

Registered Company No: SC108565

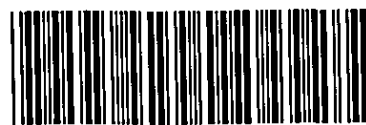
Registered Charity No: SC023930

**GLASGOW SOUTH WEST REGENERATION AGENCY LIMITED**  
(A company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

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**GLASGOW SOUTH WEST REGENERATION AGENCY LIMITED**  
**(A company limited by guarantee)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

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**GLASGOW SOUTH WEST REGENERATION AGENCY LIMITED**  
(A company limited by guarantee)

**LEGAL AND ADMINISTRATIVE INFORMATION**

**Charity Name:** Glasgow South West Regeneration Agency Limited

**Registered Office and Operational Address:** Fairfield House  
1 Broomloan Place  
Ibrox  
Glasgow  
G51 2JR

**Charity Registration Number:** SC023930

**Company Registration Number:** SC108565

**Trustees:** Councillor Alistair Watson (Chair)  
Peter Watson (Vice-Chair)  
Councillor Alex Glass  
Councillor John Flannigan  
Councillor Stephen Dornan  
John McLaughlin  
Alistair McManus  
Richard Leonard  
Heather Alexander  
Eleanor Harris

**Secretary:** Alison Sinclair

**Senior Management Team:** Alison Sinclair (Chief Executive)  
Tommy Docherty  
Arlene Smith  
Mary-Theresa Smith  
Chanel McIsaac

**Auditors:** Wylie & Bisset LLP  
168 Bath Street  
Glasgow  
G2 4TP

**Bankers:** Lloyds TSB Bank Scotland plc  
Corporate  
180 West George Street  
Glasgow  
G2 2NR

**Solicitors:** Burness LLP  
120 Bothwell Street  
Glasgow  
G2 7JL

**GLASGOW SOUTH WEST REGENERATION AGENCY LIMITED**  
**(A company limited by guarantee)**

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2009**

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2009. The legal and administrative information on page three forms part of this report.

**Directors and Trustees**

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees who served during the year and since the year end (except otherwise noted) were as follows:

Councillor Alistair Watson  
Peter Watson  
Alan Davidson  
Councillor Alex Glass  
Councillor John Flannigan  
Councillor Stephen Dornan  
John McLaughlin  
Alistair McManus  
Richard Leonard  
Stewart McIlwraith (resigned 6 August 2008)  
Heather Alexander  
Eleanor Harris (appointed 1 October 2008)

**Structure, Governance and Management**

**• Organisational Structure**

Glasgow South West Regeneration Agency was established in 2007 following the restructuring of the Local Development Company Network. The organisation has been formed following the merger of the Local Development Companies of 'Govan Initiative' and 'Greater Pollok Development Company', to form a new single Regeneration Agency for the South West of Glasgow.

With the creation of the new Company, came the necessity for the new trustees and Senior Management Team. The Trustees and Senior Management of GSWRA have an excellent range of dedicated professionals, all of whom share drive and commitment to continue the effort to make the South West of Glasgow a vibrant, attractive, and safe place in which to live and work.

The Trustees meet four times every year. In addition, a number of the Trustees sit on a Finance, Audit and Personnel Sub Group. The Sub Group meets a minimum of 8 times per year, and as when required, to review financial, resource allocation and Human Resource issues and assist with high-level decision making.

The day-to-day management of the company rests with the Chief Executive who is responsible for ensuring that the company delivers its goals and ensures that its key performance indicators are met. A scheme of delegation is in place whereby the Senior Management Team and Operational Managers assist with the management of the company. Regular management meetings are held with these senior members of staff.

**• Governing Document**

The organisation is a charitable company limited by guarantee, incorporated on 7<sup>th</sup> January 1988 and registered as a charity on 30<sup>th</sup> June 1995. The company was established under a Memorandum of Association which set out its objects and powers and it is governed under its Articles of Association. In the event of the company being wound up the directors are required to contribute an amount not exceeding £1 each.

## **Glasgow South West Regeneration Agency Limited**

**(A company limited by guarantee)**

### **• Recruitment and Appointment of Trustees**

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles of Association, they are known as members of the Management Committee.

Under the terms of Clause 49 of the Articles of Association, membership shall be open to the following, Glasgow City Council, Scottish Enterprise Glasgow and Glasgow Community Planning. Each nominated body then nominates a representative to become a member (trustee) of the company. Once appointed, Members shall remain as Members for a period of three years. Clause 45 specifies the numerical information for the various nominating bodies. Thereafter under Clause 51 such persons as co-opted by the Nominated Members of the Trustees may be appointed until the date of the Annual General Meeting following the end of the Financial Year of the company following the date of co-operation but shall remain eligible for further annual periods of co-option without limit.

### **• Trustee Induction and Training**

A "Directors Manual" has been prepared and this is made available to all Trustees. This manual describes the various strategic aims of the company and its activities and sets out the responsibilities and statutory duties of the Trustees.

Training for the Trustees is provided in the form of a number of induction workshops and as when required.

### **• Risk Management**

Where appropriate, procedures have been established and are reviewed in the course of the year to mitigate the risks the company faces. The main systems established are as follows:

- (a) Regular meetings are held by the trustees and senior officials of the charity.
- (b) 6 weekly meetings are held by the Finance, Audit and Personnel Committee to review funding opportunities and to ensure the company remains on a sound financial footing.
- (c) Monthly management accounts are prepared and reviewed against budget.
- (d) Internal controls are in place to safeguard the company's assets.
- (e) The skills and experience of the staff and personnel systems are regularly subject to assessment under the Investors in People scheme.

External risks including political uncertainties around the continuation of revenue grant funding have led to the development of a Three Year Strategic Plan and the policy of diversifying funding sources as far as possible.

