



RIVERSIDE INVERCLYDE LTD

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2010

Company registration number: 304355

Charity Number: SC037806

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RIVERSIDE INVERCLYDE LTD

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2010

OFFICERS AND ADVISORS:

Directors:

Alf Young (Chair)

Fay Rogers

Jack Paton

David Wilson

James Clocherty

Ralph Leishman

Steven McGarva

Allan McQuade

Ian Crawford

Alastair Milloy

Christina Bruce

Chris Osborne

Elaine Stewart

(appointed 26 June 2009)

Derek McCrindle

(appointed 9 October 2009)

Secretary:

Burness LLP

Registered office:

Suite G1, Clydevue

22 Pottery Street

Greenock

Renfrewshire

PA15 2UZ

Bankers:

Clydesdale Bank plc

West End Branch

100 West Blackhall Street

Greenock

PA15 1XR

Lawyers:

Burness

120 Bothwell Street

Glasgow

G2 7JL

Auditors:

Scott-Moncrieff

25 Bothwell Street

Glasgow

G2 6NL

RIVERSIDE INVERCLYDE LTD

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2010

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RIVERSIDE INVERCLYDE LTD

DIRECTORS' ANNUAL REPORT

For the year ended 31 March 2010

Directors

The Directors who served the company during the year were as follows:

Alf Young (Chair)	
Gordon Brown	(resigned 24 March 2010)
Fay Rogers	
Jack Paton	
David Wilson	
James Clocherty	
Ralph Leishman	
Steven McGarva	
Donald McRae	(resigned 26 June 2009)
Allan McQuade	
Ian Crawford	
Alastair Milloy	
Christina Bruce	
Chris Osborne	
Elaine Stewart	(appointed 26 June 2009)
Derek McCrindle	(appointed 9 October 2009)

Statement of Directors' responsibilities

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

Company and charity law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RIVERSIDE INVERCLYDE LTD

DIRECTORS' ANNUAL REPORT

For the year ended 31 March 2010

Principal activities

Riverside Inverclyde (ri) is focussed on addressing a single strategic objective:

“to address economic growth through the exploitation of opportunity for the benefit of the business and residential communities of Inverclyde”.

The focus of work for ri is the physical/place making redevelopment of the Port Glasgow and Greenock waterfronts to create an environment where economic growth can be stimulated and where the resident and business communities beyond the waterfront can reap the benefits. The ri Business Plan identifies 7 regeneration areas for intervention and ri will also work with partner agencies locally to spread the benefits of new investment through skills and business support interventions. Where projects have been of a commercial nature these have been undertaken by the property holding subsidiary of ri Riverside Inverclyde (Property Holdings) Ltd (riPH).

Business review

In 2009/10, a significant amount of progress has been made in terms of physical redevelopment projects, meaning progress for Inverclyde as a whole. In accordance with the ri Business Plan for the period, project activity is currently being implemented across all seven priority areas. At the same time ri is working to secure benefits for the local community of its investment and continues to work to promote community benefit clauses in contracts and to equip local companies with the expertise to successfully bid for tender opportunities and subcontracts. While the focus remains on physical development projects work has also been initiated in 2009/10 to engage with local communities and particularly young people to build a better understanding of ri's remit and how it will benefit all Inverclyde communities and improve their future prospects.

Project highlights in 2009 – 2010 include:

Area 1: The Harbours/Cathcart Street

1. Planning permission was granted in early 2010 for the new theatre at East India and Victoria Harbours and to facilitate an early site start by Greenock Arts Guild's (GAG) contractors. Clydeport has begun works to infill the dock using a temporary, repayable grant from ri. Site start by GAG is now expected to be Spring 2010;
2. Discussions between Inverclyde Council, Clydeport and GAG regarding the ex-cambion for the existing theatre site continue;
3. Ocean Youth Trust (OYT) relocated to offices at Victoria House in April 2009 and a pontoon was installed by ri at Victoria Harbour and leased to OYT in the summer of 2009;
4. Coinciding with the installation of this pontoon Riverside Inverclyde hosted the Small Ships Race in August 2009 when 20 boats and 300 crew, aged between 14 and 25, spent 4 days in Greenock prior to setting off for Belfast to join the Tall Ships Race 2009;
5. Discussions have been initiated with house builders to examine the potential for a shared equity scheme at the Harbours in an effort to kick start development once more; and
6. Plans for a new facility for Clyde Marine are also being advanced as is a scheme for a dry boat storage at Scott Dry dock.

