,925, should sufficient distributable reserves be available. A Corporation Tax liability of £nil due by 1 January 2021 is reported in CGDL's company financial statements at 31 March 2020 (2018/19: £22,239). The Gift Aid payment itself will be made before 31 December 2020 and will be reflected in CGDL's and CGURC's company financial statements for 31 March 2021.

##### Continued Focus

During the 2020/21 financial year the company will continue to focus its activities on physical regeneration, identifying and securing commercial property opportunities as well as providing business development and skills and employability initiatives.

#### Risk Management

CGDL 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.


The Risk Register is reviewed at least quarterly by the senior management team and any recommended changes are considered by the Audit & Evaluation Committee. Thereafter a Risk Register report is submitted for consideration at the next Board meeting.

A separate Risk Register was established as part of the Business Continuity Plan in response to the COVID-19 pandemic.

#### Payments to suppliers

The company is committed to paying its suppliers within 30 days of the date of receipt of agreed invoices where no other contractual arrangement applies.

This report has been approved on behalf of the board by:

  
**John Gallacher**  
Chair

Date: 19 November 2020

## **CLYDE GATEWAY DEVELOPMENTS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020**

---

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2020.

#### **Matters covered in the Strategic Report**

The information regarding the principal activities and strategic goals, review of business and future developments, financial review, risk management and payments to suppliers is shown in the Strategic Report and not the Directors' Report.

#### **Board of directors**

The directors who served the company during the year and since the year end date were as follows:

David Bankier	Ian Manson
John Gallacher	Derek McCrindle
Greg Hepburn	Allan McQuade
Stuart Heslop	Carol Nugent

The company maintains directors' and officers' liability insurance which provides cover against liabilities which they may incur personally as a consequence of claims made against them alleging breach of duty or other wrongful acts or omission in their capacity as directors or officers.

#### **Code of conduct**

CGDL supports the highest standards of corporate governance and has in place a code of conduct for its directors. The company operates strict and comprehensive procedures to deal with potential conflicts of interest. These include holding, and updating annually, a register of directors' interests which is open to public inspection.

#### **Directors and their interests**

Where a director has an interest in a project under consideration by the board then they are required to declare the interest and thereafter to take no part in the appraisal or approval of the case. Such declarations by directors are recorded in the minutes of the appropriate board meeting. Details of any directors' interests in contracts are given in note 22 to the accounts.

#### **Audit & Evaluation Committee**

These accounts were reviewed by the group Audit & Evaluation Committee at its meeting on 10 August 2020. At that date, the committee members were David Bankier (Committee Chair and director of CGDL), John Anderson, Robert McLeary, Jim Watson (all directors of CGURC) and Greg Hepburn (director of CGURC and CGDL).

#### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

## CLYDE GATEWAY DEVELOPMENTS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

---

#### Statement of directors' responsibilities (continued)

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Disclosure of information to the auditor

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

- a) as 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.

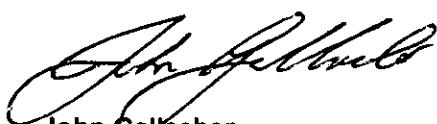
#### Post balance sheet events

CGDL concluded the sale of Unit 201 at Clyde Gateway East on 3 November 2020, for a sales price of £3.2m. On the same day CGDL repaid in full the £1m Amber/SPRUCE loan which had been secured against this property.

#### Auditor

Following the acquisition of Scott-Moncrieff Chartered Accountants by Azets, Scott-Moncrieff Chartered Accountants resigned as auditor and were replaced by Azets Audit Services Limited, trading as Azets Audit Services, a company owned by Azets. Azets Audit Services will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

The Directors' Report has been approved on behalf of the board by:



John Gallacher  
Chair

Date: 19 November 2020

## **CLYDE GATEWAY DEVELOPMENTS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLYDE GATEWAY DEVELOPMENTS LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

---

#### **Opinion**

We have audited the financial statements of Clyde Gateway Developments Limited for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit 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 requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the ongoing effect of Covid-19 on the UK economy is ever-changing and therefore it is difficult to evaluate all the potential implications to the company's activities, customers, suppliers and the wider economy.

