
CITY PARKING (GLASGOW) LLP

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

CITY PARKING (GLASGOW) LLP

INFORMATION

Designated Members Glasgow City Council
GCC LLP Investments Limited

LLP registered number SO301266

Registered office 5 Cadogan Square
Anderston Centre
Glasgow
G2 7PH

Independent auditor Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
110 Queen Street
Glasgow
G1 3BX

Bankers Lloyds Banks Plc
Gillingham City Office
Bailey Drive
Gillingham Business Park
Kent
ME8 OLS

CITY PARKING (GLASGOW) LLP

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CITY PARKING (GLASGOW) LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The members present their annual report together with the audited financial statements of City Parking (Glasgow) LLP (the "LLP") for the year ended 31 March 2019.

Principal activities

The principal activity of City Parking (Glasgow) LLP during the year was the provision of on-street and off-street parking facilities and property management.

Designated Members

Glasgow City Council and GCC LLP Investments Limited were designated members of the LLP throughout the period. William Taggart is designated authority to sign on behalf of the designated members.

Members' capital and interests

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. The extent to which any profits or losses are shared between members is at the discretion of the members and therefore, until such time as profit is allocated to members, these amounts are shown as available for discretionary division in the Statement of Comprehensive Income and included in the Statement of Financial Position as an equity component of members' interests.

Members are required to contribute to the capital of the LLP under the terms of the Limited Liability Partnership agreement. These amounts are not automatically due back to members on retirement and therefore are presented as an equity component of members' interests.

Members' Responsibilities Statement

The members are responsible for preparing the annual 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 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under the law the members have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements are required by law to 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the 2008 Regulations.. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CITY PARKING (GLASGOW) LLP

**MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019**

Disclosure of information to auditor

The members confirm that:

- so far as each member is aware, there is no relevant audit information of which the LLP's auditor is unaware, and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

This report was approved by the members on 28 August 2019 and signed on their behalf by:

William Taggart
Designated member



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF CITY PARKING (GLASGOW) LLP

Opinion

We have audited the financial statements of City Parking (Glasgow) LLP (the 'LLP') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Basis for opinion

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

Conclusions relating to going concern

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF CITY PARKING (GLASGOW) LLP (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF CITY PARKING (GLASGOW)
LLP (CONTINUED)**

Responsibilities of members for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of. 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 for our audit work, for this report, or for the opinions we have formed.

James Chadwick
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow

30 August 2019

CITY PARKING (GLASGOW) LLP

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

| | Note | 2019 £ | 2018 £ |
|--|------|--------------------|-------------|
| Turnover | 3 | 15,594,998 | 14,854,088 |
| Impairment on valuations of investment property | 11 | (800,000) | (106,754) |
| Other external charges | | (7,654,522) | (7,363,755) |
| Gross profit | | 7,140,476 | 7,383,579 |
| Staff costs | 6 | (5,514,752) | (4,995,402) |
| Depreciation | 11 | (907,222) | (744,231) |
| Reversal of impairment | 11 | - | 4,891,891 |
| Operating profit | 4 | 718,502 | 6,535,837 |
| Interest receivable and similar income | | 27,093 | 13,148 |
| Interest payable and expenses | 8 | (2,769,582) | (2,737,738) |
| Other finance income | 9 | 73,000 | (66,000) |
| (Loss)/profit before tax | | (1,950,987) | 3,745,247 |
| (Loss)/profit before members' remuneration and profit shares | | (1,950,987) | 3,745,247 |
| (Loss)/profit for the year before members' remuneration and profit shares | | (1,950,987) | 3,745,247 |
| Members' remuneration charged as an expense | | (96,354) | (100,075) |
| (Loss)/profit for the financial year available for discretionary division among members | | (2,047,341) | 3,645,172 |
| Other comprehensive income for the year | | | |
| Actuarial gains / (losses) on defined benefit pension scheme | | 999,000 | 2,872,001 |
| Other comprehensive income for the year | | 999,000 | 2,872,001 |
| Total comprehensive income for the year | | (1,048,341) | 6,517,173 |

The notes on pages 11 to 28 form part of these financial statements.