Area 2: Cartsburn/Cartsdyke

1. Following the acquisition of a site from Clydeport at Cartsdyke in 2008, activities in 2009 have included demolitions, earthworks, drainage works and a new access road to provide a location for future commercial/office space. Phase 1 works have been completed and the ri(PH) Board has agreed to use the underspend incurred to carry out site drainage works. Discussion relating to design layout and outfall access route is still under discussion; and
2. Funding sources for the construction of office accommodation on site are currently being investigated.

RIVERSIDE INVERCLYDE LTD

DIRECTORS' ANNUAL REPORT

For the year ended 31 March 2010

Area 3: Riverside Business Park

1. A new junction at Pottery Street was completed in the summer of 2009 and has opened up the Riverside Business Park site to further development;
2. Ri's new build Clyde View was completed in September 2009, officially opened by Minister for Communities Alex Neil, MSP in early October and has to date secured 5 tenants. The majority of tenants are businesses associated with renewable energy and Clyde View is being marketed as a renewables hub aligned to ri's focus for future years of attracting the renewable sector to waterfront sites offering dry docks, quay walls and deep water access;
3. The refurbishment of Ladyburn Business Centre was also completed in the Autumn of 2009 and was officially opened by renowned artist Alison Watt in November 2009;
4. The building has provided 3,000 sq ft of studio space for local artists and creative industries which has attracted considerable interest with two new tenants moving in since November;
5. Both Ladyburn Business Centre and the landscaped area to the east of Clyde View benefited from public art installations procured through a design competition;
6. Planning approval has been granted to ri to refurbish and fit out 18 Pottery Street, the former janitor's house, to provide a cafe/bistro for Business Park tenants and staff. Progressing this project is dependent on securing a private sector operator;
7. Similarly planning approval has been secured for a new nursery to the south of the site. An operator has been identified through a tender exercise and advance works are on site with the main contract back from tender. The contract will start in Spring 2010; and
8. Designs have been procured for a 2 block Live-Work pilot, one at each site of the nursery to create a more dynamic and lively area on the A8 corridor.

Area 4: James Watt Dock

1. Since the establishment of the LLP in November 2008, the Board has met monthly and the project team fortnightly and work currently under development includes site investigation, enabling works and environmental improvements which will allow first phase development to take place and to prepare the wider site for the visit of the Tall Ships' Race in 2011;
2. The wind and watertight works to the Sugar Warehouse completed in November 2009 and by September ri was able to open the building to the public for tours under the Doors Open Day scheme – this exercise proved very popular and there is currently a waiting list of 50 people wishing to participate in future tours;
3. Designs for the fit out of Shed D of the Sugar Warehouse have also been produced and submitted to Inverclyde Planning Department for consideration;
4. A new road access has begun on site and is due to be complete by August 2010;
5. Plans for a call centre have been produced and will be promoted to the private sector through the Call Centre Association and private agents; and
6. Detailed proposals for public realm and place-making have been submitted to Inverclyde Council Planning Department (this includes works alongside the Sugar Warehouse and quay wall, new access road, and includes the provision of enhanced public access to the site).

Area 5: Port Glasgow and Greenock Town Centres

1. Successful bids to the Scottish Government's Town Centre Regeneration Fund secured £1.23m for Greenock, £600,000 for Port Glasgow and £300,000 for Gourock. These monies are being matched with funding from Inverclyde Council and Riverside Inverclyde and work began in October 2009 to spend funding on environmental improvements, shopfront improvements, public art and public realm works.

Area 7: Kelburn

1. Work is on site at Kelburn to remediate the 7.5 acre site and provide platforming for potentially 11,000 sqm of industrial premises or generic provision for the Energy and Renewables Sector.

RIVERSIDE INVERCLYDE LTD

DIRECTORS' ANNUAL REPORT

For the year ended 31 March 2010

Reserves policy

The level of available unrestricted reserves as shown in the consolidated balance sheet on page 11 is £220,912 (2009: £189,004). The Directors are of the opinion that the description of funds as shown in note 1 to the financial statements represents a prudent approach to risk and commitments made.

Directors' appointment, induction and training

The appointment, removal and retirement of Directors is carried out as per Articles 36 to 53 of the Memorandum and Articles of Association. Newly appointed Directors meet individually with the Chief Executive to be fully appraised of the current and future projects being undertaken by the company.