### **• Related Parties**

As appropriate, the company is guided by local and national policies around the regeneration of local communities.

Due to the nature of the charity's operations and the composition of its Trustees, it is inevitable that transactions will take place with companies or other organisations in which a Trustee may have an interest. All transactions involving companies or organisations in which a Trustee may have an interest are conducted at arm's length and in accordance with normal project and programme rules. Trustees are not permitted to participate in discussions or decisions on transactions involving their related business.

## **Glasgow South West Regeneration Agency Limited**

**(A company limited by guarantee)**

### **Objectives and Activities**

Glasgow South West Regeneration Agency (GSWRA) is committed to working in partnership with local agencies towards the long-term economic and social regeneration of the area. The objectives and activities of the charity are ambitious and a programme of activity is set to support the comprehensive regeneration of the area. These focus on the ongoing efforts to address the issue of worklessness in the area and support people back into work; the development of the local economy through the delivery of a range of business support activity including actions to develop the social economy sector; and ongoing activity to improve the local infrastructure and environment.

GSWRA has recognised that this cannot be done in isolation therefore is committed to partnership working with a wide range of agencies in order to maximise the impact that can be achieved for local communities.

GSWRA are committed to delivering the key aims identified in our Business Plan covering 2009-2011 providing an integrated and holistic approach to the economic and social development of the area. Based on the strategic themes of People, Economy and Place, the organisation will continue to support workless people to move back into the labour market; to increase the range of opportunities available within the area and link these to the needs of local people; to support the development of a strong and diverse business base; and undertake a range of activity to promote the area as an attractive, vibrant and safe place in which to live and work.

The service activity set out in the 3 year Strategic Plan has been designed to contribute to a number of policy priorities at both the national and local level. A summary of some of the main policies that underpin the work of the organisation is as follows:

- Principles & Priorities – The Government's Programme for Scotland
- Glasgow Community Planning Partnership (Community Plan and Regeneration Outcome Agreement)
- Step Change for Glasgow – Glasgow's Ten Year Economic Development Strategy
- The Cities Strategy
- Workforce Plus – An Employability Framework for Scotland
- More Choices, More Chances
- Glasgow Works

### **Vision**

The future direction of the GSWRA is underpinned by the following vision, against which the services delivered by the organisation are designed to achieve:

|  |
|--|
| <p><b>'To establish a cosmopolitan, vibrant and sustainable community across South West Glasgow, where people of all ages are proud to live, learn and work'</b></p> |
|--|

**Glasgow South West Regeneration Agency Limited**  
**(A company limited by guarantee)**

**Objectives**

In striving to achieve this vision, the overall service activity delivered by GSWRA is designed to meet the following objectives:

Objective 1: Address the issue of worklessness by supporting local people to access opportunities to move back into the labour market.

Objective 2: Create a vibrant, diverse and sustainable economy.

Objective 3: Develop the infrastructure and environment of South West Glasgow and make it an attractive and safe place in which to live and work.

Objective 4: Continually strengthen and develop the internal capacity of the organisation in order to be recognised as an excellent company that is valued by all clients and partner agencies.

A range of Activities have been developed to meet the above objectives, arranged around the following Strategic Themes -

**Strategic Themes**

| Service Development    |  |
|------------------------|--|
| People & Regeneration  | Delivery of an integrated programme of employment and training to support workless residents move back into the labour market and to support young people move into education, training or employment. |
| Economy & Regeneration | Delivery of a number of activities to support the development of the local economy and to develop the business base within South West Glasgow.   |
| Place & Regeneration   | Ongoing activity to develop the local infrastructure and improve the environment of South West Glasgow.  |

**Achievements and Performance**

Key achievements over the last year include a total of 878 people moving into employment, and 389 moving into education and training. A range of support has also been provided to local businesses, social economy organisations along with projects and activities that have built and improved the area's infrastructure, natural and built environment.

GSWRA are continually measured on a wide range of Key Performance indicators (KPI's). The table below sets out the headline figures achieved by the company

| Performance Indicator                                 | Actual<br>2008/09 | Target<br>2008/09 |
|---|-------------------|-------------------|
| Number of people engaged in pre-employability support | 6139              | 5000              |
| Number of people progressing into education/training  | 389               | 500               |
| Number of people gaining part/full qualification      | 367               | 400               |
| Number of people entering employment                  | 878               | 900               |
| Number of people sustained in employment at 13 weeks  | 340               | 360               |
| Number of people sustained in employment at 26 weeks  | 232               | 144               |

## Glasgow South West Regeneration Agency Limited

(A company limited by guarantee)

Having reviewed our performance against target in 08/09 and our external operating environment we have set the following targets for 09/10

| Performance Indicator                                 | Target<br>2009/10 |
|---|-------------------|
| Number of people engaged in pre-employability support | 2149              |
| Number of people progressing into education/training  | 464               |
| Number of people gaining part/full qualification      | 1235              |
| Number of people entering employment                  | 729               |
| Number of people sustained in employment at 13 weeks  | 77                |
| Number of people sustained in employment at 26 weeks  | 311               |

### Financial Review

#### • Operating and Financial Overview

Glasgow South West Regeneration Agency's total income for the year to 31 March 2009 was £10,943,977. Total income when compared to the same period in the prior year decreased by 12.5%. In the main the decrease can be attributable to a reduction in our traditional grant funding in relation to our People & Regeneration activity. Whilst we have seen a reduction in the traditional grant funding, the company was successful in securing a 21 month outcome based contract of over £3million (Glasgow Works). 65% of the company's income comes from grant funding, 20% from income earned from rental streams and fees for services. The remaining 15% was attributable to capital activity in relation to Orkney Street.

