

CITY BUILDING (CONTRACTS) LLP

Members' Report and Financial Statements
Registered number: SO301080
Year ended 31 March 2015

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MEMBERS' REPORT

The members present their report and audited financial statements for the year ended 31 March 2015.

Principal Activity

The principal activities of City Building (Contracts) LLP are Construction, Repair and Maintenance operations and Manufacturing.

Designated Members

City Building (Contracts) LLP had two members during the period, Glasgow City Council and GCC Investments Ltd., both of whom were designated Members.

Members' Capital

No distribution was made to the members for the year.

There was no movement on members' capital within the year. Current policy is not to make repayment of members' capital. No additional Members' contributions to capital were made and no cash drawings were made against Members' capital.

BUSINESS REVIEW

Business Structure

We are pleased to report that City Building (Contracts) LLP continued to evolve as a business entity during the financial year. The primary business activities remain within Construction, Repairs and Maintenance and Manufacturing.

Financial Results for the Year

City Building (Contracts) LLP only trades with external clients' out-with Glasgow City Council.

Despite a fluctuating workload over the year, City Building has delivered strong results across turnover and profitability in a construction market which has suffered due to economic pressures. Despite these pressures, our employees and supply chain have delivered excellent end products and commercial success aligned with community and social benefits.

Our turnover at £76.3m (2014 - £97.4m) has fallen by £21.19m, a 21% reduction, reflecting the completion of some major contracts in the previous year and new project starts. Gross profit, at £33k, (2014 - £54k) however has decreased.

Whilst the above figures reflect a net operating profit of £42k cognisance should be made of the fact that that the Company continues to operate a call off arrangement with its sister company, City Building (Glasgow) LLP, under which the Company obtains services in order to deliver its contracts.

As a consequence of this agreement the reported profit for the year within the Company is £50k (2014 - £50k).

The net assets of City Building (Contracts) at 31 March 2015 increased to £500k (2014 - £450k).

Administrative Expenses

These have increased to £9.0k (2014 - £(11)k) primarily due to the change in the management fee levied by City Building (Glasgow) LLP, with a credit of £4.9k in 2015 (2014 - £324k).

Construction Division

Market conditions in general continued to be challenging for City Building (Contracts) in common with leading UK and Scottish competitors. Revisions to programme start dates and the completion of existing projects resulted in a lower turnover figure of £13.7m (2014- £34.4m), a £20.7m reduction.

Together with our sister organisation City Building (Glasgow) LLP, the Construction Division continues to be a market leader in providing opportunities which are of significant community and local economic benefit. We are still involved in rolling out various award winning equality initiatives under our "Construction for All" initiative which

targets women to move into construction as a career and includes the BME community, resulting in a significant achievement of employing 33% of all female craft apprentices in Scotland registered with Skills Development Scotland.

Our new House Building Division is now well established and we have accomplished the construction of just over 230 new units in the social housing market in the past year. The successful marketing of our prototype "Glasgow House" has resulted in the construction of variations of this design in the East End and South Side of Glasgow, with both developments being shortlisted for awards.

In recent years, to remain competitive, we recognised we had to utilise all of the assets of RSBI, our supported Manufacturing facility, which meant strategic investments in our technology capabilities, our manufacturing capabilities, our processes and our workforce. The result of this investment has created additional new ways of working and greater innovation with products and services.

The new RSBI window factory has integrated well, resulting in further flexibility to utilise windows, curtain walling and a range of PVC-u products for both our clients and ourselves. Our windows and timber kit product line for new build provide off-site manufacturing excellence. Factory controlled conditions and precision engineering guarantees quality, ensuring better air-tightness and improved thermal efficiency, which will help to significantly address the current fuel poverty issues.

Prior investment in the infrastructure of construction allows City Building to utilise its manufacturing capacity in providing timber kits, kitchens and internal fittings, thereby achieving a certainty of supply, control over scheduling and improved flexibility for both our clients and ourselves.