Statement of risk

Through regular reporting to the Finance and Governance Subgroup of the Board throughout the year, the directors have continually reviewed and assessed the major risks to which the company was exposed, and have taken action where necessary to mitigate those risks. A corporate risk register is maintained by Riverside Inverclyde and has been established in line with Scottish Government, Scottish Enterprise and Inverclyde Council best practice. Similarly project risk registers are maintained by the project owner in close consultation with the appointed project manager. The appointed project manager maintains a risk register for all projects in the programme in excess of £100,000. The Chief Executive is the senior responsible officer (SRO) and so ensures that risk assessment, management and mitigation systems are established and maintained. The SRO is responsible for:

Reviewing the initial risk register to ensure that all significant risks have been captured and appropriate mitigating action put in place or planned;

Obtaining regular assurance from the Project Manager that risks are being appropriately managed; and

Ensuring that risks escalated from project level are recorded on the relevant risk register (programme, business unit, corporate) and appropriate mitigating action agreed to address these.

Outlook for the year ending March 2011

As contained in the approved 10 year Business Plan, the priority within the coming year and beyond will be to continue to implement projects across the 7 key priorities areas, briefly summarised as follows:

Area 1: The Harbours/Cathcart Street

1. The key activities at the Harbours this year will be start on site of the new theatre;
2. Discussions will continue with house builders to kick start housing development at the Harbours;
3. Discussions will continue with the owner of Custom House to ensure that the future of the building is secured. Negotiations to buy the building will be undertaken, subject to Board approval, if considered necessary to protect Greenock built heritage;
4. The future of the Police Station at Rue End Street is also the subject of ongoing discussion with the Police Authority; and
5. Ri will continue to put pressure on Clydeport to commence phase 1 infrastructure works.

RIVERSIDE INVERCLYDE LTD

DIRECTORS' ANNUAL REPORT

For the year ended 31 March 2010

Area 2: Cartsburn/Cartsdyke

1. Ri will start to market its Cartsdyke site upon completion of the package of enabling works and junctions improvements currently underway; and
2. Discussions are currently underway with a potential private sector occupant for the site and these will be advanced in 2010.

Area 3: Riverside Business Park

1. Work will continue to market accommodation at Clyde View and Ladyburn Business Centre;
2. The new nursery building is expected to start on site in the Spring of 2010;
3. Further consideration will be given to the cafe development and the provision of Work-Live units adjacent to the new nursery; and
4. The feasibility study relating to a joint development with Morton FC will be completed in Summer 2010 and further activities are expected to be developed as a result.

Area 4: James Watt Dock

1. Planning applications for landscaping, public realm and signage at James Watt Dock have been lodged with Inverclyde Council's Planning Department and it is hoped that work can begin in summer 2010 and be completed prior to the Tall Ships Race in 2011;
2. Funding sources including JESSICA will be investigated for the fit out of the Sugar Warehouse; and
3. 2010 will see discussions regarding the extension of the LLP's operating area to enable ri and its partners to put together a viable proposition and footprint to attract renewable companies to operate in Inverclyde.

Area 5: Port Glasgow and Greenock Town Centres

1. Ri's actions to improve the town centres under the Scottish Government's Regeneration Fund will be complete in 2010 and will include shop front improvements; environmental improvements; enhanced public realm; creating more mixed use in the town centres by converting disused spaces to incubator space; and enhancing links to open public space. These projects will complement the business support packages currently available from Inverclyde Council and Scottish Enterprise;
2. In 2010 – 2011, ri will also complete an extensive programme of refurbishment and enhancements to its portfolio of industrial properties and office accommodation. These have been designed to ensure that facilities match tenant requirements and to maximise income levels to ri; and
3. Ri anticipates that detailed design work will commence at the Ocean Terminal in Greenock to lengthen the quay wall to increase capacity for ocean liner visits and that the arrivals hall will be further enhanced to improve the visitor experience. This facility will also be designed to complement the Energy and Renewables proposition.

Area 7: Kelburn

1. Platforming will be completed in 2010 and efforts to attract new occupiers to the site will continue, particularly from the Energy and Renewables Sector.

RIVERSIDE INVERCLYDE LTD

DIRECTORS' ANNUAL REPORT

For the year ended 31 March 2010

Support 1: Infrastructure and Placemaking

1. At the December 2008 Board meeting it was agreed that ri would provide support and expertise to Inverclyde Council to accelerate the development plans for the waterfront in Gourock. Discussions have been protracted in 2009 but a masterplanning exercise is now underway and it is hoped that by the end of 2010 – 2011 there will be agreement on the subsequent redevelopment work at the Pierhead to be undertaken. A masterplan and costed options should be completed in the summer of 2010.

Support 3: People and Business Interventions

1. Ri anticipates building on the initial success of establishing a construction forum by supporting local businesses to access tender and contract opportunities; ensuring local people have appropriate skills and that Inverclyde is an attractive option to business relocations in terms of a skilled and available labour pool.