## **CLYDE GATEWAY DEVELOPMENTS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLYDE GATEWAY DEVELOPMENTS LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

---

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the directors**

As explained more fully in the Directors' Responsibilities Statement on pages 7 and 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLYDE GATEWAY DEVELOPMENTS LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

---

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's Report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services*

**Allison Gibson (Senior Statutory Auditor)**  
**For and on behalf of**  
**Azets Audit Services, Statutory Auditor**  
Chartered Accountants  
25 Bothwell Street  
Glasgow  
G2 6NL

Date: *27 November 2020*

**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2019/20 £	2018/19 £
Turnover	5	4,145,966	3,634,744
Cost of sales		(3,361,356)	(2,097,750)
<b>Gross profit</b>		<b>784,610</b>	<b>1,536,994</b>
Administration expenses		(1,042,710)	(1,476,805)
<b>Operating (loss)/profit excluding capital works</b>		<b>(258,100)</b>	<b>60,189</b>
Grant income – capital		10,511,071	8,904,352
Unrealised impairment loss	8, 9	(10,305,364)	(7,258,985)
Gain on revaluation of investment properties	8	1,291,845	2,191,148
<b>Operating profit for the year</b>	6	<b>1,239,452</b>	<b>3,896,704</b>
Interest received		43,484	26,333
Interest paid		(33,012)	(22,500)
<b>Profit on ordinary activities before taxation</b>		<b>1,249,924</b>	<b>3,900,537</b>
Taxation on profit on ordinary activities	7	(207,903)	(654,227)
<b>Profit for the financial year after taxation and total comprehensive income</b>		<b>1,042,021</b>	<b>3,246,310</b>

The notes on pages 15 to 27 form part of these financial statements

**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2020**

	Notes	31 March 2020 £	31 March 2019 £
<b>Fixed assets</b>			
Tangible assets	8	18,715,562	16,742,102
<b>Current assets</b>			
Stock	9	5,221,419	5,987,906
Debtors: amounts falling due in more than one year	10	-	-
Debtors: amounts falling due within one year	11	5,758,276	9,214,679
Cash and cash equivalents	12	12,301,225	7,627,581
		<u>23,280,920</u>	<u>22,830,166</u>
<b>Creditors</b>			
Amounts falling due within one year	13	(13,538,280)	(14,908,314)
<b>Net current assets</b>		<b>9,742,640</b>	<b>7,921,852</b>
<b>Creditors: amounts falling due in more than one year</b>	14	<b>(5,522,873)</b>	<b>(3,000,000)</b>
<b>Provisions for liabilities</b>	15	<b>(2,447,344)</b>	<b>(2,217,990)</b>
<b>Net assets</b>		<b><u>20,487,985</u></b>	<b><u>19,445,964</u></b>
<b>Equity</b>			
Called up share capital	16	100	100
Profit and loss reserve	17	597,669	(66,154)
Land and property reserve	17	19,890,216	19,512,018
		<u>20,487,985</u>	<u>19,445,964</u>

These financial statements have been authorised for issue by the Board on 19/11/2020 and signed on its behalf by:



**John Gallacher**  
Chair

**Company number: SC335662**

The notes on pages 15 to 27 form part of these financial statements



**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

	Share capital £	Profit and loss reserve £	Land and property reserve £	Total equity £
At 1 April 2018	100	(177,286)	16,376,840	16,199,654
<b>Comprehensive income</b>				
Profit for year and total comprehensive income	-	3,246,310	-	3,246,310
Transfer between profit and loss reserve and land and property reserve	-	(3,135,178)	3,135,178	-
At 31 March 2019	<u>100</u>	<u>(66,154)</u>	<u>19,512,018</u>	<u>19,445,964</u>
<b>Comprehensive income</b>				
Profit for year and total comprehensive income	-	1,042,021	-	1,042,021
Transfer between profit and loss reserve and land and property reserve	-	(378,198)	378,198	-
At 31 March 2020	<u><u>100</u></u>	<u><u>597,669</u></u>	<u><u>19,890,216</u></u>	<u><u>20,487,985</u></u>

The notes on pages 15 to 27 form part of these financial statements

## CLYDE GATEWAY DEVELOPMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

---

#### 1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company.

Clyde Gateway Developments Limited is a private company limited by shares incorporated in the United Kingdom and registered in Scotland. The company's registered number is SC335662. Details of the registered office can be found on the officers and advisers page of these financial statements.