The company made a surplus in the current year mainly due to ongoing activity within our Enterprise & Development, associated with the redevelopment of the Orkney Street Police Station. Whilst the expenditure on this project has been capitalised, the associated income has been recognised within the SOFA in line with the Charities SORP 2005.

Whilst the company made a surplus the company ended the year with a planned net cash outflow of over £1million. This resulted in a cash overdraft position of £142,320 compared to a net credit position of over £1million at the same date last year.

The charity shows an unrestricted reserve of £7,807,579 (2008: £8,907,274). It should be noted that the majority of the unrestricted funds are non cash reserves for the purpose of the future depreciation of tangible fixed asset projects. £456,254 has been designated to specific projects which will be delivered in 2009/10: general charitable funds stand at a level of £1,066,864. The reserves policy is explained further below.

#### • Investment Policy

The Trustees have, over the life of the company, adopted a policy of providing support to projects and developments within the South West Glasgow Area. In particular, the company has prudently invested in a number of commercial property developments as a way of furthering their charitable objectives. Whilst this has provided an opportunity for an earned income stream to complement the company's other sources of funding, the overall aim of these investments has been to assist in the economic regeneration of South West Glasgow by creating affordable office space and hence attracting SME's into the area and ultimately, creating and sustaining employment.

Each project is considered individually and the merits considered and approved by the trustees prior to any monies being invested. Whilst the general substance of these programme related investments is as a loan to the parties involved, these have generally been transacted using joint venture arrangements. The accounting treatment adopted previously by the company has followed the legal position with the balances accounted for as investments within the balance sheet. However, following a review of accounting policies undertaken during the year it is considered that accounting for these items as Programme Related Investments would better reflect the true nature of the balances. Accordingly, these have been reclassified within the balance sheet.



## **Glasgow South West Regeneration Agency Limited**

**(A company limited by guarantee)**

### **• Reserves Policy**

The Trustees have examined the company's requirements for reserves in the light of the main risks to the organisation. It has established a policy whereby unrestricted general funds not committed should be approximately three months of total expenditure (£2,474,772). The reserves are needed to meet the working capital requirements of the company and the financial obligations in the short-term in the event of a significant drop in revenue grant funding. This would allow time for a restructuring of the company's activities and its project and core cost budgets. However, the significant reduction in revenue grant funding over the years has made it difficult to meet this policy and the current general reserve stands at a level of £1,066,864.

### **Plans for Future Periods**

GSWRA will remain committed to delivering on the aims and objectives in our current business plan. Additionally the Company will respond to changes and opportunities in the environment that are relevant to our client groups and in the best interest of Glasgow South West.

Recent changes in the economic environment which are being felt at a National and indeed Global level have impacted our clients to an extent and we have where possible tailored our services to reflect the changing needs. Undoubtedly though, the changes in the labour market and the reduction in new job opportunities will make our job more difficult in the coming two years. This will be true especially for those clients who are furthest from the labour market and now very much the core clients under our Glasgow Works contract and we will continue to work with partner organisations to make sure that the support we have available to these clients is as flexible and relevant as possible in the current climate.

Over the course of 2009/10 we will work with our partner LRA's and others to bid for the Flexible New Deal Phase II contract for Glasgow. Whilst the contract will not come into effect until October 2010 we will invest appropriate time and resource this year to ensure we are prepared for the contract should we win it and in an appropriate position to partner with the Prime Contractor if we do not win it outright.

### **• Funding Strategy**

The funding strategy for GSWRA is based on the requirement to secure ongoing revenue support to sustain the organisation and to explore other funding opportunities to assist in the delivery of services. An Annual Budget will be prepared that will set out the funding requirement for the following year. The funding strategy will be based on:

- Grant Funding – the organisation will continue to seek grant support from a range of sources in order to support the ongoing delivery of local services.
- Contract Services – an increasing element of the organisations funding will be based upon securing contracts for the delivery of services. GSWRA will continue to develop its contract activity and will also operate as part of the Regeneration Agency Network for City Wide contracts.
- Income Generation – GSWRA will seek to maximise its income generation activity for re-investment in service delivery. Income generation will be primarily rental income from the provision of property services.

### **Trustees' Responsibilities**

The Charity's trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the Balance Sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing these financial statements the Trustees are required to:-

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

## **Glasgow South West Regeneration Agency Limited**

**(A company limited by guarantee)**

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985 and the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005). The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement to Auditors**

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

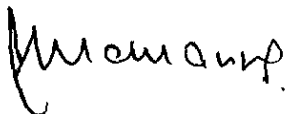
### **Auditors**

A resolution to reappoint Wylie & Bisset LLP as auditors to the company will be proposed at the Annual General Meeting due to be held on the 26<sup>th</sup> November 2009.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized entities.

Approved by the Trustees and signed on their behalf by:

Name:

A handwritten signature in black ink, appearing to read 'M. C. M. A. W.', is written over the line for the name.

Date: 19 November 2009

We have audited the financial statements of Glasgow South West Regeneration Agency for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and related notes. The financial statements have been prepared under the accounting policies set out therein.

The report is made exclusively to the members, as a body, in accordance with section 235 of the Companies Act 1985, and to the charity's trustees, 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 trustees 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 charity, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Trustees' Annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' 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 1985 and report to you in accordance with those Acts.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and whether the information given in the Trustees' Annual Report is consistent with those financial statements.

We also report to you if, in our opinion, the charity has not kept 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 information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Annual 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 (UK 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 significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 March 2009, 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 1985, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- The information given in the Trustees' Annual report is consistent with the financial statements.