CITY PARKING (GLASGOW) LLP
REGISTERED NUMBER: SO301266

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

| | Note | 2019 £ | 2018 £ |
|---|------|---------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 18,400,205 | 20,107,427 |
| Current assets | | | |
| Debtors: amounts falling due after more than one year | 12 | 164,939 | 203,274 |
| Debtors: amounts falling due within one year | 12 | 1,235,529 | 1,603,672 |
| Cash at bank and in hand | 13 | 6,019,498 | 4,246,917 |
| | | <u>7,419,966</u> | <u>6,053,863</u> |
| Creditors: Amounts Falling Due Within One Year | 14 | (2,538,845) | (2,415,910) |
| Net current assets | | 4,881,121 | 3,637,953 |
| Total assets less current liabilities | | 23,281,326 | 23,745,380 |
| Creditors: amounts falling due after more than one year | 15 | (43,049,956) | (43,631,049) |
| Net liabilities | | (19,768,630) | (19,885,669) |

CITY PARKING (GLASGOW) LLP
REGISTERED NUMBER: SO301266

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2019

| | Note | 2019 £ | 2018 £ |
|---|------|---------------------|---------------------|
| Represented by: | | | |
| Loans and other debts due to members within one year | | | |
| Loans and other debts due to members | | 5,256,255 | 4,090,875 |
| Members' other interests | | | |
| Members' capital classified as equity | | 1,000 | 1,000 |
| Other reserves classified as equity | | (25,025,885) | (23,977,544) |
| | | <u>(25,024,885)</u> | <u>(23,976,544)</u> |
| | | <u>(19,768,630)</u> | <u>(19,885,669)</u> |
| Total members' interests | | | |
| Amounts due from members (included in debtors) | 12 | (316,886) | (997,072) |
| Loans and other debts due to members | | 5,256,255 | 4,090,875 |
| Members' other interests | | (25,024,885) | (23,976,544) |
| | | <u>(20,085,516)</u> | <u>(20,882,741)</u> |

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 28 August 2019.

William Taggart
Designated member

The notes on pages 11 to 28 form part of these financial statements.

CITY PARKING (GLASGOW) LLP

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2019**

| | Members' capital £ | Other reserves £ | Total £ | Other amounts £ | Total £ |
|--|--------------------------|---------------------|---------------------|-----------------------|---------------------|
| Amounts due to members | | | | 4,128,392 | |
| Amounts due from members | | | | (315,794) | |
| Balance at 1 April 2017 | 1,000 | (30,494,718) | (30,493,718) | 3,812,598 | (26,681,120) |
| Profit for the year available for discretionary division among members | - | 3,645,173 | 3,645,173 | - | 3,645,173 |
| Members' interests after profit for the year | 1,000 | (26,849,545) | (26,848,545) | 3,812,598 | (23,035,947) |
| Actuarial movement in defined benefit pension scheme | - | 2,872,001 | 2,872,001 | - | 2,872,001 |
| Amounts introduced by members | - | - | - | (37,517) | (37,517) |
| Amounts withdrawn | - | - | - | (681,278) | (681,278) |
| Amounts due to members | | | | 4,090,875 | |
| Amounts due from members | | | | (997,072) | |
| Balance at 31 March 2018 | 1,000 | (23,977,544) | (23,976,544) | (316,886) | (24,293,430) |
| Loss for the year available for discretionary division among members | - | (2,047,341) | (2,047,341) | - | (2,047,341) |
| Members' interests after profit for the year | 1,000 | (26,024,885) | (26,023,885) | (316,886) | (26,340,771) |
| Actuarial movement in defined benefit pension scheme | - | 999,000 | 999,000 | - | 999,000 |
| Amounts introduced by members | - | - | - | 5,256,255 | 5,256,255 |
| Amounts due to members | | | | 5,256,255 | |
| Amounts due from members | | | | (316,886) | |
| Balance at 31 March 2019 | 1,000 | (25,025,885) | (25,024,885) | 4,939,369 | (20,085,516) |

CITY PARKING (GLASGOW) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

CITY PARKING (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, except for certain assets that are held at valuation, and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the entity's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Glasgow City Council as at 31 March 2019 and these financial statements may be obtained from City Chambers, Glasgow, G2 1DU.