#### 2. Statement of compliance

The financial statements of Clyde Gateway Developments Limited have been prepared in compliance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102) and the Companies Act 2006.

#### 3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to both years presented in dealing with items which are considered material in relation to the company's financial statements unless otherwise stated.

##### Basis of preparation

The financial statements are prepared under the historical cost convention (modified to include the revaluation of certain assets).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the accounting policies (see note 4).

The company is a wholly owned subsidiary of Clyde Gateway URC. Exemption has been taken from preparing a Statement of Cash Flows on the grounds that a consolidated Statement of Cash Flows is disclosed within the publicly available consolidated financial statements of Clyde Gateway URC. The consolidated financial statements may be obtained from Clyde Gateway URC, The Olympia, 2-16 Orr Street, Glasgow, G40 2QH.

##### Going concern

As referred to in the Directors' Report, a funded operating plan has been prepared up to 2021/22. Given the strong cash position and net assets held by the company, the going concern assumption is deemed appropriate.

##### Sale of land

Revenue from the sale of land is recognised in the Statement of Comprehensive Income when the company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the company will receive the consideration due under the transaction.

##### Grant income

Grant income is recognised in the Statement of Comprehensive Income on a straight-line basis over the periods necessary to match them with the relevant costs. Income is not recognised until there is reasonable assurance that it will be received.

## CLYDE GATEWAY DEVELOPMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

---

#### 3. Accounting policies (continued)

##### Rental income - operating leases

In the normal course of business Clyde Gateway Developments Limited may offer rental incentives to tenants. Where this occurs as part of an operating lease, then the income due over the life of the lease is recognised on a straight line basis over the non-cancellable period for which the lessee has contracted to lease the asset, together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

When at the inception of the lease it is not reasonably certain that the lessee will exercise the option, then the income due over the life of the lease is recognised on a straight line basis up until the date of the first break clause in the lease agreement.

Any other tenant incentives, such as contributions to fit out, are recognised in the financial year when the obligation conditions have been met.

##### Service charge income

Service charge income is recognised in the Statement of Comprehensive Income on a straight line basis over the term of the rental lease.

##### Interest received

Interest received is recognised in the Statement of Comprehensive Income using the effective interest rate method. This methodology uses the interest rate applied to bank deposit accounts.

##### Interest payable

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### Current and deferred taxation

Tax is recognised in the Statement of Comprehensive Income, except to the extent it relates to items recognised in other comprehensive income or directly in equity.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date in the countries where the company operates and generates income.

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the Statement of Financial Position date. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

**3. Accounting policies (continued)**

Tangible assets

Assets acquired for development include 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, for those assets which are intended to be sold.

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 registered 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 external valuation having taken place as at 31 March 2019.

Increases and decreases in asset values of investment properties on revaluation are reflected within the cost or valuation section of the tangible asset note, with the respective gains or losses being recognised directly in the Statement of Comprehensive Income.

At each reporting date, the company reviews the carrying amounts of its assets acquired for development and its assets under construction, to determine whether there is any indication that those assets have suffered an impairment loss. The recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in the Statement of Comprehensive Income. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately in the Statement of Comprehensive Income.

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 Statement of Comprehensive Income.

Expenditure on any development schemes that are subsequently aborted is written off to the Statement of Comprehensive Income 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.

Assets acquired for development and assets under construction are carried at cost less impairment, and no depreciation is charged during the construction period. Investment property assets are valued at fair value at the Statement of Financial Position date, and hence are not depreciated.

## CLYDE GATEWAY DEVELOPMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

---

#### 3. Accounting policies (continued)

##### Stock

Stock represents the cost of land and properties purchased with a view to resale. Where it is intended that an asset under construction will be sold then it is transferred from tangible assets to stock. Stock is valued at the lower of cost and net realisable value and any impairment is recognised as a charge against the Statement of Comprehensive Income.

##### Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and balances with related parties. Financial instruments that are payable or receivable within one year, typically trade debtors or creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Amortised cost is defined as the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method, and minus any deduction for impairment or uncollectability.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

##### Debtors

Short term debtors are measured at transaction price, less any impairment. Long term debtors are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method, less any impairment.

##### Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

##### Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## CLYDE GATEWAY DEVELOPMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

---

#### 3. Accounting policies (continued)

##### Retention payments

Clyde Gateway Developments Limited recognises a retention payment as a liability in the Statement of Financial Position when there is an obligation at the end of the financial year as a result of a past event, it is probable that payment will be required, and the settlement amount can be measured reliably, unless there is uncertainty over whether conditions of payment will be met, In this case the sum is not accrued and expenditure is recognised when it is incurred.

##### Provisions

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

##### Share capital

Ordinary shares are classified as equity. Called up and paid share capital represents the nominal value of shares that have been issued.

##### Land and property reserve

The land and property reserve represents a non-distributable element of the profit and loss reserve. The company obtains grant funding to fund the majority of its capital development works which are recognised as income in the Statement of Comprehensive Income. The cost of the works performed are capitalised within tangible assets and stock. Unrealised gains or losses on revaluation of assets are reflected in the Statement of Comprehensive Income. The reserve will be released to the profit and loss reserve in the event of any of the assets being sold.

#### 4. Judgements in applying policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied to the principles underlying the valuation of tangible assets and stock. The revaluation of investment properties and impairment of all other tangible assets and stock has been deemed reasonable.

**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

<b>5. Turnover</b>		<b>2019/20</b>	<b>2018/19</b>
		£	£
	Turnover for the year is analysed as follows:		
	Grant funding	1,400,433	1,596,964
	Sale of land and property	920,000	150,780
	Rental income	1,305,707	862,316
	Lease variation	-	500,000
	Service charge income	274,822	220,397
	Other income	176,120	136,853
	Insurance and compensation	68,884	167,434
		<u>4,145,966</u>	<u>3,634,744</u>

All turnover arose within the United Kingdom.

The future minimum lease rentals receivable under operating leases fall due as follows:

	<b>2019/20</b>	<b>2018/19</b>
	£	£
Not later than one year	926,256	718,258
Later than one year and not later than 5 years	2,430,000	1,164,015
Later than 5 years	1,342,060	132,147
	<u>4,698,316</u>	<u>2,014,420</u>

<b>6. Operating profit</b>		<b>2019/20</b>	<b>2018/19</b>
		£	£
	The operating profit is stated after charging:		
	Auditor's remuneration		
	- as auditor	8,470	8,285
	- other services – corporation tax compliance	1,955	1,910
	- other services – accountancy	510	500
	- other services – tax advisory	2,750	-
		<u>13,685</u>	<u>11,605</u>

The average number of employees (including directors) during the year was nil (2018/19: nil).

No director received any emoluments during the year (2018/19: £nil).

<b>7. Taxation</b>		<b>2019/20</b>	<b>2018/19</b>
		£	£
	The tax charge for the year was as follows:-		
	Corporation tax	-	43,670
	Adjustments in respect of previous periods	(21,451)	-
	Deferred tax	299,354	610,557
		<u>207,903</u>	<u>654,227</u>

**CLYDE GATEWAY DEVELOPMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020****7. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower (2018/19: lower) than the standard rate of corporation tax in the UK of 19% (2018/19: 19%). The differences are explained below:

	<b>2019/20</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<b>1,249,924</b>	<b>3,900,537</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018/19: 19%)	<b>237,486</b>	<b>741,102</b>
Effects of:		
Expenses not deductible for tax purposes	<b>2,130,642</b>	<b>1,410,713</b>
Income not taxable for tax purposes	<b>(2,242,551)</b>	<b>(2,108,145)</b>
Adjustments to brought forward values	<b>(125,576)</b>	<b>-</b>
Movement in deferred tax on potential chargeable gains	<b>256,336</b>	<b>682,387</b>
Adjustments in respect of previous periods	<b>(21,451)</b>	<b>-</b>
Adjustment to deferred tax rate	<b>(26,983)</b>	<b>(71,830)</b>
Total tax charge for the year	<b>207,903</b>	<b>654,227</b>