Disclosure of information to auditors

To the knowledge and belief of the Directors, there is no relevant information that the company's auditors are not aware of, and the Directors have taken all the steps necessary to ensure the Directors are aware of any relevant information, and to establish that the company's auditors are aware of the information.

Auditors

The auditors, Scott-Moncrieff, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

Signed by order of the Board



Alf Young (Chair)

Date: 23 June 2010

RIVERSIDE INVERCLYDE LTD

INDEPENDENT AUDITORS' REPORT

For the year ended 31 March 2010

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

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

This report is made exclusively to the members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006 and to the charity's directors, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members and directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

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

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

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

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

Basis of audit opinion

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

RIVERSIDE INVERCLYDE LTD

INDEPENDENT AUDITORS' REPORT

For the year ended 31 March 2010

Basis of audit opinion (cont'd)

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

Opinion

In our opinion:

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



Iain D Lee, Senior Statutory Auditor

For and behalf of Scott-Moncrieff, Statutory Auditor

Chartered Accountants

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

25 Bothwell Street

Glasgow

Date: 23 June 2010

RIVERSIDE INVERCLYDE LTD

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**

For the year ended 31 March 2010

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Incoming Resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	480,000	8,726,606	9,206,606	14,580,461
Investment income	3	441,070	-	441,070	112,114
Total Incoming Resources		921,070	8,726,606	9,647,676	14,692,575
Resources Expended					
<i>Costs of generating funds</i>					
Costs of generating voluntary income	4	67,023	8,726,606	8,793,629	14,100,461
Support costs	5	804,317	-	804,317	595,655
Governance costs	6	15,545	-	15,545	21,595
Total Resources Expended		886,885	8,726,606	9,613,491	14,717,711
Net movement in funds (before pension scheme and other items)					
		34,185	-	34,185	(25,136)
Actuarial loss on defined benefit pension scheme		(88,000)	-	(88,000)	(15,000)
Taxation	7	(15,402)	-	(15,402)	-
Share of profit in investment	10	26,625	-	26,625	-
Net movement in funds (after pension scheme and other items)		(42,592)	-	(42,592)	(40,136)
Funds brought forward		14,395,697	-	14,395,697	3,527,640
Additions to land and property reserve		3,027,865	-	3,027,865	10,908,193
Unrealised loss on revaluation of land and property		(3,341,176)	-	(3,341,176)	-
Funds carried forward		14,039,794	-	14,039,794	14,395,697

The group has no recognised gains or losses other than the results for the current and previous year as set out above.

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

The notes on pages 14 to 24 form part of these financial statements.

RIVERSIDE INVERCLYDE LTD

**COMPANY STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**

For the year ended 31 March 2010

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Incoming Resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	480,000	1,748,707	2,228,707	1,535,453
Investment income	3	671	-	671	27,317
Total Incoming Resources		<u>480,671</u>	<u>1,748,707</u>	<u>2,229,378</u>	<u>1,562,770</u>
Resources Expended					
<i>Costs of generating funds</i>					
Costs of generating voluntary income	4	-	1,748,707	1,748,707	1,055,453
Support costs		551,455	-	551,455	422,725
Governance costs		13,545	-	13,545	19,595
Total Resources Expended		<u>565,000</u>	<u>1,748,707</u>	<u>2,313,707</u>	<u>1,497,773</u>
Net movement in funds (before pension scheme)		(84,329)	-	(84,329)	64,997
Actuarial loss on defined benefit pension scheme		<u>(88,000)</u>	<u>-</u>	<u>(88,000)</u>	<u>(15,000)</u>
Net movement in funds (after pension scheme)		(172,329)	-	(172,329)	49,997
Funds brought forward		<u>275,137</u>	<u>-</u>	<u>275,137</u>	<u>225,140</u>
Funds carried forward		<u>102,808</u>	<u>-</u>	<u>102,808</u>	<u>275,137</u>

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

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

The notes on pages 14 to 24 form part of these financial statements.