1.3 Going concern

The financial statements have been prepared on the going concern basis.

The members have prepared projections for at least 12 months from the date of approval of the financial statements and these show that the LLP has sufficient facilities to meet its liabilities as they fall due.

The designated member, Glasgow City Council, provided funding through an unsecured term loan of £2m which is due for renewal on 5 September 2035. Glasgow City Council has confirmed, as ultimate parent undertaking, they will continue to provide the LLP with the necessary financial support for at least a further 12 months from the date of signing of the financial statements of the LLP for the year ended 31 March 2019.

CITY PARKING (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.4 Revenue

The turnover shown in the profit and loss account represents amounts earned during the period, exclusive of Value Added Tax. Income received in advance in relation to tenant leases and season tickets is included in the Statement of Financial Position as deferred income within the creditors' amounts falling due within one year. The income is released monthly to the profit and loss account over the respective rental or season ticket period.

Income received from on street parking facilities is based upon a service agreement whereas an annual fee is received in equal monthly installments. Performance fees are recognised only when conditions have been met.

1.5 Tax

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

1.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

CITY PARKING (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The LLP adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the LLP. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|------------------------|--|
| Leasehold property | - Over the life of the lease |
| Equipment | - Over 5 - 15 years |
| Leasehold improvements | - Over the shorter of the remaining useful life of the lease or 15 years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

A reversal of impairment shall only be recognised where the factors that drove the reversal of the impairment are the same as the factors that drove the initial impairment. The reversal of impairment may not take the value above the carrying value of the asset had the initial impairment not been recognised.

CITY PARKING (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.9 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

1.10 Operating leases: the LLP as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

1.11 Members' capital

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

1.12 Members' remuneration and allocation of profits

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. The extent to which any profits or losses are shared between members is at the discretion of the members and therefore, until such time as profit is allocated to members, these amounts are shown as available for discretionary division in the Statement of Comprehensive Income and included in the Statement of Financial Position as an equity component of members' interests.

Members are required to contribute to the capital of the LLP under the terms of the Limited Liability Partnership agreement. These amounts are not automatically due back to members on retirement and therefore are presented as an equity component of members' interests.

CITY PARKING (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.13 Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with FRS 102 Section 11 and 12. A member's participation rights results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Statement of Financial Position.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Profit and Loss Account and are equity appropriations in the Statement of Financial Position.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on member's loan balances, are treated in the same way as all other divisions of profit, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment. Interest is charged through members' remuneration charged as an expense.

CITY PARKING (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.14 Pension costs and other post-retirement benefits

The LLP operates a defined benefit pension scheme for its employees. The assets of the scheme are held separately from those of the LLP in an independently administered fund. All existing and new members of staff have the option of joining the Strathclyde Pension Fund ("the Fund").

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to the profit and loss account. Past service costs are recognised over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for the benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss is recognised in the profit and loss account during the period in which the settlement or curtailment occurs.

The interest cost and the expected return on assets are shown as a net amount in the profit and loss account within other finance costs and income. Actuarial gains and losses are recognised immediately in Other Comprehensive Income.

Pension scheme assets are valued at fair value at the Statement of Financial Position date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The pension scheme surplus (to the extent that it can be recovered via reduced future contributions) or deficit is recognised in full on the Statement of Financial Position. Where there is no ability to recover any surplus against future contributions, no pensions asset shall be recognised. The expected cost of providing staff pensions to employees contributing to the Fund is recognised in the profit and loss account on a systematic basis over the expected average remaining lives of members of the funds, in accordance with Financial Reporting Standard 102 Section 28 'Employee Benefits' and recognises retirement benefits as the benefits are earned and not when they are due to be paid.