**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

8. Tangible assets	Assets acquired for development £	Assets under construction £	Investment properties £	Total £
<b>Cost or valuation</b>				
At 1 April 2019	11,254,107	21,961,471	14,055,000	47,270,578
Additions during the year	837,753	10,016,369	89,405	10,943,527
Revaluation of investment properties	-	-	1,291,845	1,291,845
At 31 March 2020	<u>12,091,860</u>	<u>31,977,840</u>	<u>15,436,250</u>	<u>59,505,950</u>
<b>Impairment and depreciation</b>				
At 1 April 2019	9,721,858	20,806,618	-	30,528,476
Impairment provision for year	775,763	9,486,149	-	10,261,912
At 31 March 2020	<u>10,497,621</u>	<u>30,292,767</u>	-	<u>40,790,388</u>
<b>Net book value</b>				
At 31 March 2020	<u>1,594,239</u>	<u>1,685,073</u>	<u>15,436,250</u>	<u>18,715,562</u>
At 31 March 2019	<u>1,532,249</u>	<u>1,154,853</u>	<u>14,055,000</u>	<u>16,742,102</u>

Investment properties were revalued at 31 March 2020 by an employee of Clyde Gateway URC. The employee who undertook the valuation is a fully qualified member of the Royal Institution of Chartered Surveyors (RICS) and holds its accredited valuer status.

Impairment losses in respect of assets acquired for development and assets under construction amounted to £10,261,912 and were recognised in the Statement of Comprehensive Income during the year (2018/19: £6,850,061). Investment properties were revalued at 31 March 2020, resulting in a gain of £1,291,845 (2018/19: gain of £2,191,148) being recognised in the Statement of Comprehensive Income.

**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

<b>9. Stock</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
At 1 April	<b>5,987,906</b>	5,587,540
Additions during the year	<b>166,965</b>	665,170
Transfer from tangible assets – cost	-	1,170,406
Transfer from tangible assets – impairment	-	(870,406)
Transfer to tangible assets – cost	-	(350,540)
Transfer to tangible assets - impairment	-	285,440
Reversal of previous impairment charge	<b>148,811</b>	144,500
Amounts written down	<b>(192,263)</b>	(553,424)
Disposals	<b>(890,000)</b>	(90,780)
	<hr/>	<hr/>
At 31 March	<b>5,221,419</b>	5,987,906
	<hr/> <hr/>	<hr/> <hr/>

During the year £890,000 (2018/19: £90,780) of stock was recognised within cost of sales. Developments for sale are transferred into stock where there is an expectation of selling the site.

Stock was valued at the year end and a previous impairment charge has been reversed as well as an additional impairment charge being recorded. Stock continues to be held at the lower of cost and net realisable value.

<b>10. Debtors: amounts due in more than one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loan debtor	<b>456,233</b>	456,233
Less: provision	<b>(456,233)</b>	(456,233)
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

<b>11. Debtors: amounts due in less than one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>189,231</b>	88,736
Scottish Government	<b>4,091,065</b>	6,495,952
South Lanarkshire Council	-	1,179,780
Glasgow City Council	<b>779,781</b>	247,105
Prepayments	<b>116,589</b>	203,354
VAT	<b>169,178</b>	588,812
Accrued income	<b>412,432</b>	410,940
	<hr/>	<hr/>
	<b>5,758,276</b>	9,214,679
	<hr/> <hr/>	<hr/> <hr/>

<b>12. Cash and cash equivalents</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Current accounts	<b>166,547</b>	1,019,157
Deposit accounts	<b>12,134,678</b>	6,608,424
	<hr/>	<hr/>
	<b>12,301,225</b>	7,627,581
	<hr/> <hr/>	<hr/> <hr/>