RIVERSIDE INVERCLYDE LTD

CONSOLIDATED BALANCE SHEET

As at 31 March 2010

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	9	6,947,326	9,018,326
Investments	10	7,025,971	5,227,720
Current assets			
Debtors	11	1,262,961	2,293,314
Cash at bank and in hand		4,103,427	1,372,408
		<u>5,366,388</u>	<u>3,665,722</u>
Creditors: amounts falling due within one year	12	5,192,489	3,512,071
Net current assets		173,899	153,651
Total assets less current liabilities		<u>14,147,196</u>	<u>14,399,697</u>
Provision for liabilities	13	(15,402)	-
Pension liability	14	(92,000)	(4,000)
Net assets		<u><u>14,039,794</u></u>	<u><u>14,395,697</u></u>
Funds			
Restricted		-	-
Unrestricted		220,912	189,004
		<u>220,912</u>	<u>189,004</u>
Land and property reserve	15	13,910,882	14,210,693
Pension reserve	14	(92,000)	(4,000)
		<u><u>14,039,794</u></u>	<u><u>14,395,697</u></u>

The financial statements were authorised for issue by the Board on 23 June 2010


Alf Young (Chair)

Company registration number: 304355
Charity Number: SC037806

The notes on pages 14 to 24 form part of these financial statements.

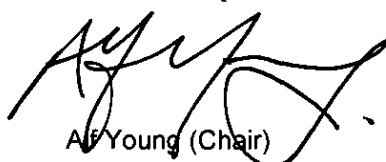
RIVERSIDE INVERCLYDE LTD

COMPANY BALANCE SHEET

As at 31 March 2010

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	9	33,541	35,353
Investments	10	100	100
Current assets			
Debtors	11	782,144	1,621,998
Cash at bank and in hand		4,038,946	1,353,150
		<u>4,821,090</u>	<u>2,975,148</u>
Creditors: amounts falling due within one year	12	4,659,923	2,731,464
Net current assets		<u>161,167</u>	<u>243,684</u>
Total assets less current liabilities		<u>194,808</u>	<u>279,137</u>
Pension liability	14	(92,000)	(4,000)
Net assets		<u>102,808</u>	<u>275,137</u>
Funds			
Restricted		-	-
Unrestricted		<u>194,808</u>	<u>279,137</u>
		194,808	279,137
Pension reserve	14	(92,000)	(4,000)
		<u>102,808</u>	<u>275,137</u>

The financial statements were authorised for issue by the Board on 23 June 2010 and are signed on their behalf by:



Alf Young (Chair)

Company registration number: 304355

Charity Number: SC037806

The notes on pages 14 to 24 form part of these financial statements.

RIVERSIDE INVERCLYDE LTD**CONSOLIDATED CASH FLOW STATEMENT****For the year ended 31 March 2010**

	Notes	2010 £	2009 £
Net cash inflow from operating activities	16	5,765,575	9,974,466
Returns on investments and servicing of finance			
Interest receivable		671	27,317
Share of profit in investment		26,625	-
Capital expenditure and financial investment			
Payment for tangible fixed assets		(1,290,226)	(5,702,470)
Payment for investment in James Watt Dock LLP		(1,771,626)	(5,227,720)
Increase/(decrease) in cash in the year	17	<u>2,731,019</u>	<u>(928,407)</u>

The notes on pages 14 to 24 form part of these financial statements.

RIVERSIDE INVERCLYDE LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2010

1. ACCOUNTING POLICIES

Basis of presentation and consolidation

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

Incoming resources

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

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Governance costs include those costs associated with meeting the constitutional requirements of the charity and include the audit fees and costs linked to the strategic management 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.

Included in unrestricted funds is a land and property reserve, which represents costs of assets acquired with grant funding obtained by Riverside Inverclyde Ltd. The reserve will be released to the Consolidated Statement of Financial Activities in the event of any of the assets being sold.

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

Grants

Revenue grants are credited to the Income and Expenditure Account and the Statement of Financial Activities in the period that conditions for receipt have been complied with.

Fixed assets

Fixed assets are recorded as follows:

Land and property – recorded at valuation
Assets under construction – recorded at cost
Furniture and equipment – recorded at cost
Other assets – recorded at valuation

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

RIVERSIDE INVERCLYDE LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2010

1. ACCOUNTING POLICIES (cont'd)

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:

Land and property - no depreciation charged
Assets under construction - no depreciation charged
Furniture and equipment – 4 years straight line basis
Other assets – no depreciation charged

Taxation

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

Pension costs

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

Deferred taxation

Deferred taxation is provided by using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Investments

Investments are stated at market value, less any provisions required where there has been a permanent diminution in their value.