As a contractor we have successfully entered into new areas of work based on both the quality of our work and the community benefits that we offer.

With our main strength being in the depth of our service provision we can operate as a main contractor, sub-contractor or as part of a working partnership.

City Building (Contracts) is confident that our stance will be ratified and that our order book will allow the company to continue to grow over the course of the forthcoming year.

Repairs and Maintenance Division

The Repairs and Maintenance Division remains a vibrant, progressive and heavily customer-need driven area of the business. Over the year we have embraced our key clients' bespoke aims and objectives and helped our key clients to deliver excellence in regulatory performance returns to the Scottish Housing Regulator, and we recognise the business critical importance of this to our RSL client base.

The year has also seen a greater move towards the use of innovation in Mobile Technology with the introduction of fully system interfaced Technical Inspection processes, delivered via tablet technology helping our RSL clients cut void turnaround times and increase rental revenues. This, combined with an even greater number of trade operatives working via mobile technology, places City Building firmly at the forefront of service delivery that genuinely embodies real-time mobile technology usage that benefits both contractor and client.

This modern and progressive approach has enabled us to secure contract extensions with several key clients, and secure new contracts too. Of particular note is the successful re-securing of the repairs contract with Cassiltoun Housing Association which was contested between City Building and our competitors.

Whilst turnover for Asset Improvement or 'Investment' works reduced slightly during the year to £56.9m, (2014 - £57.8m), a £0.9m reduction, this remains a key business area for City Building, and particular focus is being placed on increasing workload in this area in the coming year. A notable achievement during the year is that City Building were able to commence several 'ECO' funding-related Roofing & Render Projects as a result of our ECO and Green Deal accreditation, and this workstream will continue over the coming year. Multi-storey projects, as well as mid-market rent homes, both via refurbishment projects, have been another key success. At various multi storey sites throughout Glasgow, City Building have helped transform the living environment for many citizens and we will build on this workstream over the next year.

We continue to secure additional repair and maintenance contracts and the retention of the 5 year Glasgow Housing Association contract for 43,000 homes gives us a solid base to work on. We are continually benchmarked within these contracts to ensure that best value is being achieved and, as a result of these favourable outcomes, we are well placed to win new contracts.

MEMBERS' REPORT (continued)

The Wheatley Group now encompasses Cube Housing Association, GHA, Loretto Housing Association, Lowther Homes, West Lothian Housing Partnership and Your Place Property Management. City Building are now successfully delivering all Repairs arrangements for all of the Wheatley subsidiaries noted above, and helping improve service delivery standards in partnership with each subsidiary and Wheatley.

Under various contracts we provide a comprehensive range of repairs and maintenance, investment and specialist services, including appointment based repairs, planned maintenance, gas, lifts, asbestos, voids and some furnished accommodation, achieving in excess of 97% customer satisfaction levels. In addition, we are helping enable our clients to deliver performance excellence, achieving "right first time" and meeting appointment time constraints in support of Scottish Housing Regulator performance returns.

Significantly, this year has also seen UK-wide market recognition of City Building's Gas Team, who won the CORGI award for UK National Contractor of the Year as well as Local Contractor of the Year for Scotland. This team has delivered, in the following diverse and highly specialised areas, through the year, namely: Gas Servicing, Repairs, District Heating System Installation, Biomass Installation and Boiler Installation. The awards secured were as a result of proposals by key clients and reviewed against UK competitors therefore it has been a very pleasing year, with recognition offered by industry leading and independent organisations.

In terms of best value we continue to contribute to the regeneration of Glasgow by using socially inclusive practices and delivering effective, accountable services, which offer value for money and enhance the quality of life, safety and wellbeing of all stakeholders.