CITY PARKING (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been included:

Investment Properties

Investment properties are included in the Statement of Financial Position at market value, which is arrived at by obtaining a valuation from a professional surveyor. The total carrying value of investment properties to which the estimation uncertainty relates, and further information on the valuation technique, is given in note 11.

Staff Pension Scheme and Recognition of Pension Scheme Asset

The surplus/(deficit) on the defined benefit pension scheme is included in the Statement of Financial Position in line with Financial Reporting Standard 102. The surplus/(deficit) is arrived at by obtaining a valuation from the scheme actuary. Where a surplus is generated, consideration is given to whether it can be recognised by the company, based on the extent to which it is recoverable by reduced payments or recovery surplus. More information is contained in note 20.

Carrying Value of Property

As the partnership continues to generate an operating loss from the provision of the car parks, the carrying value of the car parks are considered annually for impairment. A previous impairment may only be reversed where the reversal is driven by the same factors which drove the initial impairment, and any write back may not take the carrying value above what the depreciated cost would have been had the impairment not been booked initially. The impairment previously recognised and the reversal in current year are both driven by changes in the economic environment and thus the reversal has been booked.

CITY PARKING (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

3. Turnover

The entity has carried on the following classes of business during the financial period; car park management and related income, enforcement management and investment property income. It would be prejudicial to the entity's interest to disclose this analysis and has therefore been omitted.

Analysis of turnover by country of destination:

| | 2019 £ | 2018 £ |
|----------------|-------------------|-------------------|
| United Kingdom | <u>15,594,998</u> | <u>14,854,088</u> |

4. Operating profit

The operating profit is stated after charging:

| | 2019 £ | 2018 £ |
|---------------------------------------|----------------|----------------|
| Depreciation of tangible fixed assets | 907,223 | 744,231 |
| Impairment of investment properties | <u>800,000</u> | <u>100,000</u> |

5. Auditor's remuneration

| | 2019 £ | 2018 £ |
|---|--------------|--------------|
| Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts | 16,600 | 17,620 |
| Fees payable to the LLP's auditor and its associates in respect of: | | |
| Accounts preparation | 1,000 | 1,000 |
| Other services relating to taxation | <u>1,900</u> | <u>1,850</u> |

CITY PARKING (GLASGOW) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. Employees

Staff costs, including members' remuneration, were as follows:

| | 2019 | 2018 |
|--------------------------------|-------------------------|-------------------------|
| | £ | £ |
| CoS wages and salaries | 3,548,293 | 3,526,222 |
| Social security costs | 315,566 | 322,873 |
| Cost of defined benefit scheme | 1,650,893 | 1,137,800 |
| Redundancy Costs | - | 8,507 |
| | <u>5,514,752</u> | <u>4,995,402</u> |

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

| | 2019 | 2018 |
|------------------------|-------------------|-------------------|
| | No. | No. |
| Senior management | 4 | 4 |
| Administrative support | 15 | 14 |
| Car park management | 1 | 1 |
| Car park staff | 30 | 30 |
| On street management | 2 | 2 |
| On street staff | 109 | 95 |
| | <u>161</u> | <u>146</u> |

7. Information in relation to members

| | 2019 | 2018 |
|---------------------------------------|----------------------|-----------------------|
| | £ | £ |
| Interest in relation to members' loan | <u>96,354</u> | <u>100,075</u> |

City Parking (Glasgow) LLP has two members; Glasgow City Council and Glasgow City Council Investments LLP.

There were 2 members in the year to March 2019 (2018: 2).