2. GRANTS RECEIVABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
The Harbours / Cathcart Street	-	285,719	285,719	135,786
Cartsdyke and Cartsburn	-	-	-	(17,930)
Riverside Business Park	-	90,003	90,003	101,885
James Watt Dock	-	(291)	(291)	18,332
Greenock & Port Glasgow Town Centres	-	712,541	712,541	-
Riverview / Castlebank	-	-	-	4,209
Infrastructure and Placemaking	-	300,103	300,103	476,687
Youth Sport in Inverclyde	-	32,500	32,500	1,200
Communications and Marketing	-	328,132	328,132	335,284
Development Funding	480,000	-	480,000	480,000
Total - company	480,000	1,748,707	2,228,707	1,535,453

RIVERSIDE INVERCLYDE LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010
2. GRANTS RECEIVABLE (cont'd)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Total - company	480,000	1,748,707	2,228,707	1,535,453
The Harbours / Cathcart Street	-	144,036	144,036	17,250
Cartsdyke and Cartsburn	-	262,792	262,792	310,262
Riverside Business Park	-	2,231,692	2,231,692	4,024,807
James Watt Dock LLP Investment	-	-	-	5,000,000
James Watt Dock	-	2,256,830	2,256,830	1,749,454
Greenock & Port Glasgow Town Centres	-	1,158,069	1,158,069	1,828,792
Kelburn	-	558,366	558,366	111,180
Infrastructure and Placemaking	-	-	-	3,263
Commercial Property Upgrade	-	366,114	366,114	-
Total - group	<u>480,000</u>	<u>8,726,606</u>	<u>9,206,606</u>	<u>14,580,461</u>

3. INVESTMENT INCOME

Bank interest receivable	671	-	671	27,317
Rent receivable	440,399	-	440,399	84,797
	<u>441,070</u>	<u>-</u>	<u>441,070</u>	<u>112,114</u>

4. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
The Harbours / Cathcart Street	-	285,719	285,719	135,786
Cartsdyke and Cartsburn	-	-	-	(17,930)
Riverside Business Park	-	90,003	90,003	101,885
James Watt Dock	-	(291)	(291)	18,332
Greenock & Port Glasgow Town Centres	-	712,541	712,541	-
Riverview / Castlebank	-	-	-	4,209
Infrastructure and Placemaking	-	300,103	300,103	476,687
Youth Sport in Inverclyde	-	32,500	32,500	1,200
Communications and Marketing	-	328,132	328,132	335,284
Total - company	-	1,748,707	1,748,707	1,055,453
The Harbours / Cathcart Street	-	144,036	144,036	17,250
Cartsdyke and Cartsburn	-	262,792	262,792	310,262
Riverside Business Park	-	2,231,692	2,231,692	4,024,807
James Watt Dock LLP Investment	-	-	-	5,000,000
James Watt Dock	-	2,256,830	2,256,830	1,749,454
Greenock & Port Glasgow Town Centres	-	1,158,069	1,158,069	1,828,792
Kelburn	-	558,366	558,366	111,180
Infrastructure and Placemaking	-	-	-	3,263
Commercial Property Upgrade	67,023	366,114	433,137	-
Total - group	<u>67,023</u>	<u>8,726,606</u>	<u>8,793,629</u>	<u>14,100,461</u>

RIVERSIDE INVERCLYDE LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2010

5. SUPPORT COSTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Salaries	488,516	-	488,516	358,544
Consultancy costs	44,373	-	44,373	39,460
Legal and Professional fees	25,918	-	25,918	14,354
Administrative Expenses	203,292	-	203,292	128,066
Property costs	42,218	-	42,218	55,231
	<u>804,317</u>	<u>-</u>	<u>804,317</u>	<u>595,655</u>

6. GOVERNANCE COSTS

Audit and Accountancy Fees	<u>15,545</u>	<u>-</u>	<u>15,545</u>	<u>21,595</u>
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Operating Results

**2010
£** **2009
£**

Operating results are stated after charging:-

Auditors' remuneration
- as auditors
- other services

7,000	7,000
<u>8,545</u>	<u>7,288</u>

7. TAXATION

**2010
£** **2009
£**

The tax charge for the year was as follows:-

Deferred tax	<u>15,402</u>	<u>-</u>
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8. PAYROLL COSTS

**2010
£** **2009
£**

Wages and salaries	457,795	293,446
Social security costs	46,381	30,593
Other pension costs	46,938	34,505
	<u>551,114</u>	<u>358,544</u>
Funded out of projects	(62,598)	-
	<u>488,516</u>	<u>358,544</u>

RIVERSIDE INVERCLYDE LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2010

8. PAYROLL COSTS (cont'd)

Particulars of employees:-	2010 No.	2009 No.
The average number of staff employed by the company during the financial year amounted to:-		
Full time equivalent	8	7
Part time equivalent	2	2

No Directors were in receipt of remuneration.