As well as providing day-to-day maintenance, City Building also provides a Facility Management Service including lift and alarm maintenance and installation services, asbestos and Legionella identification and removal services. The prestigious lift maintenance contract for GHA has just been extended for another 3 years to 2018, demonstrating our ability to deliver high quality services to our customers.

In addition we lead by example in terms of our environmental strategy and addressing our own carbon footprint. Our strategy is annually reviewed and ensures our legal compliance, particularly with SEPA regulated Pollution Prevention and Control permits and waste management licences. Our Environmental Management System is accredited to ISO 14001:2004 and audited by BSI.

To increase the sustainable use of resources is an ongoing priority for us. It is one of the aspects highlighted within our Environmental policy and targets are in place to minimise consumption where possible.

Coupled with the introduction of small measures that engage our workforce within our various offices, larger scale measures have been a core part of our business plan. For example, the primary heating system at our Headquarters was replaced by high efficiency modulating gas boilers giving a 40% reduction in gas consumption. This was supplemented by a roof solar thermal system which not only generates hot water but acts as a working demonstration for our apprentices. We have an action plan for the current year, which includes the installation of LED lighting at Darnick Street and an ungraded boiler system at RSBi.

Our Environmental team monitors gas, electric and water consumption at our premises on a monthly basis and identifies areas for improvement where necessary.

Significant environmental innovations and improvements include the creation of a waste transfer station, handling over 4,000 tonnes of waste annually, which includes a special collection for recycling of 80 tonnes of waste from our construction sites.

As a client driven business we work in partnership with all of them to deliver operational success and to develop robust process solutions to meet their contractual requirements and organisational needs.

Manufacturing Division - RSBi

Our Manufacturing Division, Royal Strathclyde Blindcraft Industries, (RSBi) experienced an increase in turnover to £5.7m (2014 - £5.2m), a 9% increase.

RSBi is one of the most successful social enterprises in the UK, combining commercial success with socially inclusive practices, employing 260 people, 50% of whom have a disability, including HM Forces veterans from recent conflicts in Afghanistan and Iraq.

Our ongoing strategy is to invest in people, plant and equipment, to allow us to continue supplying quality products to support our core operations and the wider market.

MEMBERS' REPORT (continued)

RSBi manufactures high quality kitchens, school and office furniture and windows, and provides a range of services including document storage and management, the storage of personal belongings and furnishing design, space solutions and manufacture. The introduction of a new curtain walling line will provide RSBi with many opportunities within the construction and refurbishment market.

The range of products manufactured by RSBi supply our Construction Division in new build housing, schools, care homes and offices and reflects the fact that the Division is an integral part of the City Building operation.

As the market leader in cross public, private and third sector supply and partnership working, RSBi works with a diverse range of clients. We continue to investigate ways of adding additional workstreams and will adapt the business model to suit new opportunities, as they arise, securing employment.

This year our new online product catalogue at catalogue.citybuilding.co.uk has increased our market activities as well as opportunities for trade events.

As the new Scottish Welfare Fund arrangements are now managed by Glasgow City Council, RSBi is pleased to have been chosen as a major supplier with this contract, providing furniture and white goods to some of the most vulnerable people in Scottish society.

The Scottish Government established a national framework for Supported Factories and Businesses to provide products and services to the Scottish public sector and RSBi was successful in two Lots. This framework has already opened up new markets for RSBi and activity levels have increased.

RSBi, in partnership with Kelvin College, provides a range of core classes for all employees at its factory Learning Centre. These courses include literacy, numeracy and information technology at various levels.

The Learning Centre has been designed to provide the capacity and flexibility to allow for growth in employee participation. The inclusive nature of our provision ensures all employees have access to appropriate learning. Our growth will be sustained by engaging new learners and by providing a progression route for existing learners.

The future will continue to be challenging for RSBi and its inclusion in the above framework offers additional opportunities. The proposed changes to Reserved Contracts Legislation (Article 19) will required to be monitored over the period.