**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>13. Creditors: amounts falling due within one year</b>		
Loans	<b>95,127</b>	-
Trade creditors	<b>405,316</b>	450,480
South Lanarkshire Council	<b>247</b>	-
Glasgow City Council	<b>2,312</b>	7,502
Accruals	<b>429,161</b>	256,810
Deferred income	<b>8,168,407</b>	9,488,954
Deposits and rent received in advance	<b>514,179</b>	220,527
Amounts owed to parent company	<b>3,923,531</b>	4,440,351
Corporation tax	-	43,690
	<b>13,538,280</b>	<b>14,908,314</b>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>14. Creditors: amounts falling in more than one year</b>		
Loans	<b>5,522,873</b>	<b>3,000,000</b>
An analysis of the maturity of the loans is given below:		
Due within one year	<b>95,127</b>	-
Due between one and two years	<b>510,024</b>	95,127
Due between two and five years	<b>3,751,906</b>	2,181,043
Due in over five years	<b>1,260,943</b>	723,830
	<b>5,618,000</b>	<b>3,000,000</b>

Standard securities are held by Amber Spruce and Scottish Enterprise over four properties with a carrying value of £12,380,000.

The loan from Amber Spruce of £1,000,000 is required to be repaid by January 2023 and has a fixed rate of interest of 2.25%. At 31 March 2020, £1,000,000 (2019: £1,000,000) was outstanding.

The loan of £2,000,000 from Scottish Enterprise is repayable in quarterly instalments of £105,577 (which includes interest) beginning 31 March 2021 and has a fixed rate of interest of 2.09%. At 31 March 2020, £2,000,000 (2019: £2,000,000) was outstanding. The loan is required to be repaid by December 2025.

The loan of £2,618,000 from Scottish Enterprise is repayable in quarterly instalments of £138,200 (which includes interest) beginning 31 March 2022 and has a fixed rate of interest of 2.09%. At 31 March 2020, £2,618,000 (2019: *Nil*) was outstanding. The loan is required to be repaid by December 2026.

**CLYDE GATEWAY DEVELOPMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

<b>15. Provisions for liabilities</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deferred taxation – capital gains	<b>2,447,344</b>	<b>2,217,990</b>
	<u>                    </u>	<u>                    </u>

**16. Called up share capital**

Allotted, issued and fully paid:			<b>2020</b>	<b>2019</b>
			<b>£</b>	<b>£</b>
<u>Number</u>	<u>Class</u>	<u>Nominal value</u>		
100	Ordinary shares	£1	<b>100</b>	<b>100</b>
			<u>                    </u>	<u>                    </u>

Ordinary shares are non-redeemable and one vote can be cast per share. Dividends may be declared in general meetings.

**17. Reserves**

**Profit and loss account**

The profit and loss account contains all current and prior year retained profits or losses.

**Land and property reserve**

The land and property reserve represents a non-distributable element of the profit and loss reserve. The company obtains grant funding to fund the majority of its capital development works which are recognised as income in the Statement of Comprehensive Income. The cost of the works performed are capitalised within tangible assets and stock. Unrealised gains or losses on revaluation of assets are reflected in the Statement of Comprehensive Income. The reserve will be released to the profit and loss reserve in the event of any of the assets being sold.

**18. Ultimate holding company**

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

<b>19. Commitments</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<u>Capital commitments</u>		
Capital expenditure authorised by the directors and contracted for amounted to	<b>8,453,089</b>	<b>6,245,228</b>
	<u>                    </u>	<u>                    </u>
Capital expenditure authorised by the directors but not contracted for amounted to	<b>8,486,503</b>	<b>10,595,126</b>
	<u>                    </u>	<u>                    </u>
<u>Financial commitments</u>		
Other expenditure authorised by the directors and contracted for amounted to	<b>45,778</b>	<b>109,422</b>
	<u>                    </u>	<u>                    </u>
Other expenditure authorised by the directors but not contracted for amounted to	<b>461,295</b>	<b>521,957</b>
	<u>                    </u>	<u>                    </u>

## CLYDE GATEWAY DEVELOPMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

---

#### 20. Contingent liabilities

On some occasions the company may require to enter into agreements when purchasing land and property, including businesses, where either compensation will require to be paid in the event of disturbance costs being incurred by the seller, or an overage payment may be required, depending on future circumstances. Any such costs are accounted for as and when they arise.

The company has granted a standard security to the vendor of ground at Poplin Street, Glasgow in respect of an overage payment which may crystallise within a defined timespan under certain circumstances.

The company has granted a standard security to the vendor of ground on the north west side of Swanston Street, Glasgow and north east side of French Street, Glasgow, in respect of an overage payment which may crystallise within a defined timespan under certain circumstances.