CITY PARKING (GLASGOW) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Interest payable and similar expenses

| | 2019 | <i>2018</i> |
|-----------------------|-------------------------|-------------------------|
| | £ | £ |
| Bank interest payable | 2,769,582 | <i>2,737,738</i> |
| | <u><u>2,769,582</u></u> | <u><u>2,737,738</u></u> |

9. Other finance costs

| | 2019 | <i>2018</i> |
|---|----------------------|------------------------|
| | £ | £ |
| Expected return on pension scheme assets | 820,000 | <i>718,000</i> |
| Interest cost on defined benefit obligation | (747,000) | <i>(784,000)</i> |
| | <u><u>73,000</u></u> | <u><u>(66,000)</u></u> |

10. Intangible assets

| | Goodwill |
|-------------------------|-------------------------|
| | £ |
| Cost | |
| At 1 April 2018 | 4,928,500 |
| At 31 March 2019 | <u><u>4,928,500</u></u> |
| Amortisation | |
| At 1 April 2018 | 4,928,500 |
| At 31 March 2019 | <u><u>4,928,500</u></u> |
| Net book value | |
| At 31 March 2019 | <u><u>-</u></u> |
| <i>At 31 March 2018</i> | <u><u>-</u></u> |

CITY PARKING (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. Tangible fixed assets

| | Leasehold investment property £ | Leasehold Property £ | Leasehold improvements £ | Office equipment £ | Total £ |
|-------------------------------------|--|----------------------------|--------------------------------|--------------------------|-------------------|
| Cost or valuation | | | | | |
| At 1 April 2018 | 1,100,000 | 18,438,423 | 78,883 | 1,493,405 | 21,110,711 |
| Impairment | (800,000) | - | - | - | (800,000) |
| At 31 March 2019 | <u>300,000</u> | <u>18,438,423</u> | <u>78,883</u> | <u>1,493,405</u> | <u>20,310,711</u> |
| Depreciation | | | | | |
| At 1 April 2018 | - | 51,498 | 53,896 | 897,890 | 1,003,284 |
| Charge for the year on owned assets | - | 768,268 | 4,997 | 133,957 | 907,222 |
| At 31 March 2019 | <u>-</u> | <u>819,766</u> | <u>58,893</u> | <u>1,031,847</u> | <u>1,910,506</u> |
| Net book value | | | | | |
| At 31 March 2019 | <u>300,000</u> | <u>17,618,657</u> | <u>19,990</u> | <u>461,558</u> | <u>18,400,205</u> |
| At 31 March 2018 | <u>1,100,000</u> | <u>18,386,925</u> | <u>24,987</u> | <u>595,515</u> | <u>20,107,427</u> |

The net book value of land and buildings may be further analysed as follows:

| | 2019 £ | 2018 £ |
|----------------|-------------------|-------------------|
| Freehold | 300,000 | 1,100,000 |
| Long leasehold | 17,618,657 | 18,386,926 |
| | <u>17,918,657</u> | <u>19,486,926</u> |

The investment property was valued as 31 March 2018 by independent professionally qualified valuers who held a recognised relevant qualification and have recent experience of the investment properties valued.

If the Investment property had not been included at valuation they would have been included under the historical cost convention at £3,179,000.

CITY PARKING (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

12. Debtors

| | 2019 £ | 2018 £ |
|-------------------------------------|------------------|-----------|
| Due after more than one year | | |
| Prepayments and accrued income | 164,939 | 203,274 |
| | 164,939 | 203,274 |
| | | |
| | 2019 £ | 2018 £ |
| Due within one year | | |
| Trade debtors | 272,044 | 27,687 |
| Other debtors | 149,156 | 133,656 |
| Prepayments and accrued income | 497,443 | 445,257 |
| Amounts due from members | 316,886 | 997,072 |
| | 1,235,529 | 1,603,672 |

13. Cash and cash equivalents

| | 2019 £ | 2018 £ |
|--------------------------|------------------|-----------|
| Cash at bank and in hand | 6,019,498 | 4,246,917 |

14. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|------------------|-----------|
| Bank loans | 504,000 | 504,000 |
| Trade creditors | 69,436 | 7,621 |
| Amounts owed to group undertakings | 48,503 | 102,097 |
| Other taxation and social security | 340,577 | 529,225 |
| Other creditors | 140,366 | 144,409 |
| Accruals and deferred income | 1,435,963 | 1,128,558 |
| | 2,538,845 | 2,415,910 |