Corporate Services Division

Our Corporate Services Division, providing services through our sister LLP, City Building (Glasgow) LLP, is responsible for Training and Development, Community Engagement, Health & Safety and Environmental areas of our business.

City Building is proud of its strong social ethos and believes that community benefits and engagement are vital to the continuing success of the Company.

Community engagement is a key factor in our business plan and we have worked to interact within different communities on a large variety of projects. It is our policy to actively engage with communities prior to work commencing, to gain an understanding of their needs and expectations. We proactively involve them in our decision-making processes and, wherever possible, seek to assist the local communities in which we work. Not only do we provide local employment, apprenticeships and sponsorship of local projects and events but we also undertake community based apprenticeship projects.

City Building works strictly within the confines of the Health and Safety at Work Act 1974, the Management of Health and Safety at Work Act Regulations 1999 and the relevant Construction Regulations. A Health and Safety Management system is in place which is reviewed annually by senior management and promotes a safe and healthy working environment, ensuring the highest standards of health and safety for our employees and anyone else who may be affected by their activities.

City Building is BSI accredited for the Occupational Health and Safety award 18001 across all of its business areas.

MEMBERS' REPORT (continued)

Risk Management

City Building applies a significant level of Corporate Governance to the management of business risk and has in place a formal structured risk review process. The risk register is a live document and quarterly reviews are reported to Glasgow City Council and through our own Audit Committee, which is chaired by an elected Board member, and an external scrutiny committee.

The stability of the UK construction market appears to have improved over the year and our previous concerns with regard to the viability of sub-contractors has diminished.

We are continually engaged in seeking out new business development opportunities to bolster current contracts.

City Building has worked hard to ensure our cash management procedures are rigorous enough to enable us to manage this resource effectively and we are pleased to report that financial projections forecast a further cash positive position for the forthcoming financial year.

Regular reviews of our business operations and procedures are undertaken by our own Internal Audit Team and those of Glasgow City Council, the results of which are reported to the Audit Committee and subsequently to the Board.

Corporate Social Responsibility

At City Building, where we are "Building a Sustainable Future", we are providing skills to the workforce of tomorrow and generating true, economic and sustainable benefits in our local communities and beyond. Our strong focus on continuous training for all employees, including apprentices and tradespeople, will help us to develop responsible citizens for the future.

City Building is committed to:

- Delivering lasting employment opportunities to local people, including those with a disability and / or from minority groups,
- Engaging directly with local community groups, housing associations and other agencies to ensure we maximise opportunities to improve local areas and overall wellbeing,
- Continuing our work on youth citizenship programmes to deliver positive communities,
- Investing in green technologies to ensure the future of both our workforce and the environment,
- Increasing the number of apprentices and tradespeople trained in renewable technologies to ensure we have a multi skilled workforce for the future,
- Combining commercial success with socially and environmental responsible practices by giving life changing opportunities to those far removed from the labour market,
- Working in partnership with a range of organisations including RNIB, Glasgow's Helping Heroes and the Ministry of Defence to ensure that people of all abilities are encouraged to reach their full potential.

Our strong commitment to sustainable development will ensure that we continue to leave positive and lasting legacies for future generations and local communities.

Investment for New Business Development

City Building is committed to investing in the business to support its development and growth. In line with other construction companies we ensure our marketing budget is directed towards increasing new business opportunities.

In addition, we have recently been awarded EFQM Committed to Excellence accreditation as external validation for our quality processes.

During the year we have developed our relationships with new Housing Associations resulting in further contractual gains. We have committed further funds to cement these relationships with upgrades to the main Repair and Maintenance system and new servers to increase the speed and efficiency of our IT structure.

MEMBERS' REPORT (continued)

Outlook 2015 – 16

The Members are of the considered opinion that the core business operations continue to be in a position to deliver a profitable outcome for the forthcoming financial year.

Whilst the marketplace is quieter than this time last year it has allowed City Building to refocus its attentions on new clients and new projects.