Number of employees with total emoluments over £60,000:

£90,000 - £99,999	-	1
£130,000 - £139,999	1	-

The above employee is a member of the defined benefit pension scheme. During the year ended 31 March 2010, pension contributions totalling £20,702 (2009: £14,792) were made in respect of this employee.

9. FIXED ASSETS

Cost or valuation	Land and Property £	Assets under Construction £	Furniture and Equipment £	Other Assets £	Total £
As at 1 st April 2009	5,598,467	3,384,506	59,709	-	9,042,682
Additions	1,125,703	-	20,487	144,036	1,290,226
Transfers	3,384,506	(3,384,506)	-	-	-
Revaluation	(3,341,176)	-	-	-	(3,341,176)
As at 31 st March 2010	6,767,500	-	80,196	144,036	6,991,732
Depreciation					
As at 1 st April 2009	-	-	24,356	-	24,356
Charge in year	-	-	20,050	-	20,050
As at 31 st March 2010	-	-	44,406	-	44,406
Net book value as at 31 st March 2010	6,767,500	-	35,790	144,036	6,947,326
Net book value as at 31 st March 2009	5,598,467	3,384,506	35,353	-	9,018,326

£33,541 of the total net book value of furniture and equipment relates to the company only (2009: £35,353).

Land and property held by the company were revalued as at March 2010 by Lambert Smith Hampton, on an open market value basis.

RIVERSIDE INVERCLYDE LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2010

10. INVESTMENTS

Company

The company formed Riverside Inverclyde (Property Holdings) Limited on 24 September 2007 and subscribed the £100 share capital. This company is used for property development. At the balance sheet date the company had net assets of £13,937,086.

Group

Riverside Inverclyde (Property Holdings) Ltd and Peel Land and Property (James Watt Dock) Limited have a joint venture arrangement in James Watt Dock LLP. The value of Riverside Inverclyde (Property Holdings) Ltd's 50% investment is as follows:-

	2010 £	2009 £
Capital injection	5,000,000	5,000,000
Working capital	1,999,346	227,720
Share of profit	26,625	-
	<u>7,025,971</u>	<u>5,227,720</u>

11. DEBTORS

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Trade debtors	533,258	142,731	558	1,164
Other debtors	380,390	1,512,192	380,390	1,512,192
Riverside Inverclyde (Property Holdings) Ltd	-	-	270,876	-
VAT	260,780	582,999	81,162	80,851
Prepayments and accrued income	88,533	55,392	49,158	27,791
	<u>1,262,961</u>	<u>2,293,314</u>	<u>782,144</u>	<u>1,621,998</u>

12. CREDITORS: Amounts falling due within one year

Trade creditors	1,053,524	1,317,347	522,958	287,760
Accruals and deferred income	4,138,965	2,194,724	4,136,965	1,900,425
Riverside Inverclyde (Property Holdings) Ltd	-	-	-	543,279
	<u>5,192,489</u>	<u>3,512,071</u>	<u>4,659,923</u>	<u>2,731,464</u>

13. PROVISIONS FOR LIABILITIES

	2010 £	2009 £
Deferred taxation:		
Accelerated capital allowances	19,224	-
Other timing differences	(3,822)	-
	<u>15,402</u>	<u>-</u>

RIVERSIDE INVERCLYDE LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****For the year ended 31 March 2010****14. PENSION SCHEME**

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

A formal valuation of the Strathclyde Pension Fund was performed at 31 March 2008.

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

Assumptions as at	March 2010	March 2009
Price increases	3.8%	3.1%
Salary increases	5.3%	4.6%
Pension increases	7.2%	6.5%
Discount rate	5.5%	6.9%

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

Assets (Employer)	Long Term Return % per annum	Fund Value at 2010 £'000	Expected Return £'000 per annum
Equities	7.8%	192	15.0
Bonds	5.0%	32	1.6
Property	5.8%	17	1.0
Cash	4.8%	7	0.3
Total		248	18

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

	2010 £'000	2009 £'000
Estimated employer assets (A)	248	139
Present value of scheme liabilities	340	143
Present value of unfunded liabilities	-	-
Total value of liabilities (B)	340	143
Net pension liability (A) – (B)	(92)	(4)