Wylie + Bisset LLP

## Wylie & Bisset LLP

Eligible to act as an auditor in terms of section 25 of the Companies Act 1989

168 Bath Street  
Glasgow  
G2 4TP

Date: 19 November 2009

**Glasgow South West Regeneration Agency Limited**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income and Expenditure Account)**

**FOR THE YEAR ENDED 31 MARCH 2009**

|   | Notes | Unrestricted<br>£  | Restricted<br>£  | 2009<br>Total<br>£ | Restated<br>2008<br>Total<br>£ |
|---|-------|--------------------|------------------|--------------------|--------------------------------|
| <b>Incoming Resources</b>                                 |       |                    |                  |                    |                                |
| Incoming resources from voluntary funds                   |       |                    |                  |                    |                                |
| Voluntary income  | 3     | -                  | -                | -                  | 80,307                         |
| Investment income   | 4     | 22,603             | -                | 22,603             | 19,240                         |
| Incoming resources from charitable activities             | 5     | 5,949,305          | 4,972,069        | 10,921,374         | 12,418,248                     |
| <b>Total Incoming Resources</b>                           |       | <b>5,971,908</b>   | <b>4,972,069</b> | <b>10,943,977</b>  | <b>12,517,795</b>              |
| <b>Resources expended</b>                                 |       |                    |                  |                    |                                |
| Costs of generating voluntary income                      | 6     | -                  | -                | -                  | 54,798                         |
| Charitable activities                                     | 7     | 6,006,169          | 3,846,321        | 9,852,490          | 10,984,200                     |
| Governance costs  | 8     | 46,600             | -                | 46,600             | 61,595                         |
| <b>Total Resources Expended</b>                           |       | <b>6,052,769</b>   | <b>3,846,321</b> | <b>9,899,090</b>   | <b>11,100,593</b>              |
| <b>Net (outgoing)/incoming resources before transfers</b> |       | <b>(80,861)</b>    | <b>1,125,748</b> | <b>1,044,887</b>   | <b>1,417,202</b>               |
| Transfers   |       | (1,018,834)        | 1,018,834        | -                  | -                              |
| <b>Net (outgoing)/incoming resources</b>                  |       | <b>(1,099,695)</b> | <b>2,144,582</b> | <b>1,044,887</b>   | <b>1,417,202</b>               |
| <b>Reconciliation of Funds</b>                            |       |                    |                  |                    |                                |
| Total funds brought forward                               |       | 8,907,274          | 1,479,766        | 10,387,040         | 8,969,838                      |
| Total funds carried forward                               | 20,21 | 7,807,579          | 3,624,348        | 11,431,927         | 10,387,040                     |

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

**Glasgow South West Regeneration Agency Limited**  
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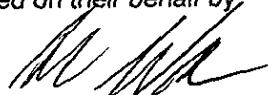
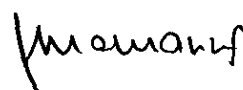
**BALANCE SHEET AT 31 MARCH 2009**

|  | Notes | £                  | 2009<br>£          | Restated<br>2008<br>£ |
|--|-------|--------------------|--------------------|-----------------------|
| <b>FIXED ASSETS</b>  |       |                    |                    |                       |
| Tangible Assets  | 13    |                    | 12,172,900         | 10,756,807            |
| Investments  | 14    |                    | -                  | -                     |
| Programme related investments                              | 15    |                    | <u>308,126</u>     | <u>308,126</u>        |
|  |       |                    | 12,481,026         | 11,064,933            |
| <b>CURRENT ASSETS</b>                                      |       |                    |                    |                       |
| Debtors  | 16    | 2,786,526          |                    | 2,784,791             |
| Cash at bank and in hand                                   |       | <u>4,763</u>       |                    | <u>1,029,280</u>      |
|  |       | 2,791,289          |                    | 3,814,071             |
| Creditors: amounts falling due<br>within one year          | 17    | <u>(1,575,826)</u> |                    | <u>(2,041,322)</u>    |
| <b>NET CURRENT ASSETS</b>                                  |       |                    | 1,215,463          | 1,772,749             |
| Creditors: amounts falling due<br>after more than one year | 18    |                    | <u>(2,264,562)</u> | <u>(2,450,642)</u>    |
| <b>NET ASSETS</b>  |       |                    | <u>11,431,927</u>  | <u>10,387,040</u>     |
| <b>Unrestricted Funds</b>                                  | 20    |                    | 7,807,579          | 8,907,274             |
| <b>Restricted Funds</b>                                    | 21    |                    | <u>3,624,348</u>   | <u>1,479,766</u>      |
| <b>TOTAL FUNDS</b>   | 23    |                    | <u>11,431,927</u>  | <u>10,387,040</u>     |

These Accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized entities.

Approved by the Trustees and signed on their behalf by

Name: Councillor Alistair Watson

Name: Alistair McManus

Date: 19 November 2009

**Glasgow South West Regeneration Agency Limited**  
**(A company limited by guarantee)**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2009**

|   | <b>2009</b>        | <b>Restated<br/>2008</b> |
|---|--------------------|--------------------------|
|   | <b>£</b>           | <b>£</b>                 |
| Operating surplus                                   | 1,044,887          | 1,417,202                |
| Depreciation charges                                | 373,849            | 439,752                  |
| Loss on disposal of fixed assets                    | -                  | 313,039                  |
| Decrease in stocks                                  | -                  | 15,350                   |
| (Increase) in debtors                               | (1,735)            | (57,778)                 |
| (Decrease) in creditors                             | (639,483)          | 525,085                  |
| <b>Net cash inflow</b>                              | <b>777,518</b>     | <b>2,652,650</b>         |
| <b>Capital Expenditure</b>                          |                    |                          |
| Payments to acquire tangible fixed assets           | (1,789,942)        | (1,473,592)              |
| <b>Net cash (outflow) / inflow before financing</b> | <b>(1,012,424)</b> | <b>1,179,058</b>         |
| <b>Financing</b>                                    |                    |                          |
| Loan repayments                                     | (159,176)          | (36,672)                 |
| Loans received                                      | -                  | 93,393                   |
| <b>Net cash (outflow) / inflow</b>                  | <b>(1,171,600)</b> | <b>1,235,779</b>         |