With both a highly skilled workforce and a strong, experienced management team City Building (Contracts) is confident that it will continue to secure new contracts through the 2015 -16 financial year and that it will continue to deliver operational and financial success for both itself and its clients.

Transactions with Members

No remuneration of members occurred during the period. The members' share in the profit or loss for the period is accounted for as an allocation of profits, with unallocated profits and losses included within Other Reserves.

Disclosure of information to Auditor

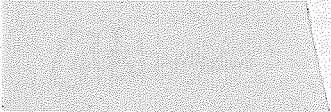
The members who held office at the date of approval of this members report confirm that, so far as they are each aware, there is no relevant audit information of which the Partnership's auditor are unaware, and each member has taken all the steps that they ought to have taken as a Member to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

The financial statements were authorised for issue on 18 June 2015.

Approved by the members and signed by



Graham Paterson

For and on behalf of

GCC LLP Investments Ltd
Designated member
Registered Number: SO301080

8 July 2015

Statement of members' responsibilities in respect of the Members' Report and the financial statements

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

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

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the LLP's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

191 West George Street
Glasgow
G2 2LJ
United Kingdom

Independent auditor's report to the members of City Building (Contracts) LLP

We have audited the financial statements of City Building (Contracts) LLP for the year ended 31 March 2015 set out on pages 9 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the members of the limited liability partnership (LLP), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members 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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 6, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the LLP as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Philip Charles (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
191 West George Street
Glasgow G2 2LJ
10 July 2015

Profit and loss account
 for the year ended 31 March 2015

	Note	2015 £000	2014 £000
Turnover	2	76,323	97,407
Cost of sales		<u>(76,290)</u>	<u>(97,353)</u>
Gross Profit	3	33	54
Administrative expenses		<u>9</u>	<u>(11)</u>
Operating profit	4	42	43
Interest receivable and similar income	5	<u>8</u>	<u>7</u>
Profit on ordinary activities before and after taxation being profit for the financial year before members remuneration and profit share		<u>50</u>	<u>50</u>
Salaried remuneration of members	6	-	-
Profit for the period available for discretionary division among members		<u>50</u>	<u>50</u>

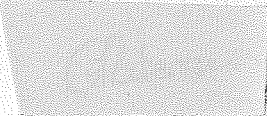
All of the LLP's operations are classed as continuing. There were no gains or losses other than those included in the above profit and loss account.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historical cost equivalents.

Balance Sheet
 at 31 March 2015

	<i>Note</i>	2015 £000	2014 £000
Current assets			
Debtors	7	22,565	27,623
Cash in hand and in bank		3,147	8,098
		<u>25,712</u>	<u>35,721</u>
Creditors: amounts falling due within one year	8	<u>(24,583)</u>	<u>(34,291)</u>
Net current assets		<u>1,129</u>	<u>1,430</u>
Provision for liabilities and charges	9	<u>(629)</u>	<u>(980)</u>
Total assets less current liabilities		<u>500</u>	<u>450</u>
Members' interest			
Members' capital		1	1
Other reserves		<u>499</u>	<u>449</u>
		<u>500</u>	<u>450</u>

These financial statements were approved by the members on 18 June 2015 and were signed on their behalf by:


 Graham Paterson
 For and on behalf of

GCC LLP Investments Ltd
 Designated member
 Registered Number: SO301080

8 July 2015

Reconciliation of Movement in Members' Interest

	Members' capital £000	Other reserves £000	Total Members' Interest £000
Balance at beginning of period	1	449	450
Profit for the period available for discretionary division among members	-	50	50
	<hr/>	<hr/>	<hr/>
Balance as at 31 March 2015	1	499	500

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Limited Liability Partnership's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules and in accordance with the Statement of Recommended Practice *Accounting by limited liability partnerships* ("LLP SORP").