CITY PARKING (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

15. Creditors: Amounts falling due after more than one year

| | 2019 £ | 2018 £ |
|-----------------|-------------------|-------------------|
| Bank loans | 42,267,998 | 42,771,998 |
| Other creditors | 781,958 | 859,051 |
| | <u>43,049,956</u> | <u>43,631,049</u> |

Secured loans

A standard security is held over the leasehold property of the partnership in favour of Lloyds Bank Plc.

The term loan is due for payment by 1 October 2035. The first installment of £16,667 was paid on 6 June 2012. Interest is charged at average rate of 6.02% on the term loan.

Please provide details of the terms of payment or repayment and the rates of any interest payable on the amounts repayable more than five years after the balance sheet date.

16. Loans

Analysis of the maturity of loans is given below:

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| Amounts falling due within one year | | |
| Bank loans | 504,000 | 504,000 |
| Amounts falling due 1-2 years | | |
| Bank loans | 504,000 | 504,000 |
| Amounts falling due 2-5 years | | |
| Bank loans | 3,994,000 | 3,118,000 |
| Amounts falling due after more than 5 years | | |
| Bank loans | 37,769,998 | 39,149,998 |
| | <u>42,771,998</u> | <u>43,275,998</u> |

CITY PARKING (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

17. Financial instruments

| | 2019 £ | 2018 £ |
|---|---------------------|---------------------|
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | 6,019,498 | 4,246,917 |
| Financial assets that are debt instruments measured at amortised cost | 6,757,584 | 1,159,227 |
| | <u>12,777,082</u> | <u>5,406,144</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>(49,409,088)</u> | <u>(49,456,260)</u> |

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, accrued income and amounts due from members.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts owed to group undertakings, other creditors, accruals and amounts owed to members.

18. Contingent liabilities

There were no contingent liabilities at 31 March 2019 and 31 March 2018.

19. Capital commitments

There were no capital commitments at 31 March 2019 and 31 March 2018.

CITY PARKING (GLASGOW) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

20. Pension commitments

The entity operates a Defined Benefit Pension Scheme.

City Parking (Glasgow) LLP is a member of the Strathclyde Pension Fund - a multi-employer defined benefit scheme. The scheme offers retirement benefits to employees under the terms and conditions of employment. Although these benefits will not actually be payable until an employee retires, the LLP has a commitment to make the payments that need to be disclosed at the time employees earn their entitlement.

Assets are valued at fair value. Quoted securities are valued at bid price rather than mid-market value to comply with the 2008 SORP. Liabilities are valued on actuarial basis using the projected unit method, which assessed the future liabilities of the fund discounted to their present value. The fund's liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries. Calculations have been based on the valuation of the scheme as at 31 March 2012 updated to 31 March 2019.

Reconciliation of present value of plan liabilities:

| | 2019 | 2018 |
|--|---------------------|---------------------|
| | £ | £ |
| Reconciliation of present value of plan liabilities | | |
| Opening fair value of scheme liabilities | (27,003,000) | (29,731,000) |
| Current service cost | (1,166,000) | (1,150,000) |
| Interest cost | (747,000) | (784,000) |
| Actuarial (losses)/gains | (2,540,000) | 4,375,000 |
| Contributions | (175,000) | (179,000) |
| Benefits paid | 437,000 | 445,000 |
| Estimated unfunded benefits paid | 22,000 | 21,000 |
| Past service cost | (500,000) | - |
| At the end of the year | (31,672,000) | (27,003,000) |