**Analysis Of Changes In Net Debt**

|                        | <b>At 1 April<br/>2008</b> | <b>Cash flows</b>  | <b>At 31 March<br/>2009</b> |
|------------------------|----------------------------|--------------------|-----------------------------|
|                        | <b>£</b>                   | <b>£</b>           | <b>£</b>                    |
| Cash in hand, at bank  | 1,029,280                  | (1,024,517)        | 4,763                       |
| Overdraft              | -                          | (147,083)          | (147,083)                   |
|                        | <u>1,029,280</u>           | <u>(1,171,600)</u> | <u>(142,320)</u>            |
| Debt due within 1 year | (138,282)                  | (26,904)           | (165,186)                   |
| Debt due after 1 year  | (2,450,642)                | 186,080            | (2,264,562)                 |
| <b>TOTAL</b>           | <b>(1,559,644)</b>         | <b>(1,012,424)</b> | <b>(2,572,068)</b>          |

# Glasgow South West Regeneration Agency Limited

(A company limited by guarantee)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2009

### 1. Accounting Policies

#### a) Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are set out below.

Comparative figures have been restated to reflect a reclassification of activities and funds of the charity, consistent with the areas outlined within the strategic plan.

The prior year result has been adjusted by £714,574 in respect of the Orkney Street development, (as explained in note 20).

#### b) Fund accounting

- Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity
- Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.
- Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal

#### c) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from charitable trading activities are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.



**Glasgow South West Regeneration Agency Limited**

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**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**1. Accounting Policies (continued)**

**d) Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

**e) Tangible fixed assets and depreciation**

Tangible fixed assets costing more than £750 are capitalised along with any incidental expenses of acquisition.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold property-over the term of the lease  
Freehold buildings -Over 50 years  
Fixtures and fittings -Over 4 years  
Motor vehicles -Over 4 – 10 years

No depreciation is provided on freehold land.

**f) Investments**

Investments are shown at cost less provision for permanent diminution in value.

**g) Programme related investments**

Programme related investments are shown at cost less provision for permanent diminution in value.

**h) Operating leases**

Rentals paid under operating leases are charged to the statement of financial activities. The obligation to pay future rentals on operating leases is shown by way of a note to the Accounts.

**i) Group Accounts**

Group accounts have not been prepared on the grounds that the directors consider that the results of the company's subsidiaries are not significant to the overall result of the group.

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**1. Accounting Policies (continued)**

**j) Pension scheme**

The company operates a defined contribution scheme for the benefit of its employees with an employer contribution of up to 6%. The assets of the scheme are administered by the Pension Fund Trustees in a fund independent from those of the company.

The pension costs charged against profits represent the amount of employer's contributions payable to the scheme in respect of the accounting period.

**k) Taxation**

The company is a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

**2. Legal Status**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**3. Voluntary Income**

|               | <b>Unrestricted<br/>£</b> | <b>Restricted<br/>£</b> | <b>2009<br/>Total<br/>£</b> | <b>2008<br/>Total<br/>£</b> |
|---------------|---------------------------|-------------------------|-----------------------------|-----------------------------|
| Public grants | <u>-</u>                  | <u>-</u>                | <u>-</u>                    | <u>80,307</u>               |

**4. Investment Income**

|               | <b>Unrestricted<br/>£</b> | <b>Restricted<br/>£</b> | <b>2009<br/>Total<br/>£</b> | <b>2008<br/>Total<br/>£</b> |
|---------------|---------------------------|-------------------------|-----------------------------|-----------------------------|
| Bank Interest | <u>22,603</u>             | <u>-</u>                | <u>22,603</u>               | <u>19,240</u>               |

**Glasgow South West Regeneration Agency Limited**  
**(A company limited by guarantee)**

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**

**5. Incoming Resources from Charitable Activities**

|                             | Unrestricted<br>£ | Restricted<br>£  | 2009<br>Total<br>£ | 2008<br>(Restated)<br>Total<br>£ |
|-----------------------------|-------------------|------------------|--------------------|----------------------------------|
| Core and executive function | 898,283           | -                | 898,283            | 753,886                          |
| People and Regeneration     | 3,480,748         | 2,959,215        | 6,439,963          | 7,166,893                        |
| Economy and Regeneration    | -                 | 396,659          | 396,659            | 778,493                          |
| Place and Regeneration      | 557,333           | 1,616,195        | 2,173,528          | 2,478,128                        |
| Properties                  | 1,012,941         | -                | 1,012,941          | 1,240,848                        |
|                             | <u>5,949,305</u>  | <u>4,972,069</u> | <u>10,921,374</u>  | <u>12,418,248</u>                |

The comparative figures have been restated in order to reflect the classification categories used under the charities revised operating plan. The overall balance remains unchanged.

**6. Resources Expended – Costs of Generating Voluntary Income**

|                  | Direct<br>£ | Support<br>£ | 2009<br>Total<br>£ | 2008<br>Total<br>£ |
|------------------|-------------|--------------|--------------------|--------------------|
| Project delivery | <u>-</u>    | <u>-</u>     | <u>-</u>           | <u>54,798</u>      |

**7. Resources Expended- Charitable Activities**

|                             | Direct<br>£      | Support<br>£     | 2009<br>Total<br>£ | 2008<br>(Restated)<br>Total<br>£ |
|-----------------------------|------------------|------------------|--------------------|----------------------------------|
| Core and executive function | -                | 832,298          | 832,298            | 711,143                          |
| People and Regeneration     | 6,434,904        | 236,585          | 6,671,489          | 7,056,031                        |
| Economy and Regeneration    | 392,103          | 28,921           | 421,024            | 776,680                          |
| Place and Regeneration      | 679,829          | 45,900           | 725,729            | 1,200,533                        |
| Properties                  | <u>1,201,950</u> | <u>-</u>         | <u>1,201,950</u>   | <u>1,239,813</u>                 |
|                             | <u>8,708,786</u> | <u>1,143,704</u> | <u>9,852,490</u>   | <u>10,984,200</u>                |

The comparative figures have been restated in order to reflect the classification categories used under the charities revised operating plan. The overall balance remains unchanged.