The LLP's financial statements are fully consolidated in the group financial statements prepared and published by Glasgow City Council. This entitles the LLP to use the exemption from the preparation of a cash flow statement as stated in Financial Reporting Standard 1 *Cash flow statements* ("FRS 1").

As the LLP is a wholly owned subsidiary of Glasgow City Council, the LLP has taken advantage of the exemption contained in Financial Reporting Standard 8 *Related parties* and has therefore not disclosed transactions or balances with entities which form part of the group as related parties.

Going concern

The financial statements have been prepared on the going concern basis because management believe that City Building (Contracts) LLP will continue to be profitable in the following 12 months. This is based on the contracts which the LLP has for the forthcoming period and prior experience of the general profitability of the work being undertaken.

Turnover recognition

Turnover from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. Income received in advance is included in the balance sheet within creditors: amounts falling due within one year.

Long-term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous accounting periods. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated as costs incurred, less those transferred to the profit and loss account, after deducting reasonable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Provisions

Provisions are recognised when the LLP has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Members' remuneration and allocation of profits

Members are not remunerated by the LLP. A member's share in the profit or loss for the accounting period if accounted for as an allocation of profits. Unallocated profits and losses are included within 'other reserves'.

Members' capital

The capital requirements of the LLP are determined from time to time by the members. No interest is paid on capital.

Notes (continued)

1 Accounting policies (continued)

Value added tax

The LLP is registered for VAT purposes. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Taxation

Taxation on all partnership profits is solely the personal liability of individual members. Consequently neither taxation nor related deferred taxation arising in the LLP are accounted for in these financial statements.

2 Turnover

Turnover represents the invoiced value of goods and services supplied within the principal activities of the LLP and is net of VAT.

3 Gross Profit

The activities of the LLP are broken down as follows:

Year ended 31 March	Construction Activities		Repairs & Maintenance Activities		Manufacturing		Total	
	2015 £000	2014 £000	2015 £000	2014 £000	2015 £000	2014 £000	2015 £000	2014 £000
Turnover	13,706	34,400	56,886	57,841	5,731	5,166	76,323	97,407
Gross profit	(3,132)	(4,385)	3,172	4,575	(7)	(135)	33	54
Common administrative costs							9	(11)
Operating profit							42	43
Interest receivable							8	7
Profit before taxation							50	50

4 Operating profit

	2015 £000	2014 £000
Operating profit is stated after charging:		
Auditor's remuneration - audit of these financial statements	4	4
- other services relating to taxation	2	2

5 Other interest receivable and similar income

	2015 £000	2014 £000
Other interest receivable	8	7

Notes (continued)

6 Particulars of members

The number of members of the Limited Liability partnership for the period was two. No remuneration was paid to either member.

7 Debtors

	2015 £000	2014 £000
Trade debtors	14,003	13,245
Amounts due by group undertakings	-	5
Prepayments and accrued income	<u>8,562</u>	<u>14,373</u>
	<u>22,565</u>	<u>27,623</u>

8 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	26	35
Amounts owed to parent	-	-
Amounts owed to other group undertakings	21,145	29,815
Value added tax	3,406	4,435
Accruals and deferred income	<u>6</u>	<u>6</u>
	<u>24,583</u>	<u>34,291</u>

9 Provisions for liabilities and charges

	Total £000
Balance at beginning of period	980
Utilised in period	(980)
Additions in provision during the period	<u>629</u>
Balance at close of period	<u>629</u>

Provisions relate to the potential rework or claims on current completed contracts.

10 Ultimate parent organisation

The LLP's ultimate parent undertaking is Glasgow City Council, one of its designated members, as this is largest group into which the results of the LLP are consolidated. The consolidated group financial statements of Glasgow City Council may be obtained from its registered office at the City Chambers, Glasgow, G2 1DU.

11 Post Balance Sheet Events

There were no post balance sheet events requiring adjustment or disclosure within the financial statements.