Reconciliation of present value of plan assets:

| | 2019 | 2018 |
|--------------------------------------|-------------------|-------------------|
| | £ | £ |
| Opening fair value of scheme assets | 30,245,000 | 27,470,000 |
| Expected return on assets | 820,000 | 718,000 |
| Actuarial gains | 987,000 | 1,739,000 |
| Contributions by employer | 594,000 | 605,000 |
| Contributions by scheme participants | 175,000 | 179,000 |
| Estimated unfunded benefits paid | (22,000) | (21,000) |
| Benefits paid | (437,000) | (445,000) |
| At the end of the year | 32,362,000 | 30,245,000 |

CITY PARKING (GLASGOW) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

20. Pension commitments (continued)

Composition of plan assets:

| | 2019 % | 2018 % |
|-------------------------------------|--------------|--------------|
| Equity | 64 | 66 |
| Bonds | 24 | 15 |
| Property | 10 | 9 |
| Cash | 2 | 10 |
| Total plan assets | 100 | 100 |
| | 2019 £ | 2018 £ |
| Fair value of plan assets | 32,362,000 | 30,245,000 |
| Present value of plan liabilities | (31,672,000) | (27,003,000) |
| Derecognition of pension assets | (690,000) | (3,242,000) |
| Net pension scheme liability | - | - |

The amounts recognised in profit or loss are as follows:

| | 2019 £ | 2018 £ |
|--------------------------------|--------------------|--------------------|
| Current service cost | (1,166,000) | (1,150,000) |
| Interest on obligation | (747,000) | (784,000) |
| Interest income on plan assets | 820,000 | 718,000 |
| Past service cost | (500,000) | - |
| Total | (1,593,000) | (1,216,000) |

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £2,222,000 (2018: £1,223,000).

The entity expects to contribute £572,000 to its Defined Benefit Pension Scheme in 2020.

CITY PARKING (GLASGOW) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

20. Pension commitments (continued)

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

| | 2019 | 2018 |
|---------------------------|-------------|------|
| | % | % |
| Discount rate at 31 March | 2.40 | 2.70 |
| Future pension increases | 2.50 | 2.40 |
| Future salary increases | 3.70 | 3.60 |

Mortality assumptions for both years are based on CMI 2016, long term rates of 1.5% PA (male) and 1.25% PA (female).

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---------------------|--------------|--------------|--------------|--------------|
| | £ | £ | £ | £ | £ |
| Defined benefit obligation | (31,672,000) | (27,003,000) | (29,731,000) | (21,560,000) | (22,593,000) |
| Scheme assets | 32,362,000 | 30,245,000 | 27,470,000 | 21,919,000 | 20,944,000 |
| Surplus | 690,000 | 3,242,000 | (2,261,000) | 359,000 | (1,649,000) |
| Experience adjustments on scheme assets | 2,738,000 | 1,739,000 | 4,361,000 | (127,000) | 735,000 |

CITY PARKING (GLASGOW) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

At 31 March 2019 year end pension scheme had a surplus of 609,000. This was not recognised in the Statement of Financial Position because the surplus could not be recovered through reduced future contributions or other means. This is discussed at Note 2 'Judgements in applying accounting policies and key sources of estimation uncertainty'.

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

| | Approx % increase to Employer Liability | 2019 | 2018 |
|--|--|-------------|-------------|
| | | £000 | £000 |
| Change in assumptions at 31 March 2018: | | | |
| 0.5% decrease in Real Discount Rate | 11% | 3,527 | 2,973 |
| 0.5% increase in the Salary Increase Rate | 2% | 780 | 708 |
| 0.5% increase in the Pension Increase Rate | 8% | 2,661 | 2,200 |

21. Commitments under operating leases

At 31 March 2019 the LLP had future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 | 2018 |
|--|--------------------------|--------------------------|
| | £ | £ |
| Not later than 1 year | 2,640,323 | 2,601,423 |
| Later than 1 year and not later than 5 years | 10,974,347 | 10,806,719 |
| Later than 5 years | 78,008,552 | 80,816,923 |
| | <u>91,623,222</u> | <u>94,225,065</u> |

22. Related party transactions

The company has taken advantage of the exemption afforded to subsidiaries in FRS 102, Section 33 Related Party Transactions.

23. Ultimate parent company

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