**8. Resources Expended – Governance Costs**

|                        | Direct<br>£   | Support<br>£  | 2009<br>Total<br>£ | 2008<br>Total<br>£ |
|------------------------|---------------|---------------|--------------------|--------------------|
| Staff Costs            | -             | 36,000        | 36,000             | 52,095             |
| Auditors' Remuneration | <u>10,600</u> | <u>-</u>      | <u>10,600</u>      | <u>9,500</u>       |
|                        | <u>10,600</u> | <u>36,000</u> | <u>46,600</u>      | <u>61,595</u>      |

**Glasgow South West Regeneration Agency Limited**  
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**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**

**9. Support Costs – Breakdown by delivery**

|                             | Administration | Salary         | 2009<br>Total    | 2008<br>(Restated)<br>Total |
|-----------------------------|----------------|----------------|------------------|-----------------------------|
|                             | £              | £              | £                | £                           |
| Core and executive function | 120,641        | 711,657        | 832,298          | 720,643                     |
| People and Regeneration     | 236,585        | -              | 236,585          | 171,070                     |
| Economy and Regeneration    | 28,922         | -              | 28,921           | 16,859                      |
| Place and Regeneration      | 45,900         | -              | 45,900           | 65,485                      |
| Governance                  | -              | 36,000         | 36,000           | 52,095                      |
|                             | <u>432,047</u> | <u>747,657</u> | <u>1,179,704</u> | <u>1,026,152</u>            |

Support costs are allocated based on time spent.

The comparative figures have been restated in order to reflect the classification categories used under the charities revised operating plan.

**10. Net Incoming Resources for the Year**

This is stated after charging:

|   | 2009<br>£ | 2008<br>£ |
|---|-----------|-----------|
| Depreciation                                  | 373,849   | 439,752   |
| Auditors' Remuneration - Audit Fees           | 10,600    | 9,500     |
| - Other Fees                                  | 16,750    | 2,500     |
| Operating lease rentals - Plant and Machinery | 93,966    | 46,983    |
| - Other                                       | 246,273   | 246,273   |

**11. Staff Costs and Numbers**

Staff costs were as follows:

|                       | 2009<br>£        | 2008<br>£        |
|-----------------------|------------------|------------------|
| Salaries and wages    | 5,435,507        | 4,963,920        |
| Social security costs | 473,249          | 467,641          |
| Other pension costs   | <u>95,016</u>    | <u>140,430</u>   |
| Total                 | <u>6,003,772</u> | <u>5,571,991</u> |

The number of employees whose emoluments exceeded  
£60,000 fall within the undernoted band:

|                   | 2009<br>Number | 2008<br>Number |
|-------------------|----------------|----------------|
| £70,000 - £79,999 | 1              | 1              |

**Glasgow South West Regeneration Agency Limited**  
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**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**

**11. Staff Costs and Numbers (Continued)**

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

|                       | 2009<br>Number | 2008<br>Number |
|-----------------------|----------------|----------------|
| Charitable Activities | 258            | 220            |
| Administration        | 21             | 21             |
| Total                 | 279            | 241            |

**12. Trustees' Remuneration and Related Party Transactions**

None of the trustees received any remuneration during the year nor were reimbursed expenses (2008: £ nil).

Due to the nature of the charity's operations and the composition of its Board of Directors, it is inevitable that transactions will take place with companies or other organisations in which a Trustee may have an interest. All transactions involving companies or organisations in which a Trustee may have an interest are conducted at arm's length and in accordance with normal project and programme rules. Trustees are not permitted to participate in discussions or decisions on transactions involving their related business.

**13. Tangible Fixed Assets**

|                          | Freehold<br>land and<br>buildings<br>£ | Assets<br>Under<br>Construction | Leasehold<br>properties<br>£ | Fixtures,<br>Fittings<br>And<br>Equipment<br>£ | Motor<br>Vehicles<br>£ | Total<br>£ |
|--------------------------|--|---------------------------------|------------------------------|--|------------------------|------------|
| <b>Cost or valuation</b> |  |                                 |                              |  |                        |            |
| At 1 April 2008          | 9,346,587                              | 1,565,320                       | 854,081                      | 2,232,623                                      | 88,429                 | 14,087,040 |
| Additions                | 5,138                                  | 1,751,500                       | 2,300                        | 31,004   | -                      | 1,789,942  |
| At 31 March 2009         | 9,351,725                              | 3,316,820                       | 856,381                      | 2,263,627                                      | 88,429                 | 15,876,982 |
| <b>Depreciation</b>      |  |                                 |                              |  |                        |            |
| At 1 April 2008          | 980,377                                | -                               | 373,216                      | 1,962,639                                      | 14,001                 | 3,330,233  |
| Charge for the year      | 188,487                                | -                               | 45,854                       | 130,667  | 8,841                  | 373,849    |
| At 31 March 2009         | 1,168,864                              | -                               | 419,070                      | 2,093,306                                      | 22,842                 | 3,704,082  |
| <b>Net book values</b>   |  |                                 |                              |  |                        |            |
| At 31 March 2009         | 8,182,861                              | 3,316,820                       | 437,311                      | 170,321  | 65,587                 | 12,172,900 |
| At 31 March 2008         | 8,366,210                              | 1,565,320                       | 480,865                      | 269,984  | 74,428                 | 10,756,807 |

All assets are held for direct charitable purposes.