RIVERSIDE INVERCLYDE LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2010

14. PENSION SCHEME (Cont'd)

Analysis of the amount charged to operating profit	2010 £'000	2009 £'000
Service cost	15	18
Past service cost	2	-
Curtailment and settlements	-	-
Decrease in irrecoverable surplus	-	-
Total operating charge (A)	<u>17</u>	<u>18</u>
Amount credited to other finance income		
Expected return on employer assets	11	13
Interest on pension scheme liabilities	(11)	(12)
Net return (B)	<u>-</u>	<u>1</u>
Net revenue account cost (A)-(B)	<u>17</u>	<u>17</u>
Actual return less expected return on pension scheme assets	48	(74)
Experience gains and losses arising on the scheme liabilities	-	36
Changes in financial assumptions underlying the present value of scheme liabilities	(152)	17
Actuarial loss in pension plan	<u>(104)</u>	<u>(21)</u>
Increase in irrecoverable surplus from membership fall and other factors	-	-
Actuarial loss	<u>(104)</u>	<u>(21)</u>
Movement in deficit during the year		
(Deficit)/surplus in scheme at beginning of year	(4)	11
Current service cost	(15)	(18)
Employer contributions	33	23
Other income	-	-
Other outgo (e.g. expenses, etc)	-	-
Past service costs	(2)	-
Impact of settlements and curtailments	-	-
Net return on assets	-	1
Actuarial loss	<u>(104)</u>	<u>(21)</u>
Deficit at end of year	<u>(92)</u>	<u>(4)</u>

RIVERSIDE INVERCLYDE LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****For the year ended 31 March 2010****14. PENSION SCHEME (Cont'd)**

History of experience gains and losses	2010 £'000	2009 £'000
Difference between expected and actual return on assets	48	(74)
Value of assets	248	139
Percentage of assets	19.3%	(53.2%)
Experience gains on liabilities	-	36
Total present value of liabilities	340	143
Percentage of present value of liabilities	0%	25.2%
Actuarial loss recognised in STRGL	(104)	(21)
Total present value of liabilities	340	143
Percentage of the present value of liabilities	(30.6%)	(14.7%)

15. LAND AND PROPERTY RESERVE

	2010 £
At 1 April 2009	14,210,693
Land transferred at cost	1,112,203
Other assets transferred at cost	144,036
Investment in James Watt Dock LLP	1,771,626
Transfer from profit and loss account	13,500
Revaluation	(3,341,176)
At 31 March 2010	13,910,882

The value of land and property is made up of:

Riverside Business Park site	200,000
Cartsburn/Cartsdyke site	475,000
Lynedoch Industrial Estate	1,760,000
Drumfrochar Road Estate	470,000
Victoria House Offices and Workshops	670,000
James Watt Dock site	400,000
Clydevue Building	1,800,000
Ladyburn Centre	930,000
Bungalow at Pottery Street	62,500
Pontoons	144,036
	6,911,536

The investment added to the reserve is made up of:

Investment in James Watt Dock LLP	6,999,346
Total held in reserve	13,910,882

RIVERSIDE INVERCLYDE LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****For the year ended 31 March 2010****16. RECONCILIATION OF NET INCOMING/(OUTGOING) RESOURCES TO NET CASH INFLOW FROM OPERATIONS**

	2010 £	2009 £
Net incoming/(outgoing) resources per Statement of Financial Activities	34,185	(25,136)
Interest receivable	(671)	(27,317)
Share of profit in investment	(26,625)	-
Transfer to land and property reserve	3,027,865	10,908,193
Depreciation charge	20,050	14,928
Decrease/(increase) in debtors	1,030,353	(673,927)
Increase/(decrease) in creditors	1,680,418	(222,275)
Net cash inflow from operating activities	<u>5,765,575</u>	<u>9,974,466</u>

17. ANALYSIS OF CHANGES IN NET CASH RESOURCES

	As at 31 March 2009 £	Cash flow £	As at 31 March 2010 £
Cash	<u>1,372,408</u>	<u>2,731,019</u>	<u>4,103,427</u>

18. CAPITAL COMMITMENTS

Capital expenditure authorised by the directors and contracted for amounted to: £7.412m (2009: £2.205m).

Capital expenditure authorised by the directors but not contracted for amounted to: £2.380m (2009: £2.547m).

All capital expenditure contracted for will be met by grant funding.

19. CONTROLLING PARTY

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

20. MEMBERS' INTERESTS AND LEGAL STATUS

The company is limited by guarantee and therefore does not have a share capital. The members of the company, whose liability is limited to £1, are Inverclyde Council and Scottish Enterprise.

21. RELATED PARTY TRANSACTIONS

The company's board of directors includes local authority councillors. Due to the nature of the company's trade, there have been transactions with local authorities in the year. No director of the company has been able to use this position to their advantage in respect of these transactions.

RIVERSIDE INVERCLYDE LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2010

22. CONTINGENT LIABILITIES

The group has granted standard securities over land and buildings in favour of Scottish Enterprise and the Scottish Ministers.