The company has granted a standard security in respect of obligations arising from grant income received towards the development of the Olympia Theatre, 2-16 Orr Street, Glasgow.

The company has granted a security in favour of Amber Green Spruce LLP 2 for loan funding received in 2017/18 for the construction of the Manufacturing and Engineering unit at Clyde Gateway East. The security is in the form of a fixed charge and negative pledge against the company in addition to a security over Plot 2A of Clyde Gateway East, London Road.

The company has granted a second ranking security in favour of Glasgow City Council over Plot 2A Clyde Gateway East, London Road.

The company has granted an environmental indemnity to South Lanarkshire Council in respect of de-contamination and remediation works being performed on land formerly in the ownership of the local authority at Shawfield. There are restricted circumstances in which any liability under this environmental indemnity would crystallise. In the event of a liability being incurred the company would seek to recover funds through the contractor warranties in place for these de-contamination and remediation works.

The company has granted a security in favour of Scottish Enterprise over the One Rutherglen Links office building for a loan received during 2018/19 towards the construction of the Rutherglen Links Office Pavilions. The security is in the form of a fixed charge and negative pledge against the company.

The company has granted a security in favour of Scottish Enterprise over the Red Tree Magenta building and the Albus building for a loan received in 2019/20. The security is in the form of a fixed charge and negative pledge against the company.

#### 21. Post balance sheet events

CGDL concluded the sale of Unit 201 at Clyde Gateway East on 3 November 2020, for a sales price of £3.2m. On the same day CGDL repaid in full the £1m Amber/SPRUCE loan which had been secured against this property.

## CLYDE GATEWAY DEVELOPMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

#### 22. Directors' interests in contracts

Due to the nature of the company's activities and the composition of its Board of Directors, being from private and public sector organisations, it is very likely that, in the normal course of business, transactions will take place with companies or organisations in which a director may have an interest. Such transactions may refer to participation in projects or programmes or to the supply of goods or services.

All such contracts are negotiated at arms' length and are subject to the company's normal tendering procedures where appropriate. Where Board approval is required under the company's system of delegated authority then 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, the company, in the normal course of business, did not enter into any transactions with companies in which its directors have an interest.

The company works in partnership with a number of public bodies, charities and business support 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>Organisation</u>	<u>Position held</u>
Derek McCrindle	Scottish Enterprise	Employee
Allan McQuade	Scottish Enterprise	Employee
Greg Hepburn	Glasgow City Council	Councillor
Carol Nugent	South Lanarkshire Council	Councillor

#### 23. Related parties

Exemption has been taken from disclosing transactions with the holding company on the basis that consolidated financial statements are publicly available. These consolidated financial statements can be obtained from The Olympia, 2-16 Orr Street, Glasgow, G40 2QH.

The three members of Clyde Gateway URC are Glasgow City Council, Scottish Enterprise and South Lanarkshire Council. These entities are related parties of Clyde Gateway Developments Limited.

During the year Glasgow City Council made grants of £1,249,571 (2018/19: £1,449,633) to Clyde Gateway Developments Limited. The total amount due from Glasgow City Council at the year end is £779,781 (2018/19: £247,105).

Clyde Gateway Developments Limited purchased goods and services in the year totalling £82,121 (2018/2019: £56,234) from Glasgow City Council. The total amount due to Glasgow City Council at the year end is £2,312 (2018/19: £7,502).

During the year South Lanarkshire Council made grants of £800,000 (2018/19: £2,323,742) to Clyde Gateway Developments Limited. The total amount due from South Lanarkshire Council at the year end is £nil (2018/19: £1,179,780). The total amount due to South Lanarkshire Council at the year end is £247 (2018/19: £nil).

During the year Scottish Enterprise made loans of £2,618,000 (2018/19: £2,000,000) to Clyde Gateway Developments Limited. Interest on loans received of £10,250 (2018/19: £nil) was paid in the year.

During the year Scottish Government made grants of £8,278,310 (2018/19: £8,522,103) to Clyde Gateway Developments Limited. The total amount due from Scottish Government at the year end is £4,091,065 (2018/19: £6,495,952).

The amounts outstanding are unsecured for cash settlement in accordance with usual terms.