**Glasgow South West Regeneration Agency Limited**  
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**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**

**14.Fixed Asset Investments**

|                                      | <b>Subsidiaries</b> |
|--------------------------------------|---------------------|
| Cost                                 |                     |
| At 1 April 2008 and at 31 March 2009 | 2                   |
| Provision for diminution in value    |                     |
| At 1 April 2008 and at 31 March 2009 | (2)                 |
| Net Book Value                       |                     |
| At 31 March 2008 and 31 March 2009   | <u>-</u>            |

**Shares in subsidiary undertakings**

| <b>Name of Company</b>                 | <b>Nature of business</b> | <b>Proportion of shares held Ordinary</b> |
|--|---------------------------|---|
| Electronic Adaptor Concerns Limited    | Dormant                   | 100%                                      |
| Express Surveillance Solutions Limited | Dormant                   | 100%                                      |
| GI Telesales Limited                   | Dormant                   | 100%                                      |
| GI Enterprise Limited                  | Dormant                   | *   |

\*GI Enterprise Limited does not have a share capital. It is a company limited by guarantee; Glasgow South West Regeneration Agency Limited is the only member of this company.

The above subsidiaries are registered in Scotland. Note that the results of these companies have not been consolidated with those of GSWRA on the grounds that the results are not significant to the overall result of the group.

**15. Programme Related Investments**

|                                      | <b>Loans<br/>(Restated)</b> |
|--------------------------------------|-----------------------------|
| Cost                                 |                             |
| At 1 April 2008 and at 31 March 2009 | 308,126                     |
| Provision for diminution in value    |                             |
| At 1 April 2008 and at 31 March 2009 | -                           |
| Net Book Value                       |                             |
| At 31 March 2008 and 31 March 2009   | <u>308,126</u>              |

**Details of investees companies:**

| <b>Name</b>                        | <b>Nature of Business</b>        | <b>Proportion of shares held Ordinary</b> |
|------------------------------------|----------------------------------|---|
| Moorpark Joint Venture LLP         | Property development and letting | 50%                                       |
| Govan Digital Media Centre Limited | Property development and letting | 100%                                      |
| Modular Developments Limited       | Property development and letting | 50%                                       |

**Glasgow South West Regeneration Agency Limited**  
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**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**

**15. Programme Related Investments (continued)**

Note that the all of the investee companies listed above were originally set up as joint venture companies. However, whilst this reflects the legal structure of the entities, this does not reflect the substance of the arrangement: in practice, GSWRA do not share control of the entity and hence the investment does not meet the definition of a Joint Venture as per FRS 9. Historically, these have therefore been accounted for as "other investments".

The overall substance of these investments was that of a loan to the entity in order for the company to develop property within the charities operational area with a view to improving both the area in which the development took place and the overall opportunities available to residents within the area. Whilst it is anticipated that in the long term these investments will generate income for the charity, this was not the main focus of the investment.

Accordingly, under the terms of the charities SORP these items have been accounted for as programme related investments. This represents a change in accounting policy from the prior year which the directors consider provides a more accurate reflection of the true state of the charities affairs.

The programme related investments are monitored by management via regular communication with the investee companies and review of management accounts.

Note that it is intended that the 100% shareholding in Govan Digital Media Centre Limited will be diluted following an intended share issue following which GSWRA will own 33% of the company.

**16. Debtors**

|                 | <b>2009</b>      | <b>2008</b>      |
|-----------------|------------------|------------------|
|                 | <b>£</b>         | <b>£</b>         |
| Trade Debtors   | 416,200          | 1,626,152        |
| Prepayments     | 144,505          | 167,043          |
| VAT Recoverable | 28,635           | 25,199           |
| Other Debtors   | 2,197,186        | 966,397          |
|                 | <u>2,786,526</u> | <u>2,784,791</u> |

**17. Creditors: Amounts falling due within one year**

|                                       | <b>2009</b>      | <b>2008</b>      |
|---------------------------------------|------------------|------------------|
|                                       | <b>£</b>         | <b>£</b>         |
| Loans (Note 18)                       | 165,186          | 138,282          |
| Trade creditors                       | 502,457          | 568,047          |
| Other taxes and social security costs | 119,748          | 141,562          |
| Other creditors and accruals          | 561,177          | 1,131,917        |
| Deferred income (Note 19)             | 80,175           | 61,514           |
| Bank overdraft                        | 147,083          | -                |
|                                       | <u>1,575,826</u> | <u>2,041,322</u> |

**Glasgow South West Regeneration Agency Limited**  
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**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**18. Creditors: Amounts falling due after more than one year**

|                  | <b>2009</b>      | <b>2008</b>      |
|------------------|------------------|------------------|
|                  | <b>£</b>         | <b>£</b>         |
| Bank loans       | 666,747          | 767,065          |
| Development loan | <u>1,597,815</u> | <u>1,683,577</u> |
|                  | <u>2,264,562</u> | <u>2,450,642</u> |

The loans are repayable in equal monthly instalments over 12 years. Interest on the loans is charged at 2% per annum over the Bank's Base Rate.

The loans are repayable as follows:

|                            | <b>2009</b>      | <b>2008</b>      |
|----------------------------|------------------|------------------|
|                            | <b>£</b>         | <b>£</b>         |
| In one year or less        | 165,186          | 138,282          |
| Between one and two years  | 174,636          | 144,411          |
| Between two and five years | 588,438          | 472,911          |
| In five years or more      | <u>1,501,488</u> | <u>1,833,320</u> |
|                            | <u>2,429,748</u> | <u>2,588,924</u> |

The loans and bank overdraft (see note 17) are secured by a bond and floating charge over all assets of the company. In addition, the bank has First Standard Security over Moorpark Industrial Estate and the Festival Business Centre.

**19. Deferred Income**

|                                       | <b>2009</b>   | <b>2008</b>   |
|---------------------------------------|---------------|---------------|
|                                       | <b>£</b>      | <b>£</b>      |
| Balance at 31 March 2008              | 61,514        | 478,803       |
| Amount released to incoming resources | (61,514)      | (478,803)     |
| Amount deferred in the year           | <u>80,175</u> | <u>61,514</u> |
| Balance at 31 March 2009              | <u>80,175</u> | <u>61,514</u> |

Deferred income comprises prepaid rent and management fees received in advance (2008: prepaid rent).



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**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**20. Unrestricted Funds**

|                             | Movement in funds                          |                            |                            |                    |                              |
|-----------------------------|--|----------------------------|----------------------------|--------------------|------------------------------|
|                             | (Restated)<br>Balance at<br>01-Apr-08<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£     | Balance at<br>31-Mar-08<br>£ |
| General charitable funds    | 184,202                                    | -                          | -                          | 882,662            | 1,066,864                    |
| Core and executive function | -  | 920,886                    | 878,898                    | (41,988)           | -                            |
| Designated funds:           |  |                            |                            |                    |                              |
| Projects                    | 1,473,283                                  | -                          | -                          | (1,473,283)        | -                            |
| Economy and Regeneration    | -  | -                          | -                          | -                  | -                            |
| Place and Regeneration      | 850,746                                    | 557,333                    | 695,672                    | (688,193)          | 24,214                       |
| People and Regeneration     | -  | 3,480,748                  | 3,276,250                  | 227,542            | 432,040                      |
| Properties                  | 6,399,043                                  | 1,012,941                  | 1,201,949                  | 74,426             | 6,284,461                    |
|                             | <u>8,907,274</u>                           | <u>5,971,908</u>           | <u>6,052,769</u>           | <u>(1,018,834)</u> | <u>7,807,579</u>             |

The designated funds represent those monies which have been allocated by the Trustees to specific projects or developments. This designation does not represent a restriction upon the use of these funds but represents the intention of the Trustees regarding utilisation of such monies. The reserves are not necessarily represented by cash held by the charity: in particular with regard to those reserves designated to properties, the cash has already been spent on fixed assets but is held as a designated fund to be expended over the life of the asset via depreciation in line with the Charities SORP. The actual make up of the funds is shown within note 23 which highlights the net assets by fund.

Transfers between funds have arisen due to a reclassification the activities and funds of the charity in line with the areas outlined within the strategic plan.

The unrestricted fund as at 1 April 2008 have been restated by £714,574 due to an error in accounting for the Orkney Street development.

The overall impact was that the net incoming resources in 2008 were overstated by £714,574 and accruals were understated by this amount.

**21. Restricted Funds**

|                          | Movement in funds            |                            |                            |                  |                              |
|--------------------------|------------------------------|----------------------------|----------------------------|------------------|------------------------------|
|                          | Balance at<br>01-Apr-08<br>£ | Incoming<br>resources<br>£ | Expended<br>resources<br>£ | Transfers<br>£   | Balance at<br>31-Mar-09<br>£ |
| Projects                 | 1,043,094                    | -                          | -                          | (1,043,094)      | -                            |
| Economy and Regeneration | -                            | 396,659                    | 421,024                    | 164,769          | 140,404                      |
| Place and Regeneration   | -                            | 1,616,195                  | 30,058                     | 1,585,920        | 3,172,057                    |
| People and Regeneration  | -                            | 2,959,215                  | 3,395,239                  | 747,911          | 311,887                      |
| Properties               | 436,672                      | -                          | -                          | (436,672)        | -                            |
|                          | <u>1,479,766</u>             | <u>4,972,069</u>           | <u>3,846,321</u>           | <u>1,018,834</u> | <u>3,624,348</u>             |

**Glasgow South West Regeneration Agency Limited****(A company limited by guarantee)****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 2009****21. Restricted Funds (continued)**

These funds are restricted in use within the projects or property development to which they relate, for the specific purposes that they were awarded.

These restrictions have been put in place by the awarding body. Any surplus funds arising following completion of the project or development may require to be repaid to the awarding body.

Transfers between funds have arisen due to a reclassification the activities and funds of the charity in line with the areas outlined within the strategic plan.

**22. Operating Leases Commitments**

The company had annual commitments under non-cancellable leases as set out below:

|  | 2009           |               | 2008           |               |
|--|----------------|---------------|----------------|---------------|
|  | Property<br>£  | Other<br>£    | Property<br>£  | Other<br>£    |
| Operating leases which expire:         |                |               |                |               |
| Within one year                        | 108,934        | 25,712        | 226,038        | 14,135        |
| In the second to fifth years inclusive | 31,353         | 3,917         | -              | 32,848        |
| After five years                       | 42,731         | -             | 20,235         | 46,983        |
|  | <u>183,018</u> | <u>29,629</u> | <u>246,273</u> | <u>93,966</u> |

**23. Net Assets by Fund**

|                                    | Restricted<br>£  | Unrestricted<br>£ | Total<br>£        |
|------------------------------------|------------------|-------------------|-------------------|
| Fixed Assets                       | 3,316,820        | 9,164,206         | 12,481,026        |
| Net current assets / (liabilities) | 307,528          | 907,935           | 1,215,463         |
| Long term Liabilities              | -                | (2,264,562)       | (2,264,562)       |
|                                    | <u>3,624,348</u> | <u>7,807,579</u>  | <u>11,431,927</u> |

**24. Capital Commitments**

At the year end the charity had committed to £423,880 of further capital spend in relation to the development at Orkney Street,